

# **ABERDEENSHIRE COUNCIL**

**THURSDAY, 22ND FEBRUARY, 2024**

- Present: Councillors S Adams, J Adams, W Agnew, D Aitchison, N Baillie, D Beagrie, A Bell, D Black, G Blackett, S Brown, A Buchan, L Carnie, G Carr, R Cassie, Y Chou Turvey, J Cox, J Crawley, G Crowson, I Davidson, E Durno, A Evison, M Findlater, A Forsyth, J Gifford, M Grant, G Hall, A Hassan, M James, P Johnston, F Joji, D Keating, A Kloppert, L Knight, G Lang, S Logan, D Lonchay, D A E Mair, D Mair, T Mason, L McAllister, R McKail, L McWhinnie, R Menard, C Miller, J Nicol, G Owen, S Payne, G Petrie, H Powell, G Reynolds, D Ritchie, A Ross, A Simpson, C Simpson, H Smith, S Smith, K Stelfox, A Stirling, M Sullivan, I Taylor, A Turner, C Victor, I Walker and J Whyte.
- Apologies: Councillors S Burnett, S Dickinson, M Ewenson, J Goodhall, G Reid, and R Withey.
- Officers: Jim Savege (Chief Executive), Laurence Findlay (Director of Education and Children's Services), Mary Beattie (Head of Service, Finance), Kate Bond (Head of Service (Customer & Digital Services)), Rob Simpson (Director of Business Services), Karen Wiles, (Head of Service, Legal & People), Alan Wood (Director of Environment and Infrastructure Services), Pamela Milliken (Chief Officer - Health & Social Care Partnership) and Lynsey Kimmitt (Principal Committee Services Officer).

## **1 SEDERUNT AND DECLARATION OF MEMBERS' INTERESTS**

The Provost asked Members if they had any interests to declare in terms of the Councillors' Code of Conduct. The following declarations of interest and transparency statements were made:

- (1) Councillor Evison made a transparency statement in respect of Item 4 by virtue of being the Chair of NHS Grampian and also by virtue of being a member of the Unite Trade Union. Having applied the objective test, Councillor Evison concluded that she would remain and participate in the meeting during consideration of the item.
- (2) Councillor Brown made a transparency statement in respect of Item 4 by virtue of being the Chair of Upper Deeside Amateur Swimming Club. Having applied the objective test, Councillor Brown concluded that she would remain and participate in the meeting during consideration of the item.
- (3) Councillor Payne made a transparency statement in respect of Item 6 by virtue of his employment which is detailed in his Register of Interests. Having applied the objective test, Councillor Payne concluded that he would remain and participate in the meeting during consideration of the item.

- (4) Councillor Victor declared an interest in Item 7 by virtue of being the subject of the report. Having applied the objective test, Councillor Victor confirmed that she would leave the meeting and take no part in the Item.

## **2A PUBLIC SECTOR EQUALITY DUTY**

In taking decisions on the undernoted items of business, the Council **agreed**, in terms of Section 149 of the Equality Act 2010:-

- (1) To have due regard to the need to:-
- (a) eliminate discrimination, harassment and victimisation;
  - (b) advance equality and opportunity between those who share a protected characteristic and persons who do not share it; and
  - (c) foster good relations between those who share a protected characteristic and persons who do not share it, and
- (2) to consider, where an Integrated Impact Assessment has been provided, its contents and to take those into consideration when reaching a decision.

## **3 MINUTE OF MEETING 18 JANUARY 2024**

There had been circulated and was **approved** as a correct record the Minute of the Meeting of Aberdeenshire Council of 18 January 2024.

## **4 ABERDEENSHIRE COUNCIL BUDGET 2024-29**

There had been circulated a report by the Director of Business Services which contained information from the Head of Finance providing financial information to enable the Council to set its Revenue and Capital Budgets for the financial year 2024/25 and indicative budgets for financial years 2025/26 to 2028/29. The report set out that the budget reflected a Council Tax Freeze and provided information to allow the Council to also approve the proposed Reserves, Treasury Management and Medium Term Financial Strategies. Furthermore, the report set out proposals in relation to all Council fees and charges for Council to consider and approve.

Prior to consideration of the Item, the Provost indicated that a Request to Speak had been received from a Member of the Public. The Provost confirmed that in terms of Standing Order 6.3 and the remit of Council, the Request to Speak was competent and relevant and confirmed that therefore, it was for Council to determine whether to hear the Request to Speak.

