

## **FINANCE AND RESOURCES COMMITTEE**

ABERDEEN, 5 November 2025. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Greig, Houghton (as substitute for Councillor Farquhar), Malik, Nicoll (as substitute for Councillor Brooks), Radley (as substitute for Councillor Cooke) and Tissera (as substitute for Councillor Watson).

The agenda and reports associated with this minute can be found [here](#).

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

### **DETERMINATION OF EXEMPT BUSINESS**

1. The Convener proposed that the Committee consider item 14.1 (Aberdeen City H2 Programme), item 14.2 (Proposed Sale of Land at Granitehill Road), item 15.1 (Council Financial Performance – Quarter 2, 2025/26 - Exempt Appendix), item 15.2 (Condition & Suitability 3 Year Programme - Exempt Appendix), item 15.3 (World Rally Championship Bid - Exempt Appendix), item 15.4 (Aberdeen eBike Hire Scheme - Exempt Appendix and item 15.5 (Work Plan and Business Cases - Exempt Appendices) with the press and public excluded from the meeting.

#### **The Committee resolved:-**

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the above items so as to avoid disclosure of information of the classes described in Schedule 7(A) to the Act, details of which were outlined on the front page of the agenda items.

### **DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS**

2. Members were requested to intimate any declarations of interest or transparency statements in respect of the items on today's agenda, thereafter the following was intimated:-

- (1) Councillor Nicoll advised that he had a connection in relation to agenda item 8.1 (Annual Performance Reports - 2024/25 for all Tier 1 ALEOS: Aberdeen Performing Arts, Aberdeen Sports Village, Bon Accord Care and Sport Aberdeen) by virtue of him being a Power of Attorney for a family member who was under the care of Bon Accord Care. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting;
- (2) Councillor Greig advised that he had a connection in relation to agenda item 8.1 (Annual Performance Reports - 2024/25 for all Tier 1 ALEOS: Aberdeen Performing Arts, Aberdeen Sports Village, Bon Accord Care and Sport Aberdeen) by virtue of him being a Council appointed member on Aberdeen Performing Arts Board. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting; and

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- (3) Councillor Yuill, Vice Convener advised that he had a connection in relation to agenda item 8.1 (Annual Performance Reports - 2024/25 for all Tier 1 ALEOS: Aberdeen Performing Arts, Aberdeen Sports Village, Bon Accord Care and Sport Aberdeen) by virtue of him being a Council appointed member of NHS Grampian Board. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.

### **MINUTE OF PREVIOUS MEETING OF 6 AUGUST 2025**

3. The Committee had before it the minute of meeting of the Finance and Resources Committee of 6 August 2025.

#### **The Committee resolved:-**

- (i) that in relation to article 6(ii), to note that regarding the Housing Revenue Account, the Chief Officer – Finance would circulate details relating to the lost income from voids in Quarter 1; and
- (ii) to otherwise approve the minute.

### **MINUTE OF THE SPECIAL MEETING OF 31 JULY 2025**

4. The Committee had before it the minute of the special meeting of the Finance and Resources Committee of 31 July 2025.

#### **The Committee resolved:-**

to approve the minute.

### **COMMITTEE PLANNER**

5. The Committee had before it the Committee Business Planner prepared by the Chief Officer - Governance.

#### **The Committee resolved:-**

- (i) to remove item 11 (Beachfront Shoreline Regeneration (Phase C) - Full Business Case) for the reason outlined in the planner;
- (ii) to note the reasons for deferral in relation to item 7 (Fleet Replacement Programme), item 13 (Beach Masterplan – Beach Ballroom Update), item 14 (District Heating – Network Expansion / Waste Heat Utilisation (City Centre Link) and item 15 (Bus Lane Enforcement and Low Emission Zone Projects 2025/26 – Place Lighting and Guild Street Improvement projects; and
- (iii) to note that a report relating to the Kincorth Cruyff Court would be submitted to the next meeting of the Committee; and
- (iv) to otherwise note the Committee Planner.

