



**BUSINESS SERVICES COMMITTEE**

**THURSDAY, 14 SEPTEMBER, 2017, at 10.15 A.M.**

Your attendance is requested at a meeting of the BUSINESS SERVICES COMMITTEE to be held in COMMITTEE ROOM NO. 5, WOODHILL HOUSE, ABERDEEN, on THURSDAY, 14 SEPTEMBER 2017, at 10.15 A.M.

6 September, 2017

Director of Business Services

To: Councillors J N Gifford (Chair), M Roy (Vice Chair), K Adam, I Davidson, S Duncan, A Forsyth, F C P Hood, J Hutchinson, H Partridge, G Petrie, G Reid, N Smith and R G Thomson

Substitute Members: Councillors W A Agnew, P J Argyle, A Bews, C C Buchan, J B Cox, W Howatson, J Ingram, S Leslie, R McKail, C Pike, S Smith and I Sutherland.

<p><b>Contact Person:- Frances Brown</b> <b>Tel: 01467 532862</b> <b>Email:- frances.brown@aberdeenshire.gov.uk</b></p>
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## BUSINESS

1. Sederunt and Declaration of Members' Interests
2. Resolutions
- (A) Public Sector Equality Duty

Consider, and if so decided, adopt:- "In line with the Council's legal duty under section 149 of the Equality Act 2010 the Committee, in making decisions on the attached reports, shall have due regard to the need to":-

- (i) eliminate discrimination, harassment and victimisation;
- (ii) advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
- (iii) foster good relations between those who share a protected characteristic and persons who do not share it.

- (B) Exempt Information

Consider, and if so decided, adopt the following resolution:- That under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the Meeting for Items 7 and 8 of the business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act.

3. Minute of Meeting of Business Services Committee of 22 June 2017  
(Pages 5 – 10)
4. Financial Monitoring as at 30 June 2017  
(Pages 11 – 19)
5. Outturn Review of the Performance of the Treasury Management Function for the period 1 April 2016 to 31 March 2017  
(Pages 20 – 30)
6. Review of Public Toilet Provision in Turriff  
(Pages 31 – 32)

### ITEMS FOR CONSIDERATION WITH THE PRESS AND PUBLIC EXCLUDED

7. Independent Professional Support  
(Pages 33 – 38)  
**(EXEMPT under paragraphs 8 & 10)**
8. Supplementary Work Plan 2017/18  
(Pages 39 – 47)  
**(EXEMPT under paragraph 8)**

## ITEMS FOR NOTING

- (a) Minute of Meeting of Licensing Sub-Committee of 21 April 2017  
(Pages 48 – 53)
- (b) Minute of Special Meeting of Licensing Sub-Committee of 21 April 2017  
(Pages 54 – 56)

## DESCRIPTION OF EXEMPT INFORMATION

**Paragraph 8 - Estimated Expenditure on Contracts** - Expenditure to be incurred by the Council under a contract for acquisition of property or supply of goods or services

**Paragraph 10 - Tenderer for Contract** - Identity of tenderer for supply of goods or services

## **PUBLIC SECTOR EQUALITY DUTY – GUIDANCE FOR MEMBERS**

### **What is the duty?**

In making decisions on the attached reports, Members are reminded of their legal duty under section 149 of the Equality Act 2010 to have due regard to the need to:-

- (i) eliminate discrimination, harassment and victimisation;
- (ii) advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
- (iii) foster good relations between those who share a protected characteristic and persons who do not share it.

The “protected characteristics” under the legislation are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; and (in relation to point (i) above only) marriage and civil partnership.

### **How can Members discharge the duty?**

To ‘have due regard’ means that in making decisions, Members must consciously consider the need to do the three things set out above. This requires a conscious approach and state of mind. The duty must influence the final decision.

However, it is not a duty to achieve a particular result (e.g. to eliminate unlawful racial discrimination or to promote good relations between persons of different racial groups). It is a duty to have due regard to the need to achieve these goals.

How much regard is ‘due’ will depend upon the circumstances and in particular on the relevance of the needs to the decision in question. The greater the relevance and potential impact that a decision may have on people with protected characteristics, the higher the regard required by the duty.

### **What does this mean for Committee/Full Council decisions?**

Members are directed to the section in reports headed ‘Equalities, Staffing and Financial Implications’. This will indicate whether or not an Equality Impact Assessment (EIA) has been carried out as part of the development of the proposals and, if so, what the outcome of that assessment is.

An EIA will be appended to a report where it is likely that the action recommended in the report could have a differential impact (either positive or negative) upon people from different protected groups. The report author will have assessed whether or not an EIA is required. If one is not required, the report author will explain why that is.

Where an EIA is provided, Members should consider its contents and take those into account when reaching their decision. Members should also be satisfied that the assessment is sufficiently robust and that they have enough of an understanding of the issues to be able to discharge their legal duty satisfactorily.

For more detailed guidance please refer to the following link:-  
[http://www.equalityhumanrights.com/uploaded\\_files/EqualityAct/psed\\_technical\\_guidance\\_scotland.doc](http://www.equalityhumanrights.com/uploaded_files/EqualityAct/psed_technical_guidance_scotland.doc)

**ABERDEENSHIRE COUNCIL**

**BUSINESS SERVICES COMMITTEE**

**WOODHILL HOUSE, ABERDEEN, THURSDAY, 22 JUNE, 2017**

**Present:** Councillors J N Gifford (Chair), K Adam, I Davidson, A Forsyth, F C P Hood, J Hutchinson, H Partridge, G Petrie, C Pike (as substitute for Councillor C Clark), G Reid, M Roy, N Smith and R G Thomson.

**Apology:** Councillor C Clark (Vice Chair).

**Officers:** Director of Business Services, Head of Finance, Head of Property, Head of Hr & OD, Head of ICT, Head of Customer Communications and Improvement, Legal Service Manager (Mr A Stobie), Principal Solicitor (Governance) (Mrs R O'Hare) and Senior Committee Officer (Mr N David).

**1. DECLARATION OF MEMBERS' INTERESTS**

The Chair asked Members if they had any interests to declare in terms of the Councillors' Code of Conduct. No interest were declared.

**2. RESOLUTIONS**

**(A) PUBLIC SECTOR EQUALITY DUTY**

In taking decisions on the undernoted items of business, the Committee **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 equality impact assessment has been provided, its contents and to take those into consideration when reaching a decision.

**(B) EXEMPT INFORMATION**

The Committee **agreed**, in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting during consideration of the items specified below so as to avoid disclosure of exempt information of the classes described in the undernoted paragraphs of Part 1 of Schedule 7A of the Act.

<b>Item No</b>	<b>Paragraph No of Schedule 7A</b>
10	8
11	8 and 9

## TRAINING AND DEVELOPMENT SESSION FOR MEMBERS

The Chair explained that the meeting would be adjourned until 11.30 a.m. to allow a closed session for substantive and substitute members to take place on the Services which reported to the Business Services Committee.

The meeting reconvened at 11.30 a.m.

### 3. MINUTE OF MEETING OF BUSINESS SERVICES COMMITTEE OF 20 APRIL, 2017

There was circulated, **noted** and **approved** as appropriate, the Minute of Meeting of the Business Services Committee of 20 April, 2017.

### 4. MINUTE OF MEETING OF TRANSITIONAL COMMITTEE OF 20 APRIL, 2017

There was circulated, **noted** and **approved** as appropriate, the Minute of Meeting of the Transitional Committee of 20 April, 2017.

### 5. BUSINESS SERVICES' 2016 TO 2019 SERVICE PLAN – YEAR END PROGRESS REPORT APRIL 2016 TO MARCH 2019 (ABERDEENSHIRE PERFORMS)

There was circulated a report dated 6 June, 2017, by the Director of Business Services on the Year End Progress Report for April 2016 to March 2017 for the Business Services' 2016 to 2019 Service Plan.

The report explained that, at the meeting of the Policy and Resources Committee on 23 April, 2016, the Business Services' 2016 to 2019 Service Plan was agreed. The Plan had outlined the nine priority projects for the Council that all Services would focus on, as well as three further core projects that would inform and underpin service delivery across Business Services for the next year.

The report summarised the nine priority projects as:-

Active Travel; Affordable Housing; Balancing the Books; City Region Deal; Climate Change; Estate Rationalisation; Governance; Peterhead Community Campus; and Regeneration.

The three core Service Projects were: Community Empowerment; Digital Innovation; and A Workforce Fit for the Future. These projects each had a range of key actions to allow progress to be evidenced and monitored. The Year End Progress Report was included as an appendix to the report.