Having heard from Councillors Owen and Petrie, who both made reference to the widely publicised engagement with the public with comments received having been already considered by Councillors, the Council **agreed** to refuse the Request to Speak.

Councillor Owen, as Leader of the Council, introduced the budget proposals for the administration group, as outlined in the report, making reference to delivering essential services and supporting local communities in a financially responsible way, the challenges with single year settlements from the Scottish Government and the Council Tax freeze, the challenges of the current costs of providing public services and the need to focus on directing resources to the greatest areas of need while achieving a balanced budget. Reference was also made to looking at the Council Plan to ensure that priorities are continuing to meet the needs of our communities, that there is a commitment to a programme of transformation to ensure services are sustainable in the future and to continue working closely with communities during financially challenging times. Furthermore, reference was made to the importance of Integrated Impact Assessments accompanying each proposal for change which allowed careful consideration to be given to the impacts of proposed savings.

Thereafter, Councillor Owen moved, seconded by Councillor Stirling, approval of the budget proposals by the Administration Group as set out in the circulated report and as detailed in Appendices 1, 2, 3A, 3B, 4, 4A, 4B, 5, 5A, 6, 7, 8, 9, 10, 11, 11A, 12, 12A and 13 to the report and that Council –

### **Settlement**

- (1) Agree acceptance of the funding package from the Scottish Government which includes £7.963 million for the acceptance of a Council Tax Freeze in Appendix 1, subject to Parliamentary approval of the Scottish Government Budget;

### **Medium Term Financial Strategy**

- (2) Agree the Medium-Term Financial Strategy (MTFS) as detailed in Appendix 2;

### **Capital Budget**

- (3) Agree the 5-year Capital Plan for 2024/25 to 2028/29 and the indicative high-level capital spend and funding estimates that fall within the affordability limits set out in the MTFS as detailed in Appendices 4,4A and 4B for the period through to 2038/39;
- (4) Agree to receive regular update reports on the progress of the Capital Plan and borrowing costs;

### **Treasury Management**

- (5) Approve the Treasury Management Strategy (TMS) and Annual Investment Strategy for 2024/25 as set out in Appendices 5 and 5A;
- (6) Agree the Prudential Indicators and Limits for 2024/25 as set out in Appendix 5A and note the indicative indicators and limits for 2025/26 and 2026/27;

### **Revenue Budget**

- (7) Agree the proposed Revenue Budget for 2024/25 as detailed in Appendix 6, including the proposed savings shown within Appendix 7;
- (8) Agree the indicative Revenue Budgets for 2025/26 to 2028/29 as detailed in Appendix 8;
- (9) Note the financial risks associated with this budget as set out in Appendix 3B;
- (10) Agree that Policy Committees will receive regular financial performance monitoring updates which encompasses progress with savings and managing of risks;

### **Council Tax Policy**

- (11) Approve the Empty Property and Second Homes Council Tax Policy as shown within Appendix 9 with effect from 1 April 2024;

### **Business Rates Empty Property Policy**

- (12) Approve the Business Rates Empty Property Policy as shown within Appendix 10 with effect from 1 April 2024;

### **Fees and Charges**

- (13) Agree the proposal for revised fees and charges from 1 April 2024, as detailed in Appendices 11 and 11A;

### **Reserves**

- (14) Agree the reserves strategy, being the principles for managing and using reserves, as detailed in Appendices 12 and 12A;
- (15) Agree to (i) maintain a Working Balance of £9m, (ii) the creation of the Place Strategy reserve of £1.4m, from the reduction in the Regeneration and Priority Town existing reserve;
- (16) Agree that any out of balance position in the Council Revenue Budget 2023/24 be funded from the Risk and Inflation Reserve;
- (17) Agree that Aberdeenshire Council's share of any out of balance position in 2023/24 for the Health and Social Care Partnership be funded from the Risk and Inflation Reserve – Health and Social Care Partnership;
- (18) Agree that £1.990m of the Transformation Reserve be released to fund the voluntary severance costs for staff leaving the organisation in 2023/24.
- (19) Note that the final level of reserves may be subject to change following the conclusion of financial year 2023/24 and agree to receive a further update following conclusion of the annual accounts process;

### **Monitoring**

- (20) Agree that work continues to balance the future years revenue budgets as part of the Medium-Term Financial Strategy supported through the Council's planned transformation programme;
- (21) Agree that Revenue, Capital, and Reserves continue to be the subject of Financial Performance Reporting throughout 2024/25; and
- (22) Agree that a revised Medium-Term Financial Strategy, including a draft revenue and capital budget and reserves position for 2025/26 be considered by Full Council in November 2024.

