

PARTNERSHIP MOTION – General Fund and Common Good Budgets and Carbon Budget 2025/26

In the name of Councillor McLellan

It is recommended that Council note the content of the reports and appendices and:

	Balance Sheet Recommendations
1	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;
2	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 Appendix 1;
3	Approve the Prudential Indicators as detailed in Appendix 2;
4	Notes the existing limit on the annual Cost of Financing Capital at 12% of projected Net Revenue;
5	Approve the Revenue and Capital Reserves Statement for 2025/26 as detailed in Appendix 6 of the report;
6	Approve the use of the Capital Fund to support any financial implications arising from the Council's support to owners of properties affected by RAAC, see Section 8 of the report; and
7	Agree to continue the voluntary severance/early retirement scheme (VSER), funded through the Service Concession Reserve, to support the Council's commitment to no compulsory redundancies.
	Medium-Term Financial Projections
8	Instruct the Chief Officer – Finance to report to the Finance and Resource Committee an updated Medium Term Financial Strategy no later than December 2025.
	Risks
9	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.
	Revenue Budget Recommendations
10	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;
11	Approve funding awards for the Cultural Investment Framework for 2025/26, and note the forecast indicative funding for the following two years as detailed in Appendix 3;
12	Note the Commissioning Intentions and approve Service Standards as described in Appendix 11 of the report, subject to any amendments approved and included in (10) 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
13	Instruct the Chief Executive, in light of the notified retirement of the current postholder 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.
	Annual Revenue Budget Recommendations - Aberdeen City Group
14	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, with reference to paragraph 6.8 of the report, and as shown in Appendix 4, noting that the IJB will determine how it will balance its budget in March 2025;
15	Agrees, given the challenging environment the IJB is operating in, to provide an Aberdeen City Council additional £9.5 million contribution above the Scottish Government grant requirements, to the Integration Joint Board to protect a sustainable service, meeting the needs of the most vulnerable in our city.
16	Approve the fees and charges for the Aberdeen City Health & Social Care Partnership IJB, as shown in Appendix 5;
17	Approve the level of funding for the Council's other group entities and Arm's Length External Organisations (ALEOs), in 2025/26 with reference to paragraph 6.8 of the report, and as shown in Appendix 4, noting that it will be for the ALEOs themselves to determine how they will balance their budgets; and
18	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.
	Taxation Recommendations
19	Approve a Band D equivalent Council Tax rate of £1,636.27 (9.85% increase), with effect from 1 April 2025;
20	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;
21	Approve an Empty Property Relief Scheme for Aberdeen City with effect from 1 April 2025, as set out in Appendix 3;
22	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;
	Employers' National Insurance Contribution
23	Recognises the shortfall in funding provided by the Labour Government at Westminster for public sector Employers' National Insurance Contributions in Scotland. This is costing Aberdeen City Council at least £3 million for directly employed staff. The shortfall is likely to be much greater, considering the level of significant financial risk having been described in the report by the Chief Finance Officer around the rising cost of commissioned services.
24	Agrees that at least £3 million of the Council Tax uplift is directly covering the cost of the unfunded Employers' National Insurance Contributions
25	Agrees the impact of Employers' National Insurance Contributions on Aberdeen City Council may reach £8 million thanks to the reckless decisions of the Labour Government at Westminster due to no funding being made available to fund the Employer National Insurance Contributions for the cost of commissioned services. Agrees the inflationary provision for contracts will likely be insufficient to cover the rising costs of commissioned services.
26	Agrees the decision of the Labour Government at Westminster to provide no funding for the third and voluntary sector, who deliver vital services on behalf of the Council, will create significant cost pressures and may impact the service they deliver to the citizens of Aberdeen City.