The Committee **agreed**:

- (1) to acknowledge progress made in delivering priority projects identified in the Business Services' 2016 to 2019 Service Plan, and as detailed in the appendix to the report, and
- (2) that the Director of Business Services continue to submit updates on a six monthly basis confirming progress and delivery of the priority projects.

### 6. FINANCIAL MONITORING FOR THE YEAR ENDED 31 MARCH 2017

There was circulated a report dated 30 May, 2017, by the Director of Business Services on Financial Monitoring as at 31 March, 2017.

The report explained that the Council's Scheme of Governance aligned budget service responsibility with Policy Committee responsibility. The report therefore covered the unaudited outturn for the year ended 31 March, 2017 for both Revenue and Capital Budget monitoring. The figures were subject to audit and may change in light of external audit work and therefore required to be treated as provisional.

The report detailed that Business Services Revenue Budget for monitoring purposes in 2016/2017 for net revenue expenditure was £39,084,000, including the budgets for Changes to Housing Revenue, Capital and Other Services, and Other Expenditure and Income. This budget excluded the Community Planning budget, which was managed within Business Services, however was reported to Communities Committee. The actual net revenue expenditure to the end of the financial year was £39,525,000, or £441,000 higher than budget. This contributed to the overall position of the Council, which was £1,725,000 over budget. The financial position was shown in more detail in an appendix to the report and a further appendix detailing the reasons for major variances.

With regards to Capital Budget monitoring, the Business Services revised Capital Budget for Year 2016/2017 was finalised at £12,386,000. This budget figure altered during the year, as and when changes to the profile of capital expenditure from one year to another were agreed and adjusted. The overall capital expenditure 2016/2017 was £8,546,000, which was £3,840,000 less than the revised budget figure and meant that the budget from 2016/2017 would need to be carried forward into future years. These adjustments would be reported to the meeting of Full Council on 29 June, 2017 for approval. The Capital Budget for year 2016/2017 was set out in a further appendix to the report, as were the reasons for major variances.

The Committee **agreed** to:-

- (1) note the Revenue and Capital Budget monitoring as at 31 March, 2017, and
- (2) approve the Revenue Budget virements as detailed in Appendix 3 to the report.

## **7. APPOINTMENTS OF SUB-COMMITTEES**

There was circulated a report dated 31 May, 2017, by the Director of Business Services which asked members to consider the details of groups previously appointed with responsibility for functions under the remit of the Business Services Committee and to determine whether those groups should be reconstituted. Thereafter, members were asked to consider the composition of each reconstituted group based on the proportionality models approved by Aberdeenshire Council at the meeting on 18 May, 2017.

The groups were detailed in an appendix to the report, namely: the Employee Joint Consultative Committee; the Licensing Sub-Committee; and the Aberdeenshire Health and Social Care Partnership Appointment Sub-Committee.

Following consideration, the Committee **agreed** to:-

- (1) re-establish the Employees' Joint Consultative Committee, the Licensing Sub-Committee, and the Aberdeenshire Health and Social Care Partnership Appointment Sub-Committee,
- (2) appoint members to the Employee Joint Consultative Committee and Licensing Sub-Committee as follows:

Employee Joint Consultative Committee substantive members – Councillors Argyle, Blackett, Cassie, Evison, Fakley, Gifford, Hood, Reynolds, N S Smith and Wallace.

Licensing Sub-Committee substantive members – Councillors Bruce, Evison, Forsyth, Hood, Lonchay, Stirling, Robertson and Roy.

Licensing Sub-Committee substitute members – Councillors C Buchan, Ewenson, Hutchison, McKail, S Smith, Taylor, Wilson and one other member from the Administration.

- (3) note that the appointment of members to the Aberdeenshire Health and Social Care Partnership Appointment Sub-Committee would be made by the Aberdeenshire Integration Joint Board.

## 8. NOMINATIONS TO PARTNERSHIPS

There was circulated a report dated 19 May, 2017, by the Director of Business Services which sought nominations for the Grampian Regional Equalities Council (GREC).

The Committee **agreed** to appoint Councillors Hassan and Reynolds to the Grampian Regional Equalities Council (GREC).

## 9. REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000 – POLICY UPDATE

There was circulated a report dated 6 June 2017 by the Director of Business Services on the outcome of an inspection carried out by the Office of the Surveillance Commissioners in April 2017, the consequent Action Plan, contained in Appendix 1, and subsequent necessary amendment to the Council's Policy on Authorisation of Surveillance under the Regulation of Investigatory Powers (Scotland) Act 2000.

An amended Policy was detailed in Appendix 2 to the report and approval of this was sought.

The report explained as background that the Council was inspected by the Office of Surveillance Commissioners into its use of the Regulation of Investigatory Powers (Scotland) 2000 on 22 April, 2014 and most recently on 26 April, 2016. The Commissioner was critical in the most recent report of the failure to amend the Policy at the previous inspection. Whilst the majority of the recommendations of the 2014 inspection were implemented and the approach altered to take them into account, importantly however the Policy was not represented to members for update. This was acknowledged by officers to be a systemic failure in ensuring the inspection recommendations were fully discharged and steps were being taken to ensure that there was no repeat of this error.

In this regard an Action Plan had been drafted to ensure all actions from the recent inspection were attended to timeously and diligently. A copy of the Action Plan was attached as Appendix 1 to the report.

Following discussion, the Committee **agreed** to:-

- (1) note the Action Plan to address the recommendations of the Commissioner, following an inspection by the Office of the Surveillance Commissioner, of the Council's use of the powers under the Regulations of Investigatory Powers (Scotland) Act 2000, as detailed in Appendix 1 to the report, and



- (2) approve the Policy on Authorisation of Surveillance under the Regulation of Investigatory Powers (Scotland) Act 2000, as amended, and as detailed in Appendix 2 to the report, subject to the removal of the specific Officer's name from the main Policy document and instead that this be included in Appendix 3 as the "designated" Officer responsible for maintaining the Central Register.

## **10. SUPPLEMENTARY WORK PLAN 2017/18**

There was circulated a report dated 6 June, 2017, by the Director of Business Services on the Supplementary Work Plan 2017/2018.

The report explained that the Directorate's Annual Work Plan 2017/2018 had been presented to and approved by the Business Services Committee at the meeting on 20 April, 2017. The Committee was now being asked to agree that additional items, as detailed in the Supplementary Work Plan, which had been identified as falling within the remit of the Business Services Committee, be added to the Directorate's Work Plan 2017/2018. The proposed procurements identified within the Supplementary Work Plan related exclusively to the Business Services Committee. In this regard a Supplementary Work Plan for Business Services Directorate was attached as Appendix 1 to the report. Each entry contained contract name, description of work, goods or services to be procured, estimated start and end dates, estimated total value, proposed extension period, relevant Service, and Committee.

The Committee **agreed:-**

- (1) to acknowledge the items on the Supplementary Work Plan identified as falling within the remit of the Committee, and as detailed in Appendix 1 to the report,
- (2) to approve the addition of the items on the Supplementary Work Plan to the Directorate's Annual Work Plan 2017/2018, as approved by the Business Services Committee on 20 April, 2017, and
- (3) to note that the Committee would receive the Business Case for approval for any item on the Supplementary Work Plan which was within the Committee's remit and the value of the matter is over £1,000,000, and for all other items the Business Case would be approved by the relevant Chief Officer and notified to the Head of Commercial and Procurements Services without the requirement for Committee approval.

## **11. PROPOSED LEASE OF WOODHILL HOUSE BASEMENT**

There was circulated a report dated 13 June, 2017, by the Director of Business Services seeking approval of the proposed lease of part of the basement of Woodhill House, Aberdeen to Xerox on the terms and conditions detailed in the report and for the addition of the contract to the Directorate Work Plan for 2017/2018.

The report explained that the terms to be proposed for approval had very recently been provisionally agreed with Xerox. The transaction required Xerox to carry out works that tied in with critical dates in the Xerox services contract, as detailed within the report.

Following discussion, the Committee **agreed** to:-

- (1) acknowledge that the item on the Supplementary Work Plan was identified as falling within the remit of the Business Services Committee,
- (2) to approve the addition of the item on the Supplementary Work Plan, as detailed in Appendix 1 to the report, to the Directorate's Annual Work Plan 2017/2018, as approved by the Business Services Committee at the meeting on 20 April, 2017,
- (3) to approve the terms and conditions contained within Appendix 2 to the report, relating to the lease of part of the basement of Woodhill House to Xerox, and that in the event that the Head of Terms could not be implemented, to delegate authority to the Head of Legal and Governance, following consultation with the Head of Property and Facilities Management, the Chair and Vice Chair of the Committee and the opposition spokesperson, to agree any new terms to facilitate the relocation of Xerox staff and equipment located in Woodhill House to an alternative location, and
- (4) to note that the Head of Legal and Governance, after consultation with the Head of Property and Facilities Management, had the delegated authority to agree and concluded detailed lease terms.