Thereafter, Councillor Petrie, moved as an amendment, seconded by Councillor Johnston, approval of the proposed budget by the Opposition group which was circulated to Members and published on the Council's website during the meeting and proposed changes to the Capital Budget, Revenue Budget and the use of Reserves as highlighted in the recommendations and detailed in Appendices 1, 2, 3A, 3B, 4, 5, 5A, 9, 10, 11, 11A, and 13 (of the Officer report circulated) and Appendices 4AX, 4BX, 6X, 7X, 8X, 12X and 12AX (of the Opposition group documentation circulated at the meeting) and that Council:-

### **Settlement**

- (1) Agree acceptance of the funding package from the Scottish Government which includes £7.963 million for the acceptance of a Council Tax Freeze in Appendix 1, subject to Parliamentary approval of the Scottish Government Budget;

### **Medium Term Financial Strategy**

- (2) Agree the Medium-Term Financial Strategy (MTFS) as detailed in Appendix 2;

### **Capital Budget**

- (3) Agree the amended Opposition Group 5-year Capital Plan for 2024/25 to 2028/29 and the indicative high-level capital spend and funding estimates that fall within the affordability limits set out in the MTFS as detailed in Appendices 4AX and 4BX for the period through to 2038/39;
- (4) Agree to receive regular update reports on the progress of the Capital Plan and borrowing costs;

### **Treasury Management**

- (5) Approve the Treasury Management Strategy (TMS) and Annual Investment Strategy for 2024/25 as set out in Appendices 5 and 5A;
- (6) Agree the Prudential Indicators and Limits for 2024/25 as set out in Appendix 5A and note the indicative indicators and limits for 2025/26 and 2026/27;

## **Revenue Budget**

- (7) Agree the amended Opposition Group proposed Revenue Budget for 2024/25 as detailed in Appendix 6X, including the proposed savings shown within Appendix 7X;
- (8) Agree the indicative Revenue Budgets for 2025/26 to 2028/29 as detailed in Appendix 8X;
- (9) Note the financial risks associated with this budget as set out in Appendix 3B;
- (10) Agree that Policy Committees will receive regular financial performance monitoring updates which encompasses progress with savings and managing of risks;

## **Council Tax Policy**

- (11) Approve the Empty Property and Second Homes Council Tax Policy as shown within Appendix 9 with effect from 1 April 2024;

## **Business Rates Empty Property Policy**

- (12) Approve the Business Rates Empty Property Policy as shown within Appendix 10 with effect from 1 April 2024;

## **Fees and Charges**

- (13) Agree the proposal for revised fees and charges from 1 April 2024, as detailed in Appendices 11 and 11A;

## **Reserves**

- (14) Agree the amended Opposition Group reserves strategy, being the principles for managing and using reserves, as detailed in Appendices 12X and 12AX;
- (15) Agree to (i) a reduced Working Balance of £7m, (ii) the creation of the Place Strategy reserve of £1.4m, from the reduction in the Regeneration and Priority Town existing reserve;
- (16) Agree that any out of balance position in the Council Revenue Budget 2023/24 be funded from the Risk and Inflation Reserve;
- (17) Agree that Aberdeenshire Council's share of any out of balance position in 2023/24 for the Health and Social Care Partnership be funded from the Risk and Inflation Reserve – Health and Social Care Partnership;
- (18) Agree that £1.990m of the Transformation Reserve be released to fund the voluntary severance costs for staff leaving the organisation in 2023/24.

(19) Note that the final level of reserves may be subject to change following the conclusion of financial year 2023/24 and agree to receive a further update following conclusion of the annual accounts process;

### **Monitoring**

(20) Agree that work continues to balance the future years revenue budgets as part of the Medium-Term Financial Strategy supported through the Council's planned transformation programme;

(21) Agree that Revenue, Capital, and Reserves continue to be the subject of Financial Performance Reporting throughout 2024/25; and

(22) Agree that a revised Medium-Term Financial Strategy, including a draft revenue and capital budget and reserves position for 2025/26 be considered by Full Council in November 2024.