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**At this juncture, the Convener advised that he was taking the following item together with item 9.3 (Condition & Suitability 3 Year Programme).**

### **NOTICE OF MOTION BY COUNCILLOR MACDONALD - FREDERICK STREET CAR PARK - REFERRED FROM COUNCIL ON 1 OCTOBER 2025**

6. The Committee had before it a Notice of Motion by Councillor Macdonald in the following terms:-

that the Committee -

- (1) Note the Frederick Street Car Park lift has been out of order for two years due to persistent vandalism causing significant damage;
- (2) Note that four ground floor standard parking bays were reserved by fitting signage asking drivers to be considerate to people with less mobility as part of the parking pilot;
- (3) Note a lift condition survey was completed and unfortunately concluded that repair and recommissioning of the lift is not a viable option, because the survey deemed the lift to be beyond economical repair;
- (4) Note quotations have been sought from multiple contractors for a full lift replacement, including options to mitigate risks from vandalism; and that the Capital team have reviewed the replacement lift quotes and repair costs from over the last five years to assess likely lifecycle costs;
- (5) Note that users of the Aberdeen Health Village, many of whom have physiotherapy needs but are not blue badge owners, are finding it very difficult to access services; and
- (6) Note that officers intend to include an allocation for the lift replacement in the updated Condition and Suitability Programme, to be considered by the Finance and Resources Committee on 5 November 2025, and agree that this should be considered a top priority in the updated programme.

Councillor Macdonald moved the motion and explained the rationale behind it.

#### **The Committee resolved:-**

to note the motion by Councillor Macdonald, in conjunction with the decision taken at item 9.3 (Condition & Suitability 3 Year Programme), article 7 of this minute refers.

### **CONDITION & SUITABILITY 3 YEAR PROGRAMME - F&C/25/232**

7. The Committee had before it a report by the Executive Director for Families and Communities which sought approval of an updated 3-year Condition and Suitability (C&S) Programme.

#### **The report recommended:-**

that the Committee –

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- (a) note the projects completed in 2024/25 and those completed or legally committed to date in 2025/26, as shown in Appendix A;
- (b) approve the new framework for planning and managing the Condition and Suitability Programme as set out in this report;
- (c) note the new and existing projects listed in Appendix B which have been prioritised for inclusion in the Condition & Suitability Programme over the next three years;
- (d) approve the allocation of Condition and Suitability capital funding for 2025/26 to 2027/28, to create high level workstream budgets as set out at paragraph 3.14 of this report, and delegates authority to the Chief Officer – Capital, following consultation with the Chief Officer – Corporate Landlord, to: approve projects to be taken forwards within these workstreams; and, following consultation with the Convener of the Finance and Resources Committee, to vire funds between workstream budgets, should this be deemed necessary to address new emerging priorities, and/or to ensure maximum efficiency of programme delivery, with such changes to be reported retrospectively to the Committee; and
- (e) for the purposes of Procurement Regulation 4.1.1.2, delegate authority to the Chief Officer – Capital, following consultation with the Chief Officer - Commercial and Procurement Services, to: consider and approve procurement business cases for projects within each of the workstreams listed in this report; and thereafter to procure appropriate works and services, and enter into any contracts necessary for the projects without the need for further approval from any other Committee of the Council.

### **The Committee resolved:-**

to approve the recommendations.

**At this juncture and prior to consideration of the following item, the Committee went into private session and received a statement from the Chief Officer – Commercial and Procurement Services on an issue relating to an Armed Length External Organisation. Members were given the opportunity to raise any questions on the matter.**

### **ANNUAL PERFORMANCE REPORTS - 2024/25 FOR ALL TIER 1 ALEOS: ABERDEEN PERFORMING ARTS, ABERDEEN SPORTS VILLAGE, BON ACCORD CARE AND SPORT ABERDEEN - CORS/25/222 - REFERRED FROM COUNCIL ON 1 OCTOBER 2025**

**8.** The Committee had before it a report by the Executive Director for Corporate Services which presented the annual performance reporting of the Council's four Tier one Arm's Length External Organisations (ALEOs) covering financial year 2024/2025: Aberdeen Performing Arts; Aberdeen Sports Village; Bon Accord Care and Sport Aberdeen.

### **The report recommended:-**

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that the Committee note the Annual Performance Reports for each of the Tier one ALEOs.

### **The Committee resolved:-**

- (i) to approve the recommendation; and
- (ii) to note that the Chief Officer – Commercial and Procurement Services would arrange to circulate details around (1) the drop of volunteers, particularly around the older age groups and ethnic minority group; and (2) what Sport Aberdeen were doing to target and engage with older age groups and those with disabilities across the city.