	Integrated Impact Assessments
27	Having considered the IIAs prepared by officers for the budget report, note the further assessment as per Appendix 7 prepared in support of the decisions taken by the council in approving the General Fund and Common Good budgets for 2025/26;
28	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 and instruct Chief Officer - Governance to bring a review of the budget protocol to the Governance Reference Group ahead of the April Council meeting.
	Common Good
29	Approve the Common Good Budget 2025/26 as detailed in the Common Good budget report, modified as detailed in Appendix 6;
30	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.
31	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.
	Carbon Budget
32	Approve the Council Carbon Budget 2025/26 including carbon target for 2025/26 of 22,567 tonnes of carbon dioxide equivalent (tCO ₂ e) and note the provisional 5 year carbon budget forecast to 2029/30;
33	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;
34	Note the indicative Function/ Cluster carbon budget allocation, as attached at Appendix A [of the report];
35	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;
36	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;
37	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.
38	Supporting People with the Cost of Living
39	Agrees to maintain the Fairer Aberdeen Fund for a 10th year at £1.54 million to tackle poverty and deprivation across the priority neighbourhoods
40	Agrees to allocate £1m to the Anti-Poverty and Inequality Committee to tackle the cost-of-living crisis across Aberdeen, to be distributed in consultation with the committee's external advisors.
	Learning Environment
41	Notes the ongoing school estates review and acknowledge over £200 million is committed within the capital programme for the delivery of 5 new or refurbished school buildings;
42	Tillydrone Primary (opening 2025), Harlaw Academy (completed 2026), Ferryhill School (completed 2026), St Peters' RC School (opening 2027) and Hazlehead Academy (opening 2028),
43	Instruct the Chief Officer - Operations to take forward and complete the process of installing a pedestrian crossing facility on Bon Accord Street near Ferryhill school approximately in the vicinity of Caledonian Place, utilising the Planned Renewal and Replacement of Roads Infrastructure budget up to a maximum of £250,000, the type and precise location of the pedestrian crossing facility to be determined by the Chief Officer – Operations in consultation with the Convener and Vice Convener of the Net Zero, Environment, Transport Committee; but this instruction being subject to completion by that Chief Officer of an Integrated Impact Assessment and that Chief Officer considering that the outcomes of that Assessment does not make it inappropriate to install such a pedestrian crossing facility.
44	Instruct the Chief Officer - Operations to take forward and complete the process of installing a pedestrian crossing facility on Countesswells Road near Airyhall school between Airyhall Avenue and Macaulay Drive, utilising the Planned Renewal and Replacement of Roads Infrastructure budget up to a maximum of £75,000, the type and precise location of the pedestrian crossing facility to be determined by the Chief Officer – Operations in consultation with the Convener & Vice Convener of the Net Zero, Environment, Transport Committee; but this instruction being subject to completion by that Chief Officer of an Integrated Impact Assessment and that Chief Officer considering that the outcomes of that Assessment does not make it inappropriate to install such a pedestrian crossing facility
45	Instruct Chief Officer Education and Chief Officer Capital to investigate the delivery of school meals at the three priority schools (Ashley Road School, Broomhill, Abbotswell) and feed any findings into School Estate Plan.
46	Welcomes the continuation of ABZCampus to realise the potential of young people across the city, by widening curriculum choices, promoting foundation apprenticeships and implementing progressive choices.
47	Agrees continued investment in the Summer, Autumn and Easter in the city programmes which sees approximately 8,700 children benefitting from the offer of over 15,000 activities throughout the school holidays.
	City Centre and Beach Masterplan
48	Note the ongoing £21.7 million regeneration of Aberdeen's city centre at Union Street Central (section between Bridge Street and Market Street) to create an enhanced public space.
49	Note the ongoing construction of the £31.3million 'Flint' market which will create a destination venue showcasing local produce and goods, as well as creating improved pedestrian connectivity between Union Street and our railway and bus station.
50	Agrees the regeneration of the Castlegate should begin immediately following the Tall Ships 2025 festival, and instruct the Chief Officer – Capital to make the necessary arrangements and carry out the tender and contract award to ensure this timeline is met.
51	Notes the ongoing £57.8 million transformation of the beachfront with the creation of the largest free to access play and activity park in Scotland, making Aberdeen a key destination for families within the region, but also nationally.
52	Instruct the Chief Officer - Operations to take forward the Stopping Up process for the section of road at the Beach Boulevard from Links Road to Beach Esplanade if the Chief Officer – Operations considers it appropriate to do so following consultation with the Chief Officer – Commercial and Procurement Services and the Chief Officer - Strategic Place Planning and completion of an Integrated Impact Assessment; and, if the Stopping Up process is taken forward as aforesaid, instruct the Chief Officer - Operations to make the Stopping Up order should the statutory/public consultation yield no objections;
53	Notes the importance of the Beach Ballroom, both to the heritage of Aberdeen and as a key cornerstone project in the wider City Centre and Beach Masterplans, and instructs Chief Officer City Regeneration and Chief Officer Commercial and Procurement to bring back an investment plan to the Finance and Resources Committee no later than December 2025, which maintains the cultural heritage of the building, but also ensures that the building meets modern standards, to allow it to become commercially viable.