Members of the Council voted –

for the motion	(38)	Councillors J Adams, S Adams, Agnew, Beagrie, Bell, Blackett, Brown, Carnie, Carr, Chou Turvey, Cox, Crawley, Davidson, Findlater, Gifford, Hall, Hassan, James, Keating, Lang, Lonchay, Doreen Mair, Mason, McKail, Menard, Miller, Owen, Powell, Ritchie, A Simpson, C Simpson, H Smith, Stirling, Sullivan, Taylor, Turner, Walker and Whyte
for the amendment	(23)	Councillors Aitchison, Baillie, Black, Cassie, Crowson, Durno, Evison, Forsyth, Grant, Johnston, Joji, Kloppert, Knight, Logan, McAllister, McWhinnie, David Mair, Nicol, Petrie, Reynolds, S Smith, Stelfox and Victor.
no vote	(2)	Councillors A Buchan and Ross.

The motion was carried and Council **agreed**:

### **Settlement**

(1) Agree acceptance of the funding package from the Scottish Government which includes £7.963 million for the acceptance of a Council Tax Freeze in Appendix 1, subject to Parliamentary approval of the Scottish Government Budget;

### **Medium Term Financial Strategy**

- (2) Agree the Medium-Term Financial Strategy (MTFS) as detailed in Appendix 2;

### **Capital Budget**

- (3) Agree the 5-year Capital Plan for 2024/25 to 2028/29 and the indicative high-level capital spend and funding estimates that fall within the affordability limits set out in the MTFS as detailed in Appendices 4,4A and 4B for the period through to 2038/39;
- (4) Agree to receive regular update reports on the progress of the Capital Plan and borrowing costs;

### **Treasury Management**

- (5) Approve the Treasury Management Strategy (TMS) and Annual Investment Strategy for 2024/25 as set out in Appendices 5 and 5A;
- (6) Agree the Prudential Indicators and Limits for 2024/25 as set out in Appendix 5A and note the indicative indicators and limits for 2025/26 and 2026/27;

### **Revenue Budget**

- (7) Agree the proposed Revenue Budget for 2024/25 as detailed in Appendix 6, including the proposed savings shown within Appendix 7;
- (8) Agree the indicative Revenue Budgets for 2025/26 to 2028/29 as detailed in Appendix 8;
- (9) Note the financial risks associated with this budget as set out in Appendix 3B;
- (10) Agree that Policy Committees will receive regular financial performance monitoring updates which encompasses progress with savings and managing of risks;

### **Council Tax Policy**

- (11) Approve the Empty Property and Second Homes Council Tax Policy as shown within Appendix 9 with effect from 1 April 2024;

### **Business Rates Empty Property Policy**

- (12) Approve the Business Rates Empty Property Policy as shown within Appendix 10 with effect from 1 April 2024;

### **Fees and Charges**

- (13) Agree the proposal for revised fees and charges from 1 April 2024, as detailed in Appendices 11 and 11A;

### **Reserves**



- (14) Agree the reserves strategy, being the principles for managing and using reserves, as detailed in Appendices 12 and 12A;
- (15) Agree to (i) maintain a Working Balance of £9m, (ii) the creation of the Place Strategy reserve of £1.4m, from the reduction in the Regeneration and Priority Town existing reserve;
- (16) Agree that any out of balance position in the Council Revenue Budget 2023/24 be funded from the Risk and Inflation Reserve;
- (17) Agree that Aberdeenshire Council's share of any out of balance position in 2023/24 for the Health and Social Care Partnership be funded from the Risk and Inflation Reserve – Health and Social Care Partnership;
- (18) Agree that £1.990m of the Transformation Reserve be released to fund the voluntary severance costs for staff leaving the organisation in 2023/24.
- (19) Note that the final level of reserves may be subject to change following the conclusion of financial year 2023/24 and agree to receive a further update following conclusion of the annual accounts process;

### **Monitoring**

- (20) Agree that work continues to balance the future years revenue budgets as part of the Medium-Term Financial Strategy supported through the Council's planned transformation programme;
- (21) Agree that Revenue, Capital, and Reserves continue to be the subject of Financial Performance Reporting throughout 2024/25; and
- (22) Agree that a revised Medium-Term Financial Strategy, including a draft revenue and capital budget and reserves position for 2025/26 be considered by Full Council in November 2024.