### **COUNCIL FINANCIAL PERFORMANCE – QUARTER 2, 2025/26 - CORS/25/243**

9. The Committee had before it a report by the Executive Director for Corporate Services which provided the financial position of the Council as at Quarter 2 (30 September 2025) and the full year forecast position for the financial year 2025/26, including:-

- General Fund and Housing Revenue Account (HRA) and capital accounts; and associated Balance Sheet; and
- Common Good revenue account and Balance Sheet

### **The report recommended:-**

that the Committee –

- (a) note the cash position that has been achieved for the General Fund and HRA to the end of Quarter 2 as detailed in Appendix 1;
- (b) note the Common Good financial performance to the end of Quarter 2 as detailed in Appendix 3;
- (c) note that the General Fund full year forecast position remains on track to achieve a full year outturn of 'on budget' although there are a range of financial risks that exist for the financial year. Continuing action and controls, as outlined in Appendix 2 will remain in place for the remainder of the financial year;
- (d) note that the Council maintains financial resilience with the resources available on the Council Balance Sheet, the General Fund Reserves in particular. As at 31 March 2025 the uncommitted value of those reserves was £12m, the minimum that the Council Reserves Statement recommends and as approved by the Council;
- (e) approve, as per the exempt Appendix 5, the extension of a bank guarantee of £125,000 to Transition Extreme Sports Limited until 31 March 2028. Note, the expectation is that plans beyond April 2028 will enable the removal of this guarantee;
- (f) note that the HRA full year forecast position, as detailed in Appendix 2, is 'on budget', but continues to face challenging cost pressures as outlined in Appendix 2 and the HRA Budget Report 2025/26; and

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- (g) note that capital expenditure continues to be low at the end of Quarter 2, however forecasts are that additional expenditure and progress will be recognised in the second half of the year.

The Vice Convener, seconded by the Convener, moved:-  
that the Committee –

- (1) approve the recommendations contained within the report;
- (2) note the £1 Off-Street Evening Parking Fees Report (CR&E/25/129), and agrees to introduce a trial £1 evening off-street parking initiative, to operate between 5pm and 8am, seven days a week, between Monday 5th January 2026 and Saturday 28th February 2026, and instructs the Chief Officer – Operations to implement such an initiative; and instructs the Chief Officer – Finance to update expected parking income for this period when reporting Quarter 3 Financial Performance;
- (3) instruct the Chief Officer – Operations to introduce a “fly tipping hit squads” trial from January to March 2026 to feed into the budget process, following consultation with the Convener – Finance and Resources Committee and Convener – Net Zero, Environment and Transport Committee, to address rising issues with fly tipping in communities in Aberdeen; and
- (4) agree that £10k funding for (1) and £62.5k funding for (2) can and shall be made available from within the combined City Wardens and Parking revenue budgets as a result of improvements in income levels generated through the Investment in Parking Infrastructure capital project.

Councillor Malik, seconded by Councillor Tissera, moved as an amendment:-  
that the Committee –

- (1) note the report;
- (2) agree the Scottish Government received a record settlement from the UK Government this year in excess of £50b and given the report committee instructs the Chief Officer - Finance to write to the First Minister asking where the money has gone, as its obvious it has not gone to local government or the IJB;
- (3) agree Audit Scotland have just confirmed the SNP Scottish Government has declared a £1b underspend on their budget for 24/25 despite the Labour UK providing £2b in additional funding;
- (4) agree the SNP position on RAAC, and the use of the Capital Fund, is simply to knock down RAAC affected homes during a Housing Emergency, when a better best value alternative was available; and
- (5) approve, as per the exempt Appendix 5, the extension of a bank guarantee of £125,000 to Transition Extreme Sports Limited until 31 March 2028.

On a division, there voted:- for the motion (5) – the Convener, the Vice Convener and Councillors Allard, Greig and Radley; for the amendment (4) Councillors Houghton, Malik, Nicoll and Tissera.

**The Committee resolved:-**

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- (i) to adopt the motion; and
- (ii) to instruct the Chief Officer - Finance as part of the budget process to provide a timeline to Councillors for delivering a review of the long-term assets and investments held by the Common Good.

### **TRANSPARENCY STATEMENT**

**During discussion of the following item, the Vice Convener advised that he had a connection by virtue of him being a Council appointed member of NHS Grampian Board. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.**

### **MEDIUM TERM FINANCIAL STRATEGY FOR THE COUNCIL'S GENERAL FUND, 2025 - CORS/25/239**

**10.** The Committee had before it a report by the Executive Director for Corporate Services which outlined the known factors affecting the financial position and financial sustainability of an organisation's General Fund over the medium term. Furthermore, the purpose was to draw out the scenarios that the Council faces and described the approach to addressing the conclusions.