## REPORT TO BUSINESS SERVICES COMMITTEE – 14 SEPTEMBER 2017

### FINANCIAL MONITORING AS AT 30 JUNE 2017

#### 1 Recommendations

The Committee is recommended to:

- 1.1 Note the revenue and capital budget monitoring as at 30 June 2017; and
- 1.2 Approve the revenue budget virements set out in Appendix 3.

#### 2 Background / Discussion

- 2.1 The Council's Scheme of Governance aligns service budget responsibility with Policy Committee responsibility. This report covers the forecasted outturn for the period ended 30 June 2017 for both Revenue and Capital Budget monitoring.

##### Revenue Budget Monitoring

- 2.2 Business Services revenue budget for monitoring purposes in 2017/18 for net revenue expenditure is £40,246,000, this includes the budgets for Charges to Housing Revenue Account (HRA), Capital & Other Services and Other Expenditure & (Income), these are budgets managed within Finance. This budget excludes the Community Planning budget, which is managed within Business Services, however is reported to Communities Committee.
- 2.3 The forecasted position to the end of June 2017 is £41,546,000, or £1,300,000 higher than budget. This contributes to the overall position of the Council, which is £3,026,000 over budget. The financial position is shown in more detail in **Appendix 1** with accompanying narrative detailing the reasons for major variances to budget on **Appendix 2**.
- 2.4 It should be noted that included in the forecast are a number of assumptions and there are risks attached to these. These include assumptions on the allocation of ICT staff costs between Revenue and Capital Projects, the level of Customer Services Staffing and the levels of Rent Income.
- 2.5 As part of the setting of the 2017/18 Business Services budget a number of areas of risk were identified and the assumptions were built into the budget. One of the risks was around the rental and property income through our Estates Team. The property market in the north east continues to be challenging and despite significant efforts to secure tenants (eg in Woodhill House) and accelerate asset disposal, forecast income is well below budget and that reality will need to be considered as part of future budget discussions.

An unanticipated pressure of £400,000 has arisen in terms of income to the Service through an assessment of what can be recharged to capital, HRA and insurance budgets.

A range of actions is being pursued across the Service and this includes:

- Prioritising spend in year (can we defer or remove spend);
- Revisiting some of the detail around loss of income to assess if this can be appropriately re-balanced;
- Continue to prioritise the Estates Team efforts;
- Management action and vacancy management, such that even tighter controls are in place (reflecting that a significant part of the Service budget is staffing).

Committee will be briefed on any action that may have any significant impact on the delivery of services before such action is implemented.

- 2.6 It is recognised that some of the overspending areas are unlikely to be recovered this financial year, for example the rental of Woodhill House, and therefore that accepted budget risk is likely to crystallise. However, with the majority of the financial year left and several months of expenditure still to be committed, there still remains options to appropriately restrict spending. There are areas of discretionary spend on vacancies, non-contractual spend and non-essential spend that are being looked at with a view to reduce a number of the forecast figures. The September monitoring is key for the Service and will be advised to Committee as soon as it is available.
- 2.7 A number of budget virements are proposed for approval. Details of these are shown in **Appendix 3**. Also included is a reconciliation of the Revised Budget in the previous report to Committee to the Revised Budget in this report. The Revised Budget is subject to the approval of the virements in the reconciliation by the appropriate Committees and officers.

### Capital Budget Monitoring

- 2.8 Business Services Revised Capital Budget for the year 2017/18 is £26,677,000. This budget figure alters during the year, as and when changes to the profile of capital expenditure from one year to another are agreed and adjusted for.
- 2.9 This is because the Capital budget is set over a long term, multiple year timeframe, as the projects will often take more than one financial year to complete, or will start in one financial year and end in the next. Consequently there is the need to reprofile the capital expenditure and so the revised capital budget for the year 2017/18 will be updated to reflect the latest alterations in timings as set out in **Appendix 4**, subsequent to this committee noting them.
- 2.10 The overall capital expenditure budget to the end of June 2017 is forecasted to be £21,069,000 which is £5,608,000 less than the revised budget figure and this will mean that the budget from 2017/18 will need to be carried forward into future years. These adjustments will be reported to Aberdeenshire Council on 28 September 2017 for approval. The reason for the major variances can be found within **Appendix 5**.
- 2.11 The Monitoring Officer within Business Services has been consulted in the preparation of this report she had no comments to make and is satisfied that the report complies with the Scheme of Governance and relevant legislation.

### 3. Scheme of Governance

- 3.1 The Committee is able to consider and take a decision on this item in terms of Section C.1.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to resource matters (within agreed budgets) that have been delegated to the Committee.

### 4. Implications and Risk

- 4.1 An Equalities Impact Assessment is not required for this report as the report deals with the monitoring of expenditure against budgets which have been approved previously, and the reprofiling of some expenditure.
- 4.2 The monitoring position for revenue is total expenditure of £41,546,000 or £1,300,000 over budget for 2016/17 and capital expenditure of £21,069,000 or £5,608,000 less than the revised budget, with details and explanation of variances contained within the appendices to this report.
- 4.3 There are no direct staffing implications arising from this report.
- 4.4 The following Risk has been identified as relevant to this matter on a Corporate Level: Budget Pressures ([Corporate Risk Register](#)). The following Risk has been identified as relevant to this matter on a Strategic Level: Balancing the Books ([Directorate Risk Registers](#)). Actions being taken to mitigate these risks are set out in paragraph(s) 2.\* of the report.

**Ritchie Johnson**  
**Director of Business Services**

Report prepared by Shirley-Ann Gordon, Principal Accountant  
4 August 2017

**SUMMARY OF REVENUE MONITORING 2017/18 TO 30/6/2017 - BUSINESS SERVICES COMMITTEE**

	Revised Budget 2017/18 £000	Forecast 2017/18 £000		Forecast Higher than Budget £000	Lower than Budget £000	Net Variance £000	NOTES
<b>BUSINESS SERVICES COMMITTEE</b>							
- Chief Executive	334	324	(10)	0	(10)	(10)	
- Councillors' Remuneration and Expenses	2,493	2,542	49	49	0	49	
- Business Services Directorate	1,124	1,140	16	16	0	16	
- Finance	2,955	2,924	(31)	0	(31)	(31)	
- Insurance	54	54	0	0	0	0	
- Revenues	1,608	1,608	0	0	0	0	
- Benefits	2,178	2,097	(81)	0	(81)	(81)	
- Internal Audit	387	369	(18)	0	(18)	(18)	
- Human Resources & Organisational Development	6,086	6,042	(44)	0	(44)	(44)	
- Information Communications Technology	9,989	10,034	45	45	0	45	
- Legal & Governance	2,555	2,555	0	0	0	0	
- Customer Communication & Improvement	2,863	3,069	206	206	0	206	A
- Printing	(638)	(638)	0	0	0	0	
- Procurement	676	676	0	0	0	0	
- Miscellaneous Services	(26)	(23)	3	3	0	3	
- Joint Board Requisitions	1,624	1,687	63	63	0	63	
- Business Services Corporate Projects	333	333	0	0	0	0	
- Woodhill House	1,231	1,607	376	376	0	376	B
- Office Accommodation	1,967	2,152	185	185	0	185	C
- Building Cleaning	(12)	(93)	(81)	0	(81)	(81)	
- Public Conveniences	250	298	48	48	0	48	
- Halls	376	354	(22)	0	(22)	(22)	
- Operational Buildings	(43)	(43)	0	0	0	0	
- Estates	(3,224)	(2,981)	243	243	0	243	D
- Property Corporate Projects	295	293	(2)	0	(2)	(2)	
- Property Construction Services	(1,247)	(1,293)	(46)	0	(46)	(46)	
- Property Building Repairs & Maintenance Account	5,326	5,326	0	0	0	0	
- Area Managers (Buchan & Formartine)	878	872	(6)	0	(6)	(6)	
	40,392	41,285	893	1,234	(341)	893	
Charges to HRA/Capital/Other Services	(3,287)	(2,880)	407	407	0	407	E
Other Expenditure/(Income)	3,141	3,141	0	0	0	0	
<b>TOTAL BUSINESS SERVICES COMMITTEE</b>	<b>40,246</b>	<b>41,546</b>	1,300	<b>1,641</b>	<b>(341)</b>	<b>1,300</b>	