	Vibrant City
54	Notes Aberdeen City Council, working with partners, has brought the Tall Ships Race 2025 to Aberdeen for the first time in nearly 30 years
55	Agrees the recommendations on the Cultural Investment Framework as detailed in Appendix 3.
56	Welcomes the significant work undertaken to deliver the Denis Law Legacy Trail and Mural in Printfield, which is due to open later this year.
57	Agree to commission the SPECTRA Festival – “Scotland’s Festival of Light” for a further two years (25/26 and 26/27) funded through the General Revenue Account, and instructs the Chief Officer – City Development and Regeneration to maximise the commercial sponsorship and external funding where possible to offset costs.
58	Note our continued investment in our city centre, through maintained Our Union Street funding, continued investment in the Empty Shops Grant Scheme, Heritage Place Programme and investment in the footfall data through HUQ.
	Keeping our city moving
59	Instructs Chief Officer - Strategic Place Planning to work with public and private partners to explore opportunities to deliver on street electric vehicle charging points, and report back to the most appropriate committee no later than December 2025.
60	Notes the commitment within the Capital Programme to £4.5 million investment in roads and pavements for 2025/26, as part of our commitment to spend £22.5 million over 5 years
61	Agrees the following to be funded by Bus Lane Enforcement surplus;
62	Procure night bus services across five key routes between Aberdeen city centre and Aberdeenshire for 2025/26-2028/29 up to the sum of £400,000 for the total contract cost;
63	Agrees to continue to fund the X14 service for Kingswells at the current cost of £340,000 and instruct Chief Officer - Corporate Landlord to procure a service for 2025/26-2028/29 with costs to be met from the Bus Lane Enforcement (BLE) fund;
64	Agrees the following to be funded by Low Emission Zone surplus;
65	Procure a cycle hire scheme for Aberdeen for 2025/26-2028/29 up to the sum of £200,000 for the total contract;
66	Notes the ongoing discussions between RGU, Garthdee Residents and Council Officers around the continuation of the controlled parking zone, and agrees Scenario 2 as per the committee report to Net Zero, Environment and Transport (12th November 2024)
67	Instruct the Chief Officer – Operations to engage with landowners, developers and other interested parties as the Chief Officer – Operations deems appropriate to investigate the feasibility of constructing appropriate infrastructure that can facilitate traffic exiting the Newhills Development area onto the A96 in all directions
68	Instruct Chief Officer - Capital to tender for the Berryden Corridor, as per the funding within the Capital Programme, to see the project delivered in full at the earliest opportunity.
	Active City
69	Agrees £4.1 million funding for Sport Aberdeen, with £908,991 coming from NYOP, as per appendix 4
70	Agrees in principle to carry out the necessary repairs, through the Condition and Suitability Programme, at Westburn Tennis Centre, to allow Sport Aberdeen to access external funding in further support of the project.
71	Instruct Chief Officer - Capital to carry out engagement and design development for the City's fourth Cruyff Court in Kincorth, working in partnership with the Denis Law Legacy Trust , Johan Cruyff Foundation and the local community, noting the allocation of £750k within the Capital Programme
	Prosperous City
72	Acknowledge the significant work undertaken to get an Investment Zone and instruct Chief Officer - City Development and Regeneration to continue working with all stakeholders to realise the full potential of the region by boosting the economy, stimulating business growth and creating high quality, well-paid jobs.
73	Notes the continuing progress of Aberdeen City Region Deal, which sees over £1 billion invested in the region – including the launch of SeedPod on 14th March and on-going progress with the Aberdeen South Harbour Link Road.
74	Reaffirms our commitment to the delivery of the Aberdeen South Harbour Link Road within Aberdeen City Region Deal and instructs Chief Officer - City Development to report to the next meeting of the Finance and Resource Committee to ensure the project is delivered as soon as practically possible.
75	Notes the consultation on a possible Visitor Levy will be going out to consultation in due course and agrees Aberdeen City Council welcomes the potential additional power to implement a levy on cruise passengers, and instruct the Chief Officer - City Development and Regeneration to liaise with partners, including but not limited to Port of Aberdeen, around the benefits and disbenefits of any such scheme on our city.
	Empowering Aberdeen’s Communities
76	Notes the Inchgarth Community Centre Extension received £1.9m funding from the Scottish Government and that tenders will be returned in March 2025 and instruct Chief Officer - Capital to progress the project as soon as possible.
77	Notes the Partnership’s commitment to double community centre funding by 2027 and therefore agrees an additional 20% increase to Community Centre funding in 25/26
78	As per Appendix 3, agrees to remove the financial barriers (library fines) that deter people from making physical visits to libraries as we move forward with our Future Libraries model.
	Appendices to the Amendment:
	Appendix 1 – General Fund Capital Programme 2025/26 – 2029/30
	Appendix 2 – Prudential Indicators
	Appendix 3 – Budget Options to balance the 2025/26 Revenue Budget, including Cultural Investment Framework Awards and NDR Empty Property Relief Scheme
	Appendix 4 – Schedule of Funding for ALEOs
	Appendix 5 – Schedule of Fees and Charges to apply for 2025/26
	Appendix 6 – Common Good Decisions
	Appendix 7 – Integrated Impact Assessment information