## **5 HOUSING REVENUE ACCOUNT BUDGET 2024/25**

There had been circulated a report dated 8 January 2024 by the Director of Environment and Infrastructure Services which provided information on the proposed Housing Revenue Account revenue and capital budgets for the financial year 2024/25 including indicative budgets for 2025/26 to 2028/29.

Councillor Stirling introduced the proposals making reference to positive engagement with tenants and the wider community to inform options, the challenges associated with affordable housing and the positive work of officers in the service.

Thereafter, Councillor Stirling moved, seconded by Councillor Reynolds approval of the proposals contained within the report and appendices 1, 2 and 3 of the Report. The Council **agreed**:

- (1) to the Housing Revenue Account (HRA) revenue and capital budgets for 2024/25 as outlined in Appendices 1 and 3, including indicative budgets for 2025/26 to 2028/29, subject to annual review of charges;
- (2) to maintain a working balance of £2m;
- (3) to reinstate the HRA Risk & Inflation Reserve to £0.3m;
- (4) to increase Council House average weekly rents by 5% from 1<sup>st</sup> April 2024, with an annual review thereafter for 2025/26; and
- (5) to revise other HRA charges and allowances as detailed in Appendix 2.

## 6 CARBON BUDGET 2024-2025

There had been circulated a report dated 9 February 2024 by the Director of Environment and Infrastructure Services which contained proposals for the Council's Carbon Budget for 2024/25. The report identified projects which will reduce operational emissions as the Council progresses with its interim target of 75% reduction in emissions by 2030 (from its 2010-2011 baseline). The report further outlined the progress made to date by the Council in reducing its internal operational emissions.

Councillor Gifford introduced the proposals making reference to the challenges of funding, the fact that this was a strategic priority in the Council plan, the Route Map and the work of Officers in reaching this stage.

Councillor Gifford moved, seconded by Councillor Taylor, to agree the recommendations as contained with the report. The Council **agreed**:

- (1) a total Carbon Budget of 40,921 tonnes CO<sub>2</sub>e for 2024/25 as set out in Table 1 in Appendix 1;
- (2) future Carbon Budgets for 2024/25 to 2030/31 on a provisional basis as set out in Table 2 in Appendix 1;
- (3) the Carbon Budget 2024/25 reduction measures as set out in Appendix 2 and 3, noting that due to the financial constraints, at this stage, the measures will not fully meet the carbon budget target for 2024/25;
- (4) to delegate the responsibility to each Director to secure reduction totals for their areas of responsibility as set out in the interventions listed in Appendix 2 and 3, including consideration of additional opportunities for CO<sub>2</sub>e savings to support reaching a Carbon Budget of 40,921tCO<sub>2</sub>e for 2024/25 and the reduction totals for each Directorate as set out in Table 3 Appendix 1;
- (5) to note the risks set out in Appendix 4; and
- (6) to instruct each Director to nominate officers from across their services as Carbon Budget leads to report in year progress at 6 monthly intervals to the relevant Policy Committees and to the Sustainability Committee.

## 7 COMPOSITION OF COMMITTEES

There had been circulated a report dated 14 February 2024 by the Director of Business Services which provided Council with information allowing them to note the change in political affiliation of a Councillor and invited them to consider the impact of the change on the composition of the Committees.

The Head of Legal and People introduced the report and thereafter, the Council **agreed** to:

- (1) note, following notification to the Chief Executive of the change in political group affiliation of Councillor Victor, the following numbers:
  - The Administration has 46 members (comprising Scottish Conservative and Unionist (25), Liberal Democrats (14) and Administration Independents (7)),
  - the Opposition Coalition has 22 members (comprising SNP (20 (previously 21)) and the Democratic Independent Group (2)); and
  - there are two Independent members (previously one).
  
- (2) note that as a result of the notification outlined at recommendation 1.2.1 above no amendment is required in respect of –
  - the composition of the four Policy Committees and the Audit Committee, having regard to the principle of each member being allocated one committee place, and
  - the political proportionality for the current standard 14 member, 8 member and 5 member committees and for sub-committees and working groups as approved by Full Council on 19 May, 2022.