**Appendix 2 - Variance Analysis**

<u>Note</u>	<u>Forecast</u>	
	<u>Over (within) budget</u>	
	<u>2017/18</u>	<u>Narrative</u>
	£'000	
A	206	<b>Customer Communication and Improvement</b> - Is forecast to be over budget by £206,000. This is mainly within the Customer Services staffing budget and is as a result of additional temporary staff being employed at the Contact Centre to deliver this front line service. Service Points have been opened and the service are actively looking at ways of reducing the Staff Costs by conducting a Service Delivery review.
B	376	<b>Woodhill House</b> - Is forecast to be over budget by £376,000. The variance has arisen as the Council are unable to lease the top floor of Woodhill House to a tenant. This is a recurring variance as it is proving very difficult to attract a tenant due to the economic downturn in Aberdeen and the discussions of a new Office within Inverurie. The variance is not affecting service delivery and will be addressed in the 18/19 budget setting process.
C	185	<b>Office Accommodation</b> - Is forecast to be over budget by £185,000. Savings were applied to the budget before the offices identified were vacated. This has been a recurring issue over the last two years and principally now the issue is limited to Inverurie offices. This will be a recurring variance until the workSPACE programme is completed. The level of service delivery is not affected. Council Services are actively involved in progressing this programme but there remains little opportunity to reduce the variance this financial year.
D	243	<b>Estates</b> - Is forecast to be over budget by £243,000. £148,000 of the pressure being incurred is within the rates budget. The Estates Service meets the cost of surplus properties and vacant rentable units. This is a recurring pressure as some of the properties transferred to Estates do not have budget provision as they have been exempt in the past. Action is being taken to dispose of the assets as quickly as possible but market conditions are difficult. A further pressure of £111,000 has been identified within the income budget. During 2016/17 one of the rental assets was sold to the tenant as per the terms within the lease agreement. This led to a loss of income circa £300,000. This is a recurring variance as there are no properties currently on the leasing schedule which would bring in this amount of income. The service are actively marketing vacant leasable units.
E	407	<b>Charges to HRA/Capital/Other Services</b> - The income from recharges to Capital, HRA and other services is forecast to lower than budget by £407,000. This represents the recovery of costs from Business Services for supporting these activities. The budgets and costs arising have been reducing and consequently the recovery is reduced.

<b>SUMMARY OF REVENUE MONITORING VIREMENTS</b>		<b>Appendix 3</b>
		<b>£'000's</b>
<b>1</b>	<b>R&amp;M Contributions to Property</b>	
	Transfer of budgets which relate to the service contributions to the Repairs and Maintenance Fund. Full budget to be transferred to Business Services - Repairs and Maintenance Account. This virement also requires to be approved by the Education and Children's Services Committee, Infrastructure Services Committee and Communities Committee. This virement will apply to future years.	
	Administration and Management	(42)
	Area Managers (Banff & Buchan and Garioch)	(8)
	Nursery Education	(41)
	Primary Education	(2,056)
	Secondary Education	(1,142)
	Special Education	(107)
	Community Learning & Development	(139)
	Children Community Care	(9)
	Children Residential Care	(27)
	Arts Development	(15)
	Visitor Attractions	(40)
	Libraries	(87)
	Museums	(154)
	Sports & Leisure Management Client	(350)
	Consumer Protection	(2)
	Landscape Services Administration	(9)
	Burial Grounds	(39)
	Parks & Open Spaces	(57)
	Waste Management	(16)
	Area Managers (Kincardine & Mearns and Marr)	(6)
	Woodhill House	(123)
	Office Accommodation	(311)
	Public Conveniences	(118)
	Halls	(209)
	Estates	(22)
	Property Building Repairs & Maintenance Account	5,592
	Area Managers (Buchan & Formartine)	(8)
	Integration Joint Board	(455)
<b>2</b>	<b>Printing</b>	
	Transfer to present the Printing budget as an individual budget page to allow for clearer reporting and budget management. Budget was previously reported within Customer Communication and Improvement. This virement will apply to future years.	
	Customer Communication and Improvement	619
	Printing	(619)
<b>3</b>	<b>Property Construction Services - Administration</b>	
	Transfer of budget from Property Construction Services Administration to Business Services Support Services. This virement will apply to future years.	
	Estates	(81)
	Property Construction Services	(306)
	Business Services Directorate	387
<b>4</b>	<b>Savings - Business Services</b>	
	Transfer to reflect the re-alignment of approved budget savings and allocate these to the correct budget pages. This virement will apply to future years.	
	Chief Executive	(1)
	Councillors Remuneration and Expenses	(1)
	Finance	149
	Revenues	(1)
	Benefits	(151)
	Internal Audit	(1)
	Information Communications Technology	15
	Printing	(23)
	Business Services Corporate Projects	23
	Woodhill House	398
	Office Accommodation	290
	Public Conveniences	(451)
	Halls	(26)
	Estates	(17)
	Property Corporate Projects	(2)
	Property Construction Services	(1)
	Property Building Repairs & Maintenance Account	(200)
<b>5</b>	<b>Community Planning</b>	
	Transfer of budget to reflect staff movement between Community Planning and Customer Communication and Improvement. This virement also requires to be approved by the Communities Committee. This virement will apply to future years.	
	Customer Communication and Improvement	136
	Community Planning	(136)



**Reconciliation of Budget**

<b>Opening Budget</b>	<b>35,038</b>
<b>Permanent Virements approved in 2016/17 after 2017/18 budget set</b>	<b>(1,744)</b>
Cross Service Virements (as above)	4,937
<b>Additional Budgets to be Approved by Full Council to/from Earmarked Reserves:</b>	
Business Services Corporate Projects (Business Transformation Fund)	333
Property Corporate Projects (Business Transformation Fund)	39
<b>Additional Budgets to be Approved by Full Council from Statutory Funds:</b>	
Insurance (Insurance Fund)	162
<b>Additional Virements to be Approved by Full Council:</b>	
Council Tax saving	100
Inflation and Non Pay Inflation	(495)
Reduction in the working balance	1,000
<b>Other Expenditure/Income balance</b>	<b>875</b>
<b>Virements Approved by the Director:</b>	<b>0</b>
<b>Virements to be Approved by the Head of Finance:</b>	
Area Managers (Budget from Community Planning)	14
Customer Communications and Improvements - (Transfer of staff to Equalities)	15
Business Services Directorate (Admin Officer post)	10
Human Resources and Organisational Development (Developing Young Workforce)	45
Other Expenditure and Income (Rates relief scheme - On street parking)	(50)
Information Communications Technology (Impact System to ECS)	(72)
Area Managers (Adjust budget allocation)	37
Rounding Adjustment	2
<b>Closing Budget</b>	<b><u><u>40,246</u></u></b>

## BUSINESS SERVICES CAPITAL BUDGET 2017/18 MONITORING &amp; CAPITAL PLAN 2016-2032 UPDATE - 30 JUNE 2017

	Revised Budget 2017/18 £000	Forecast Outturn 2017/18 £000	Variance 2017/18 £000	Changes to Future Years £000	Note
<b>PLANNED EXPENDITURE</b>					
Buchan House - Police Office Extension	1,017	509	(508)	508	1
Carbon Reduction - Council Wide Objectives	864	864	0	0	
Depots	6,582	6,582	0	0	
Development of Industrial Portfolio & Factory Units	3,591	2,500	(1,091)	1,091	2
Health and Safety - Council Wide Objectives	934	934	0	0	
Information Communications Technology	2,053	2,053	0	0	
Internal Wireless Networks	9	0	(9)	9	
Planned Maintenance - Council Wide Objectives	4,623	4,623	0	0	
Public Toilets	349	349	0	0	
Woodhill House - Complete Refurbishment	158	158	0	0	
Workspace	1,036	1,036	0	0	
Workspace - Saltoun Square Fraserburgh	591	591	0	0	
Workspace - Inverurie Offices	4,500	500	(4,000)	4,000	3
Workspace - Peterhead Offices	370	370	0	0	
<b>TOTAL PLANNED EXPENDITURE</b>	<b>26,677</b>	<b>21,069</b>	<b>(5,608)</b>	<b>5,608</b>	

## BUSINESS SERVICES CAPITAL BUDGET 2016/17 MONITORING &amp; CAPITAL PLAN 2016-2032 UPDATE - 30 JUNE 2017

Significant Variance Analysis

<u>Note</u>	<u>Budget</u>	<b>Variance</b> <b>Revised Budget</b> <b>2017/18</b> <b>£'000</b>	<b><u>Narrative</u></b>
1	Buchan House - Police Office Extension	(508)	Project has not commenced due to ongoing discussions with Police Scotland. As a result budget of £508,000 requires to be deferred until 2018/19.
2	Development of Industrial Portfolio & Factory Units	(1,091)	A number of projects are linked to the Depot Strategy. Although it is anticipated that the existing Depots forecast will be spent in 2017/18 once option appraisals are finalised, the element that the Industrial Portfolio budget requires to finance of £1,091,000 will not be required until 2018/19.
3	Workspace - Inverurie Offices	(4,000)	Options are still being assessed with regards to Inverurie Offices. Until appraisals have been completed work cannot commence which means budget of £4,000,000 requires to be deferred until 2018/19.