#### **The report recommended:-**

that the Committee –

- (a) approve the Medium Term Financial Strategy for the General Fund, 2025;
- (b) note that the Scottish Budget for 2026/27 has been announced as being presented to the Scottish Parliament on 13 January 2026;
- (c) note that the Scottish Government published its latest Programme for Government in May 2025, followed by an updated Medium Term Financial Strategy in June 2025. This, in addition to the outcome of the Local Government Settlement for 2025/26 and information included in the previous MTFS from Scottish Government means the Central Scenario has been updated to expect a cash increase of 1% per annum in grant funding from the Scottish Government for future financial years. The Council's MTFS model will be updated for the Council's Budget meeting in March 2026 with details of the actual financial settlement for 2026/27;
- (d) note that inflation remains above Bank of England target levels;
- (e) note that the Capital Programme, as included in the Council Financial Performance Quarter 1, 2025/26 report (CORS/25/181), is the basis for capital financing costs and debt levels referred to in the MTFS;
- (f) approve the Loans Fund Repayment Policy for 2026/27 and beyond as described in Table 5 of the MTFS;
- (g) note the 2026/27 Budget will be discussed and set by the Council in March 2026 following a public engagement exercise as required by the Scheme of Governance and Budget Protocol, and that details of this consultation exercise are contained

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- in 5.10 of the MTFS. The results of the engagement will also be reported to Council as part of the Budget setting reports;
- (h) note that the Financial Resilience Framework shows that the General Fund has underlying resilience of £12m (uncommitted reserves) which is a falling percentage of the net General Fund budget. The aim is to move to a target range (2–3%) of Net Expenditure and review this annually based on risks and inflation. Therefore the Council should determine during the 2026/27 budget - setting process how this aim is addressed;
  - (i) note that the Financial Resilience Framework also identifies that the total value, and cost of servicing debt is rising. Careful consideration will have to be given to each and every capital project to ensure it fits with the Council's Strategic priorities, and delivers Best Value, as well as being affordable, sustainable, and prudent in compliance with the Prudential Code. The Council approved a cap on the cost of capital financing of 12% of Net Revenue Expenditure; and
  - (j) note that the Chief Officer – Finance will continue to develop the Financial Resilience Framework with a view to embedding it across the councils financial planning, financial monitoring, and financial year end reporting arrangements.

The Convener, seconded by the Vice Convener moved:-

that the Committee approve the recommendations contained within the report.

Councillor Malik, seconded by Councillor Tissera, moved as an amendment:-

that the Committee –

- (1) approve recommendation (a);
- (2) note the lack of direction within the Medium-Term Financial Strategy to the IJB, noting the “Golden Rules” are silent on recommending holding additional general reserves for the IJB, as is Section E of the Executive Summary, Reserve policy (risk based);
- (3) note 1.16 of the proposed Strategy, noting that we believe the UK Government passed over the full NI contributions to the Scottish Government, as part of the record £50b settlement, who then failed to pass these contributions over to local government. This choice by the SNP has caused unexpected and unnecessary costs for the Council;
- (4) agree the financial outlook fails to note the record settlement received by the Scottish government from the UK Government, noting the question that must be asked is “where has the money gone John”; and
- (5) agree (i) of the recommendations contradicts the decision taken at Council on 28 October 2025.

On a division, there voted:- for the motion (5) – the Convener, the Vice Convener and Councillors Allard, Greig and Radley; for the amendment (3) – Councillors Malik, Nicoll and Tissera.

### **The Committee resolved:-**

to adopt the motion.



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### **TRANSPARENCY STATEMENTS**

**During discussion of the following item:-**

- (1) The Vice Convener advised that he had a connection by virtue of him being a Council appointed member of NHS Grampian Board. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting; and**
- (2) Councillor Houghton advised that he had a connection by virtue of his partner being a medical Doctor at Aberdeen Royal Infirmary. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.**

### **CAPITAL PROGRAMME DELIVERY:PROJECTS UPDATE - CR&E/25/240**

**11.** The Committee had before it a report by the Executive Director for City Regeneration and Environment which (1) summarised the general progress of the delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts; and (2) highlighted those issues considered worthy of particular note which were specific to individual programmes/projects.

**The report recommended:-**

that the Committee note the status of delivery of the Section 3 highlighted programmes/projects contained within the approved Capital Programmes.