## **BUSINESS SERVICES COMMITTEE – 14 SEPTEMBER 2017**

### **OUTTURN REVIEW OF THE PERFORMANCE OF THE TREASURY MANAGEMENT FUNCTION FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017**

#### **1 Recommendation**

**The Committee is recommended to:**

- 1.1 To review this report which details performance and compliance in relation to the Treasury Management function for the period 1 April 2016 to 31 March 2017.**

#### **2. Background / Discussion**

- 2.1 The Code of Practice for Treasury Management by Local Authorities issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), which forms part of the Council's Financial Regulations, states that the performance of the treasury management function should be reviewed at least twice a year.
- 2.2 The Treasury Management Strategy Statement and Prudential Indicators are approved annually. The Strategy Statement incorporates the Investment Policy and Long Term Borrowing Strategy. The Strategy Statement in relation to 2016/17 was approved by Policy and Resources Committee on 21 April 2016 (Item 6, Page 1677).
- 2.3 The Bank rate was 0.5% at the start of the financial year 2016/17 and was reduced by the Bank of England to 0.25% on 4<sup>th</sup> August 2016 in a bid to stimulate the economy. This was the first cut since 2009.
- 2.4 The average return on short term investment rates achieved in 2016/17 was 0.53% (0.56% - 2015/16). The number of financial institutions with whom the Council can invest reduced significantly following the banking crisis in 2008, this together with the historically low bank rates is reflected in the average rate of return achieved. In 2016/17 the rates offered by those financial institutions with whom the Council can invest reduced significantly as a result of a reduction in demand for wholesale deposits.
- 2.5 Long term borrowing rates obtainable from the Public Works Loan Board were higher than the Bank rate throughout the financial year, which meant there was a cost of carry associated with holding additional surplus funds. The long term borrowing rates over the course of the year reduced reflecting the uncertainty due to the Brexit vote and the election of the new US President impacting on global markets.
- 2.6 Each year the long term borrowing requirements of the Council are identified. Despite low long term borrowing rates, the strategy has been to utilise internal

balances to fund capital activity and only undertake long term borrowing when prudent, thereby securing low rates whilst minimising interest rate and credit risk. Aberdeenshire Finance closely monitors the market to identify the most opportune time to borrow, repay or restructure debt within the constraints of the Treasury Management Strategy. **Appendix 1** details treasury management long term borrowing activity for the year.

- 2.7 During the reporting period there were no instances of the Treasury Management Strategy Statement being in breach.  
During the reporting period there were no instances of non-compliance as detailed in **Appendix 2**.
- 2.8 The approved indicators for 2016/17 and actual outturn are shown at **Appendix 3**.
- 2.9 The Investment Policy complies with the Local Government Investments (Scotland) Regulations 2010 (the Investment Regulations) and the associated consent to invest now incorporates shareholdings, loans to third parties and investment properties. The performance of these investments are detailed in **Appendix 4**.
- 2.10 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated in the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

### **3 Scheme of Governance**

- 3.1 The Committee is able to consider this item in terms of Section C.2.7 of the List of Committee Powers in Part 2A of the Scheme of Governance.

### **4 Implications and Risks**

- 4.1 An equality impact assessment is not required because the recommended actions do not have a differential impact on people with protected characteristics.
- 4.2 There are no staffing implications as a direct result of this report and there are no direct financial implications arising from this report. The combined General Fund and HRA financing cost was £36,236,000 (General Fund: £29,902,000 and HRA: £6,334,000), against a revised budget of £36,722,000 (General Fund: £30,042,000 and HRA: £6,680,000), in 2016/17. Proactive investment and debt management has been essential in the management of this budget.
- 4.3 The following Risk has been identified as relevant to this matter on a Strategic Level: Balancing the Books ([Directorate Risk Registers](#)).

**Alan Wood**  
**Head of Finance**

Report prepared by: Bruce Lawrence, Treasury Management Officer  
13 July 2017

## Appendix 1

### Long Term Borrowing and Debt Rescheduling in 2016/17

#### 1. New Borrowing

Date	Amount £'s	Rate of Interest %	Term Years
08/06/16	10,000,000	2.71%	44.50
08/06/16	10,000,000	2.71%	49.50
17/06/16	15,000,000	2.70%	35.50
17/06/16	15,000,000	2.56%	15.50
17/06/16	20,000,000	1.79%	7.50
17/06/16	10,000,000	2.60%	40.50
17/06/16	10,000,000	2.59%	41.50
17/06/16	10,000,000	2.57%	50.00
28/06/16	10,000,000	2.49%	43.50
05/07/16	10,000,000	2.17%	49.50
	<b>120,000,000</b>	<b>2.44%</b>	<b>34.17</b>

#### 2. Early Loan Repayment

No appropriate opportunities arose to take advantage of the early repayment of debt during the year.

If these had occurred it would have given rise to savings over the life of the loans from discounts and lower interest rates on the loans. When a loan with the PWLB is repaid early, a premium or discount is paid or received from the PWLB. These payments or receipts represent the difference between the interest rate of the loan repaid and the current PWLB interest rate for a loan lent for the same period.

## Appendix 2

### A. Compliance and Performance

#### 1. Treasury Management Performance

(i) *“Average cost of servicing Loans Fund advances in year”*

Purpose:- The Loans fund interest and expenses rates indicate the cost of raising and servicing the Council’s borrowings as a percentage of amounts owing to the Loans Fund by the Council’s services.

	<b>2015/16 Actual</b>	<b>2016/17 Budget</b>	<b>2016/17 Actual</b>
Loans Fund Interest Rate	4.05%	4.43%	3.74%
Loans Fund Expenses Rate	0.02%	0.03%	0.03%
<b>Total Rate</b>	<b>4.07%</b>	<b>4.46%</b>	<b>3.77%</b>

The Loans Fund interest rate reflects rates applicable to the whole debt portfolio of the Council.

(ii) *“Average interest rate of longer term borrowing (i.e. for one year or more) raised in-year”:-*

Purpose:- Indicates whether or not the Council is achieving value for money in its borrowings.

	<b>2015/16 Actual</b>	<b>2016/17 Budget</b>	<b>2016/17 Actual</b>
Average interest rate of longer term borrowing	2.97%	4.14%	2.44%

(iii) *“Average maturity of long term borrowing raised in year”*

Purpose:- Indicates whether or not the Council’s borrowing strategy is appropriate to the prevailing interest rate environment. In times of low interest rates, it is desirable to borrow for long periods at fixed interest rates to guard against the risk that rates might increase. Conversely, in times of high interest rates, it can be desirable to borrow over shorter periods if rates are expected to fall.

	<b>2015/16 Actual</b>	<b>2016/17 Actual</b>
New borrowing	36.25 years	34.17 years
Debt rescheduling	n/a	n/a
Average	36.25 years	34.17 years

When new borrowing was taken during the year, reference was made to our maturity profile when deciding the term of the loans and which offered best value. Decisions were made with reference to Capita Asset Services who are our treasury advisors.

## Compliance with the Investment Policy

- (i) *“Selection of counterparties for lending of surplus money in the Council Loans Fund”:-*

Lending has been to the counterparties listed below. This complies with the conditions for lending included in the Investment Policy.

### Interest Receivable Realised from Counterparties

Counterparty	2016/17 Actual
	£s
Bank of Scotland	57,315
Clydesdale Bank PLC	31,223
DZ Bank AG	25,570
Federated Investors Sterling MMF	27,298
Goldman Sachs International Bank	20,609
Insight Sterling Liquidity Fund	3,935
Landesbank Baden Wuerttemberg	30,082
Legal & General Investment Management Sterling Liquidity MMF	16,041
Nationwide Building Society	33,907
Norddeutsche Landesbank	33,370
Nordea Bank	32,411
Santander Time Deposit	192
Standard Chartered Bank	9,370
Standard Life Sterling Liquidity MMF	29,696
State Street Sterling MMF	348
Sumitomo Mitsui Banking Corp	35,741
Svenska Handelsbanken	27,793
<b>Total Interest Received</b>	<b>414,901</b>

- (ii) *“Investment of the fund balances of trusts and common good funds”*

Investments held by trusts and common good funds administered by the Council complied with the Investment Policy in the period 1 April 2016 to 31 March 2017.

- (iii) *“Restriction of amount lent to any one borrower at any one time to £10M”.*

This element of the policy was complied with.

- (iv) *“Restriction of temporary borrowing to 20% of the total capital debt outstanding at the time of borrowing”*

	Actual 2015/16	Actual 2016/17
Maximum Borrowing to Debt Outstanding	3.09%	3.13%



(v) *“The minimum average life to maturity of all long term borrowing will be 5 years”*

	<b>Actual 2015/16</b>	<b>Actual 2016/17</b>
Minimum Average Life to Maturity	23.83 years	23.98 years

(vi) *“No more than the greater of 25% of all temporary borrowing or £15M will be taken from any one lender at any one time except where the Bank of England is the lender where a limit of £25M will apply”*

	<b>Actual 2015/16</b>	<b>Actual 2016/17</b>
	<b>£s</b>	<b>£s</b>
Maximum Outstanding with 1 lender	10,000,000	5,000,000

## Appendix 3

### PRUDENTIAL INDICATORS

#### 1. Estimated ratio of financing cost to net revenue stream

Purpose:- This ratio indicates the percentage of the revenue budget that is required to meet the cost of external borrowing. A separate ratio is shown for the General Fund (GF) and Housing Revenue Account (HRA), and indicates the affordability of the Council's capital expenditure proposals.

Indicator:

	<b>Approved 2016/17</b>	<b>Actual 2016/17</b>	<b>Approved 2017/18</b>
General Fund	6.71%	6.47%	7.02%
Housing Revenue Account	12.71%	12.20%	12.77%

#### 2. Estimated incremental impact of investment decisions on council tax/rents

Purpose:- This ratio links with the previous ratio and indicates the impact of capital expenditure plans on the revenue budget.

Indicator:

	<b>Approved 2016/17</b>	<b>Actual 2016/17</b>	<b>Approved 2017/18</b>
General Fund	zero	zero	zero
Housing Revenue Account	zero	zero	zero

This indicates that, because there is no proposed change to the existing capital plans which impacts on the level of borrowing over the medium term there is no incremental effect on council tax or rents.

#### 3. Net borrowing and the capital financing requirement

Purpose:- These indicators show the estimated total borrowing required to fund existing and additional capital expenditure proposals and the estimated level of actual borrowing. The indicators are only required for the Council's overall position and are not divided between the General Fund and HRA.

Indicator:

	<b>Approved 2016/17</b>	<b>Actual 2016/17</b>	<b>Approved 2017/18</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Net Borrowing	648	642	708
Capital Financing Requirement	757	727	817

Net borrowing is less than the capital financing requirement this indicates that the Council is utilising internal revenue balances to meet the cash requirements of its capital investment plans.

#### 4. Estimated capital expenditure

Purpose:- This indicator details the value of the capital expenditure budget and actual.

Indicator:

	<b>Initial Budget 2016/17</b>	<b>Actual 2016/17</b>	<b>Initial Budget 2017/18</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
General Fund	108.26	102.34	132.34
Housing Revenue Account	31.35	27.99	34.76
<b>Total</b>	<b>139.61</b>	<b>130.33</b>	<b>167.10</b>

#### 5. Authorised limit and operational limit for external debt

Purpose:- The authorised limit sets an absolute limit for the Council's total external borrowing inclusive of long term liabilities. It is set to reflect current and proposed borrowing, and contains an allowance for the estimated maximum temporary borrowing during the year to meet cash flow requirements. The operational limit excludes the allowance for temporary borrowing and reflects the budgeted provision for borrowing. It is however necessary to retain some scope for managing temporary cash shortfalls, hence the requirement to set a higher authorised limit. The authorised limit should not be breached in any circumstances without the prior approval of the Council.

Indicator:

	<b>Approved 2016/17</b>	<b>Actual 2016/17</b>	<b>Approved 2017/18</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Authorised Limit	835	816	922
Operational Limit	785	766	847

**6. Has the Council adopted the CIPFA Code of Practice for Treasury Management in the Public Services?**

Purpose:- Prudential indicators require a close link to existing good practice in Treasury Management. Adoption of the CIPFA Code reflects best practice in this area.

Indicator: Yes

## 7. Upper limits on fixed and variable interest rate exposures

Purpose:- The Treasury Management Policy requires the Council to minimise risk rather than to maximise return. Exposure to variable interest rates means that the Council is exposed to higher borrowing costs in the event of a sudden increase in interest rates.

Indicator:

	Approved 2016/17	Actual 2016/17	Approved 2017/18
Fixed rate exposure upper limit	100%	106%	100%
Variable rate exposure upper limit	40%	10%	40%

The fixed rate upper limit has been exceeded due to the nature of the prescribed method of calculation, whereby net borrowing includes temporary investments. In 2016/17 net borrowing was less than total fixed rate borrowing due to the level of temporary investments.

This indicator ensures that no more than 40% of the overall debt portfolio is exposed to fluctuations in interest rates at any time.

## 8. Upper limit for the maturity structure of fixed rate borrowing

Purpose:- In order to avoid exposure to fluctuating or higher interest rates it is important to manage debt maturity to limit any requirement to re-borrow funds in any given period. This indicator sets maximum and minimum limits for the value of debt maturing in different time periods.

Indicator:

	Maximum proportion of fixed rate borrowing maturing Indicator	Maximum proportion of fixed rate borrowing maturing to 31/03/17	Minimum proportion of fixed rate borrowing maturing Indicator	Minimum proportion of fixed rate borrowing maturing to 31/03/17
Under 12 months	30%	8.49%	0%	6.91%
1 year to 2 years	30%	3.86%	0%	3.14%
2 years to 5 years	50%	13.85%	0%	11.28%
5 years to 10 years	75%	9.27%	0%	6.96%
10 years and above	90%	69.68%	25%	66.57%

**Appendix 4  
Other Investment Activity**

<b>Name</b>	<b>Balance as at 31 March 2016</b>	<b>Balance as at 31 March 2017</b>	<b>Investment Return 2016/17</b>
	<b>£s</b>	<b>£'s</b>	<b>£'s</b>
Call Accounts	8,700,000	4,050,000	33,307
Money Market Funds	10,000,000	0	77,318
Fixed Term Deposits	0	25,000,000	304,276
	<b>18,700,000</b>	<b>29,050,000</b>	<b>414,901</b>
Trust Funds: Heritable Property	0	0	0
Trust Funds: Government Stocks	201,113	221,618	4,764
Trust Funds Shareholdings: Investment Trusts	63,929	79,304	2,153
Trust Funds Shareholdings: Unit Trusts	2,721,717	3,252,805	90,621
Trust Funds Shareholdings: Others	64,669	73,959	586
Investment in Loans Fund	2,647,428	2,729,286	18,849
	<b>5,698,856</b>	<b>6,356,972</b>	<b>116,973</b>
Common Good Funds: Heritable Property	730,384	1,391,747	0
Common Good Funds Shareholdings: Unit Trusts	13,786	14,753	511
Investment in Loans Fund	1,449,424	1,468,349	7,582
	<b>2,193,594</b>	<b>2,874,849</b>	<b>8,093</b>
Adhoc loans incl. existing long-term debtors	7,683,481	12,666,148	144,528
Support for Aberdeenshire Business Scheme	122,639	130,702	239
	<b>7,806,120</b>	<b>12,796,850</b>	<b>144,767</b>
Investment Land and Buildings	<b>1,740,900</b>	<b>1,687,350</b>	<b>0</b>
<b>Total</b>	<b>36,139,470</b>	<b>52,766,021</b>	<b>684,734</b>

## REPORT TO BUSINESS SERVICES COMMITTEE – 14 SEPTEMBER 2017

### REVIEW OF PUBLIC TOILET PROVISION IN TURRIFF

#### 1 Recommendations

The Committee is requested to:

- 1.1 **Agree to the replacement of the public convenience in the Turriff High Street public car park with the site at the Haughs as the permanent public convenience site for Turriff.**
- 1.2 **To declare the High Street Turriff public convenience site as surplus to requirements and available for disposal.**

#### 2 Background/Discussion

- 2.1 The Infrastructure Services Committee, which was the appropriate Service and Policy Committee at the time, approved a review of the Public Convenience Strategy in January 2016. The Strategy promoted the focus of facilities on major transportation and tourist routes. This Strategy also included the closure of 9 low use and/or poor condition conveniences. The site at Turriff Haughs was one. The site at the High Street public car park in Turriff was to remain as the only public convenience site in Turriff.
- 2.2 There is local desire to develop and enhance the wider Haughs area as a recreation, tourist and event related space. The Turriff Community Council completed a public consultation exercise the outcome of which was to retain the Haughs site as the preferred site for Turriff. This site had been a seasonal site, open only for the summer months.
- 2.3 To open the Haughs facility as a permanent site would require the closure of the High Street site. This would then be declared surplus to requirements and would be available for disposal. It is proposed that the Haughs site would remain open 12 months of the year. The annual cost of maintaining the site at the Haughs, will be in the region of £7,500, which is similar to the cost of maintaining the High Street site.
- 2.4 The Council continues to operate 50 public conveniences, although this is under review, with a further 19 sites operated as comfort partnership arrangements with local businesses and we also support 9 community run sites. Aberdeenshire has the second highest number of public conveniences in Scotland.
- 2.5 The Council does not have a statutory requirement to provide public toilets. The Service costs £886,000 nett (2016/17) to run, the Public Convenience budget page refers. With the financial challenges facing both the Service and Council it is still considered appropriate to continually review the level of service provision to allow resources to be focused in those areas where footfall and demand is more evident and prevalent.