The Convener, seconded by the Vice Convener, moved:-

that the Committee –

- (1) note the General Fund Capital Programme as agreed on 5 March 2025 through the annual budget setting process and the progress to date;
- (2) acknowledge the delays in reaching financial close for the Castlegate Public Realm caused by the need for public utilities works, and instructs the Chief Officer – Capital to take all necessary steps to ensure works can begin immediately following the prerequisite public utilities works; and
- (3) instruct the Chief Officer – Capital to continue to ensure adequate resources are in place to deliver the Capital programmes as agreed by Council budget in March 2025

Councillor Malik, seconded by Councillor Tissera, moved as an amendment:-

that the Committee –

- (1) note the status of delivery of the Section 3 highlighted programmes/projects contained within the approved Capital Programmes, noting most if not all were started by the previous administration;
- (2) agree, thanks to SNP incompetence, the following projects are being delivered/started late:-

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- Union Street Central - Summer 2026;
  - Bucksburn Pool - Spring 2026;
  - St Peters redevelopment - delayed until Autumn 2027; and
  - Start of Castlegate works delayed until first quarter of 2026;
- (3) agree, as Hub Scotland seems to receive a significant number of the Council's contracted works, to instruct the Chief Officer – Capital to investigate why project Union Street Central has become synonymous with productivity issues, with a full report coming back to the budget process; and
- (4) note that the notice of motion approved by Council in February 2024 said *“Notes that Aberdeen City Council, public and private sector partners, and M&S are committed to working together to find a new use for the St Nicholas Street Building”* and yet 21 months on we have heard nothing on the progress or otherwise of this approved notice of motion; and agree we require less spin more action from this SNP administration.

On a division, there voted:- for the motion (5) – the Convener, the Vice Convener and Councillors Allard, Greig and Radley; for the amendment (4) – Councillors Houghton, Malik, Nicoll and Tissera.

### **The Committee resolved:-**

- (i) to adopt the motion; and
- (ii) to note that the Chief Officer – Capital would look to provide details within future reports to include a short project timetable of commissioning dates, current status and completion dates.

## **PERFORMANCE MANAGEMENT FRAMEWORK REPORT - CORS/25/225**

**12.** The Committee had before it a report by the Executive Director for Corporate Services which presented the status of (1) key operational performance measures and activity indicators relating to those Clusters within the remit of the Finance and Resources Committee at Quarter 1 2025-26, and (2) year-to-year comparisons derived from recent national publications.

### **The report recommended:-**

that the Committee note the report and provide comments and observations on the performance information contained in the Appendix to the report.

### **The Committee resolved:-**

to note the performance information contained in the Appendix to the report.

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### **ANNUAL PROCUREMENT REPORT 2024-25 - CORS/25/237**

**13.** The Committee had before it a report by the Executive Director for Corporate Services which presented the Annual Procurement Report 2024-2025 (Appendix 1).

**The report recommended:-**

that the Committee note the Annual Procurement Report (Appendix 1).

**The Committee resolved:-**

to approve the recommendation.

### **SILVER CITY HERITAGE AND PLACE PROGRAMME - CR&E/25/235**

**14.** With reference to article 16 of the minute of the Finance and Resources Committee of 7 August 2024, the Committee had before it a report by the Executive Director of City Regeneration and Environment which provided an update on the Heritage and Place Programme bids and which noted the success of the grant applications.

**The report recommended:-**

that the Committee –

- (a) note that Aberdeen City Council have received grant offers from Historic Environment Scotland and the National Lottery Heritage Fund and is currently reviewing these offers;
- (b) approve the allocation of the £2.1M from the General Fund Capital Programme in respect of the match funding required from Aberdeen City Council;
- (c) approve the delivery of the Silver City Heritage and Place Programme (SCH&PP) 5-year project subject to the Chief Officer – Strategic Place Planning approving the grant offers in (a) and subject to (b) being approved; and
- (d) note the proposed programme of twice-yearly reports and requests for third party grant approval from the Committee (in line with the approved Governance Structure), over the 5-years of the project.

**The Committee resolved:-**

to approve the recommendations.

**In accordance with the decision taken at Article 1 of this minute, the following items were considered with the press and public excluded.**

### **COUNCIL FINANCIAL PERFORMANCE – QUARTER 2, 2025/26 - EXEMPT APPENDIX**

**15.** The Committee had before it an exempt appendix relating to the Council Financial Performance – Quarter 2 report. (Article 9 of this minute refers)

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**The Committee resolved:-**

to note the information contained within the exempt appendix.

**CONDITION & SUITABILITY 3 YEAR PROGRAMME - EXEMPT APPENDIX**

16. The Committee had before it an exempt appendix relating to the Condition & Suitability 3 Year Programme report. (Article 7 of this minute refers)

**The Committee resolved:-**

to note the information contained within the exempt appendix.

- **COUNCILLOR ALEX MCLELLAN, Convener**

**The Convener, in terms of Standing Order 36.6, advised that he was adjourning the meeting, as the duration time was approaching six hours. A date and time for resuming the meeting would be circulated in due course.**