- 2.6 The Service continues to believe it is appropriate to focus attention and resources on a reduced number of improved quality facilities and the accepted Strategy is predicated on a proposal to reduce the number of facilities overall, reduce costs significantly and allow the focus of the remaining resources to increase the quality of the continuing provision particularly on major transport corridors and major tourist routes. Officers also recognise the potential for local communities to take a responsibility for public toilets – both those that are earmarked for disposal and, indeed, those that may not be.
- 2.7 For Members information the Formartine Area Committee held on 22 August 2017 considered the proposal and agreed to recommend to Committee that the public convenience at Turriff High Street public car park be replaced with the site at the Haughs, as the permanent public convenience site for Turriff
- 2.8 Subsequent to the Infrastructure Services Committee considering the Public Convenience Strategy the Property & Facilities Management Service transferred to Business Services. The Business Services Committee is now the appropriate locus to consider any issues arising from the Strategy.
- 2.9 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report. Their comments have been incorporated within the report and they are satisfied that the report complies with the Scheme of Governance and relevant legislation.

### **3 Scheme of Governance**

- 3.1 The Business Services Committee is able to take a decision on this item in terms of Section C.1.1.i of the List of Committee Powers in Part 2A of the Scheme of Governance which relates to the functions of Property & Facilities Management.

### **4 Equalities, Staffing and Financial Implications**

- 4.1 An equality impact is not required because its purpose is to inform Committee of a proposed change of location of the toilet site and does not have a differential impact on anyone with any of the protected characteristics.
- 4.2 There are no specific staffing or financial implications arising from this report.
- 4.3 It is considered that there are no risks from a Corporate or Directorate level arising from this proposal.

**Ritchie Johnson**  
**Director of Business Services**



## BUSINESS SERVICES COMMITTEE

### LICENSING SUB-COMMITTEE

**GORDON HOUSE, INVERURIE, 21 APRIL, 2017**

- Present:** Councillors R Cowling (Chair), A Evison, A Hendry, F C P Hood, S W Pratt, and C Shand.
- Apologies:** Councillors E Chapman, and I Tait.
- Officers:** Principal Solicitor (Governance), Senior Solicitor (F Stewart), Trainee Solicitor (A Toye), and Committee Officer (J McRobbie).
- In attendance:** Sergeant G Flett (Police Scotland).

#### 1. DECLARATION OF MEMBERS' INTERESTS.

No interests were declared by any member of the Sub-Committee in terms of the Councillors' Code of Conduct.

#### 2. RESOLUTIONS

##### (A) PUBLIC SECTOR EQUALITY DUTY

In taking decisions on the undernoted items of business, the Sub-Committee **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 of 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;
- (2) where an Equality Impact Assessment was provided, to consider its contents and take those into account when reaching a decision.

##### (B) EXEMPT INFORMATION

The Sub-Committee **agreed**, in terms of Sections 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, that the public and media representatives be excluded from the meeting for Items 3 to 18 of the business on account of the likely disclosure of exempt information of the class described in paragraph 6 of Part 1 of Schedule 7A of the Act.

#### A. MINUTES

The Minute of Meeting of the Sub-Committee of 10 February 2017 had been circulated and was **approved**.

#### 3. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 - CONSIDERATION OF SUSPENSION OF TAXI DRIVER'S LICENCE (CASE NO. 881)

There had been circulated a report dated 10 February, 2017, by the Director of Business Services, which (1) requested that consideration be given to the suspension of a taxi driver's licence, in respect of which the Chief Constable had lodged a complaint; and (2) detailed information relevant to the application.

Having heard from an interpreter on behalf of the applicant, and from the representative of the Chief Constable, the Sub-Committee **agreed** unanimously that the application not be suspended on the grounds that the applicant was a fit and proper person to hold such a licence.

#### **4. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 - APPLICATION FOR GRANT OF PRIVATE HIRE CAR DRIVER'S LICENCE (CASE NO. 882)**

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a private hire car driver's licence, in respect of which the Chief Constable had lodged a representation; and (2) detailed information relevant to the application.

In the absence of the applicant, and having heard from the representative of the Chief Constable, Councillor Pratt moved, seconded by Councillor Shand, that the application be **granted** for the period of a year, on the basis the applicant had not been proved not to be a fit and proper person.

Councillor Hendry moved as an amendment, seconded by Councillor Hood, that the application be **refused** on the basis that the applicant, having been untruthful on his application, having shown a disregard for the Road Traffic Acts, and having a recent conviction for Road Traffic offences, was not a fit and proper person to hold a private hire car driver's licence.

On a division, there voted:

For the Motion	(4)	Councillors Cowling, Evison, Pratt, and Shand.
For the Amendment	(2)	Councillors Hendry and Hood.

The Motion was therefore carried and the Sub-Committee **agreed** that the application be granted for the period of a year, on the grounds that the applicant had not been proved not to be a fit and proper person to hold such a licence.

#### **5. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 - APPLICATION FOR GRANT OF PRIVATE HIRE CAR DRIVER'S LICENCE (CASE NO. 883)**

There had been circulated a report dated 10 February, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a private hire car driver's licence, in respect of which the Chief Constable had made a representation; and (2) detailed information relevant to the application.

The Sub-Committee heard from the applicant and the Chief Constable's representative and **agreed** unanimously that a private hire car licence be granted for the period of three years.

#### **6. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 - APPLICATION FOR GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 884)**

There had been circulated a report dated 8 March, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had lodged an objection; and (2) detailed information relevant to the application.

Having heard from the applicant and the Chief Constable's representative, the Sub-Committee agreed, by a majority, to **grant** a licence for the period of three years, as the applicant had not been proven to be not a fit and proper person.

**7. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 - APPLICATION FOR GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 885)**

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had lodged an objection; and (2) detailed information relevant to the application.

Having heard from the applicant and the Chief Constable's representative, the Sub-Committee agreed, unanimously, to **refuse** a taxi driver's licence as the applicant had been demonstrated not to be a fit and proper person.

**8. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 - APPLICATION FOR THE GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 886)**

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had lodged an objection; and (2) detailed information relevant to the application.

Having noted that the applicant was not present, the Sub-Committee **agreed** that consideration of the application be **deferred** to the next meeting of the Sub-Committee to allow the applicant a further opportunity to attend.

**9. CIVIC GOVERNMENT (SCOTLAND) ACT 1982- APPLICATION FOR THE GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 887)**

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had lodged an objection; and (2) detailed information relevant to the application.

Having heard from the applicant and the Chief Constable's representative, Cllr Shand moved, seconded by Councillor Hendry, that the application be refused as the applicant had been demonstrated not to be a fit and proper person.

Councillor Pratt moved as an amendment, that the application be granted for the period of a year, as the applicant had not come to police attention since his relocation to north east Scotland. There being no seconder, the amendment fell.

The Sub-Committee thereafter **agreed**, by a majority, to **refuse** a taxi driver's licence as the applicant had been demonstrated not to be a fit and proper person.

**10. CIVIC GOVERNMENT (SCOTLAND) ACT 1982- APPLICATION FOR THE GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 888)**

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had lodged an objection; and (2) detailed information relevant to the application.

Having noted that the applicant was not present, the Sub-Committee **agreed** that consideration of the application be **deferred** to the next meeting of the Sub-Committee to allow the applicant a further opportunity to attend.

**11. CIVIC GOVERNMENT (SCOTLAND) ACT 1982- APPLICATION FOR THE GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 889)**

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had made representation; and (2) detailed information relevant to the application.

Having noted that the applicant was not present, the Sub-Committee **agreed** that consideration of the application be **deferred** to the next meeting of the Sub-Committee to allow the applicant a further opportunity to attend.

**12. CIVIC GOVERNMENT (SCOTLAND) ACT 1982- APPLICATION FOR THE GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 890)**

There had been circulated a report dated 6 March, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had made representation; and (2) detailed information relevant to the application.

Having noted that the applicant was not present, the Sub-Committee **agreed** that consideration of the application be **deferred** to the next meeting of the Sub-Committee to allow the applicant a further opportunity to attend.

**13. CIVIC GOVERNMENT (SCOTLAND) ACT 1982- APPLICATION FOR THE GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 891)**

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had lodged an objection; and (2) detailed information relevant to the application.

Having noted that the applicant was not present, the Sub-Committee **agreed** that consideration of the application be **deferred** to the next meeting of the Sub-Committee to allow the applicant a further opportunity to attend.

**14. CIVIC GOVERNMENT (SCOTLAND) ACT 1982- APPLICATION FOR THE GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 892)**

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had made representation; and (2) detailed information relevant to the application.

Having noted that, although the applicant was not present, the matter could not be further deferred, the Sub-Committee heard from the Chief Constable's representative.

Councillor Hood moved, seconded by Councillor Hendry, that the Sub-Committee **refuse** the application as the applicant had been demonstrated not to be a fit and proper person.

Councillor Pratt moved as an amendment, seconded by Councillor Evison, that the application be **granted** for the period of a year, given that the DVLA points reported did not make the applicant an unfit person.

On a division, there voted:

For the Motion (2) Councillors Hendry and Hood.  
For the Amendment (4) Councillors Cowling, Evison, Pratt, and Shand.

The amendment was therefore carried and the Sub-Committee **agreed**, by a majority, to **grant** the licence for a period of a year.

#### 15. CIVIC GOVERNMENT (SCOTLAND) ACT 1982- APPLICATION FOR THE GRANT OF TAXI DRIVER'S LICENCE (CASE NO. 893)

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a taxi driver's licence, in respect of which the Chief Constable had submitted an objection; and (2) detailed information relevant to the application.

Having noted that the applicant was not present, the Sub-Committee **agreed** that consideration of the application be **deferred** to the next meeting of the Sub-Committee to allow the applicant a further opportunity to attend.

#### 16. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – APPLICATION FOR RENEWAL OF WINDOW CLEANER'S LICENCE (CASE NO. 894)

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to the renewal of a window cleaner's licence, on which the Chief Constable had made representation; and (2) detailed information relevant to the application.

Having heard from the applicant's representative, and from the representative of the Chief Constable, Councillor Shand moved, seconded by Councillor Pratt, that the Sub-Committee **renew** the window cleaner's licence for a period of three years, on the basis that the submissions had not proved the applicant unfit to hold such a licence.

Councillor Hendry moved as an amendment, seconded by Councillor Hood, that the Sub-Committee **refuse** the application for renewal of window cleaner's licence, as the submissions demonstrated the applicant to be not a fit and proper person to hold a licence.

On a division, there voted:

For the Motion (4) Councillors Cowling, Evison, Pratt, and Shand.  
For the Amendment (2) Councillors Hendry and Hood.

The Motion was therefore carried and the Sub-Committee **agreed** by a majority to **grant** the renewal of licence for a three year period.

#### 17. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – APPLICATION FOR ITINERANT METAL DEALER'S LICENCE (CASE NO. 895)

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of an itinerant metal dealer's licence, in respect of which the Chief Constable had submitted an objection; and (2) detailed information relevant to the application.

Having noted that the applicant was not present, the Sub-Committee **agreed** that consideration of the application be **deferred** to the next meeting of the Sub-Committee to allow the applicant a further opportunity to attend.

**18. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – APPLICATION FOR GRANT OF A SKIN PIERCING AND TATTOO LICENCE (CASE NO. 896)**

There had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a skin piercing and tattoo licence, in respect of which an objection had been received; and (2) detailed information relevant to the application.

The Sub-Committee heard from the Senior Solicitor that, as the objection had been withdrawn, the application would be approved. The Sub-Committee **noted** the withdrawal of the application.

## BUSINESS SERVICES COMMITTEE

### SPECIAL MEETING OF LICENSING SUB-COMMITTEE

**GORDON HOUSE, INVERURIE, 21 APRIL, 2017**

- Present:** Councillors P J Argyle, PW Bellarby, F McRae, C H Nelson, and D Stewart.
- Officers:** Senior Solicitor (F Stewart), Trainee Solicitor (A Toyne), and Committee Officer (J McRobbie).
- In attendance:** Chief Inspector Kevin Keogh and Sergeant G Flett (Police Scotland).

Prior to the commencement of the business of the meeting, the Sub-Committee unanimously **agreed** that Councillor Argyle chair the special meeting.

#### 1. DECLARATION OF MEMBERS' INTERESTS.

No interests were declared by any member of the Sub-Committee in terms of the Councillors' Code of Conduct.

#### 2. RESOLUTIONS

##### (A) PUBLIC SECTOR EQUALITY DUTY

In taking decisions on the undernoted items of business, the Sub-Committee **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 of 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;
- (2) where an Equality Impact Assessment was provided, to consider its contents and take those into account when reaching a decision.

##### (B) EXEMPT INFORMATION

The Sub-Committee **agreed**, in terms of Sections 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, that the public and media representatives be excluded from the meeting for Items 3 to 6 of the business on account of the likely disclosure of exempt information of the class described in paragraph 6 of Part 1 of Schedule 7A of the Act.

Having heard from the Senior Solicitor regarding the order of business proposed for consideration, the Sub-Committee **agreed** to hear case 859 (Application for renewal of Housing in Multiple Occupation Licence) before Case No 857 (Request for revocation of existing Housing in Multiple Occupation Licence).

**3. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – APPLICATION FOR THE GRANT OF TAXI DRIVER’S LICENCE (CASE NO. 847)**

With reference to the Minute of Meeting of 19 August, 2016, (Item 4(b)), there had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to the grant of a taxi driver’s licence, in respect of which the Chief Constable had lodged an objection; and (2) detailed information relevant to the application.

Having heard from the applicant’s representative, and from the representative of the Chief Constable, Councillor Argyle moved, seconded by Councillor McRae, that the Sub-Committee **refuse** the application on the grounds of public safety and that the applicant had been demonstrated not to be a fit and proper person.

Councillor Bellarby moved as an amendment, seconded by Councillor Nelson, that the Sub-Committee **grant** the application for a period of three years, on the basis that it had not been evidenced that the applicant was unfit to hold such licence, or a threat to public safety.

On a division, there voted:

For the Motion (3) Councillors Argyle, McRae, and Stewart.  
For the Amendment (2) Councillors Bellarby and Nelson.

The Motion was therefore carried and the Sub-Committee **agreed**, by a majority, that the application be **refused**, on the grounds of public safety and that the applicant was not a fit and proper person to hold such a licence.

**4. HOUSING (SCOTLAND) ACT 2006 – REQUEST FOR REVOCATION OF HOUSES IN MULTIPLE OCCUPATION LICENCE (CASE NO. 858)**

With reference to the Minute of Meeting of 19 August, 2016, (Item 5(b)), there had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to the revocation of a licence for Houses in Multiple Occupation, in respect of which the Chief Constable had made representation; and (2) detailed information relevant to the application.

The Sub-Committee heard from the Senior Solicitor that the licence having been transferred to another individual, the application for revocation fell.

The Sub-Committee **noted** that the revocation request had been withdrawn.

**5. HOUSING (SCOTLAND) ACT 2006 –APPLICATION FOR RENEWAL OF HOUSES IN MULTIPLE OCCUPATION LICENCE (CASE NO. 859)**

With reference to the Minute of Meeting of 19 August, 2016, (Item 5(c)), there had been circulated a report dated 6 April, 2017, by the Director of Business Services, which (1) requested that consideration be given to the application for the renewal of a licence for Houses in Multiple Occupation, in respect of which the Chief Constable had made representation; and (2) detailed information relevant to the application.

Having noted that, in terms of the Housing (Scotland) Act, the term “representation” carried the same weight as “objections” lodged in terms of the Civic Government (Scotland) Act for other licences, the Sub-Committee heard from the applicant’s representative, two objectors, and the Chief Constable’s representative.



The Sub-Committee **agreed**, unanimously, to **grant** the application for renewal of a Houses in Multiple Occupation licence on the grounds that it had not been evidenced, in terms of the Housing (Scotland) Act, that the applicant was an unfit person to hold the licence.

**6. HOUSING (SCOTLAND) ACT 2006 – REQUEST FOR REVOCATION OF HOUSES IN MULTIPLE OCCUPATION LICENCE (CASE NO. 857)**

With reference to the Minute of Meeting of 19 August, 2016, (Item 5(a)), there had been circulated a report dated 6 April, 2017 by the Director of Business Services, which (1) requested that consideration be given to the request for the revocation of an existing licence for Houses in Multiple Occupation, in respect of which the Chief Constable had made representation; and (2) detailed information relevant to the application.

The representative of the Chief Constable advised the Sub-Committee that he wished the request for revocation to be withdrawn.

The Sub-Committee **noted** that the application had been withdrawn.