



BUSINESS SERVICES COMMITTEE

THURSDAY, 28 FEBRUARY, 2019, 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, 28 FEBRUARY, 2019, at 10.15 A.M.

20 February, 2019

Director of Business Services

To: Councillors J Gifford (Chair), M Roy (Vice-Chair), K Adam, L Berry, G Blackett, I Davidson, A Duncan, E Durno, A Forsyth, F Hood, J Hutchison, H Partridge, N Smith and R Thomson.

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

Contact Person:-	Allan Bell Tel: 01467 534562 Email:- allan.bell@aberdeenshire.gov.uk
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BUSINESS

1. Sederunt and Declaration of Members' Interests.
- 2A. Statement on Equalities.

Consider, and if so decided, adopt the following:- "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."

- 2B. 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 6, 7, 8, 9, 10, 11 and 12 of the business below, on the grounds that it involves the likely disclosure of exempt information of the classes described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act."

3. Minute of Meeting of the Business Services Committee of 10 January, 2019. **(Pages 5-11)**
4. Financial Monitoring as at 31 December, 2018. **(Pages 12-20)**
5. Review of the Performance of the Treasury Management Function and Investments for the Period to 30 September, 2018. **(Pages 21-29)**

ITEMS WHICH THE COMMITTEE MAY WISH TO CONSIDER WITH THE PRESS AND PUBLIC EXCLUDED

6. Civic Government (Scotland) Act 1982 – Application for Grant of Taxi Booking Office Licence. **(Pages 30-32)**
(EXEMPT under Paragraph 12)
7. Proposed Sale of Site at South Harbour Road, Fraserburgh. **(Pages 33-40)**
(EXEMPT under Paragraph 9)

8. Proposed Sale of Glenugie Business Centre and 53 Windmill Street,
Peterhead
(Pages 41-47)
(EXEMPT under Paragraph 9)
9. Annual Work Plan 2019/20 for Business Services Directorate – Procurement
Approval.
(Pages 48-58)
(EXEMPT under Paragraph 8)
10. Supplementary Directorate Work Plan – Procurement Approval.
(Pages 59-67)
(EXEMPT under Paragraph 8)
11. Hard Facilities Management (Hard FM) Update.
(Pages 68-76)
(EXEMPT under Paragraph 8)
12. Scrutiny Referral from Audit Committee.
(Pages 77-95)
(EXEMPT under Paragraph 8)

ITEMS FOR NOTING

- (a) Minute of Special Meeting of the Licensing Sub-Committee of 26 October,
2018.
(Pages 96-97)
- (b) Minute of Meeting of the Licensing Sub-Committee of 7 December, 2018.
(Pages 98-101)

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 9 - Terms of Acquisition or Disposal - Terms for a contract for acquisition or disposal of property or supply of goods or services.

Paragraph 12 - Legal Proceedings - Instructions to counsel and advice received in connection with legal proceedings by or against the Council.

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

ABERDEENSHIRE COUNCIL

BUSINESS SERVICES COMMITTEE

WOODHILL HOUSE, ABERDEEN, 10 JANUARY, 2019

Present: Councillors J Gifford (Chair), M Roy (Vice-Chair), K Adam, L Berry, G Blackett, R Cassie (as substitute for Councillor R Thomson), I Davidson, A Duncan, E Durno, A Forsyth, F Hood, J Hutchison, H Partridge and N Smith.

Apology: Councillor R Thomson.

Officers: Director of Business Services, Corporate Finance Manager, Legal Services Manager (Governance) and Senior Committee Officer (Allan Bell).

1. DECLARATION OF MEMBERS' INTERESTS

The Chair asked members if they had any interests to declare, in terms of the Councillors' Code of Conduct.

Councillor Adam declared an interest in respect of Item 10, by virtue of the fact that her partner was an employee of Gordon Rural Action. She advised that she would leave the meeting and take no part in the item in question.

2A. 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 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, and
- (2) to consider, where an equality impact assessment has been provided, its contents and to take those into consideration when reaching a decision.

2B. 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.

Item No	Paragraph No of Schedule 7A
7	9
8	8 and 10
9	8
10	4

3. MINUTE OF MEETING OF THE COMMITTEE OF 15 NOVEMBER, 2018

On consideration of the circulated Minute of Meeting of the Committee of 15 November, 2018, members **approved** it as a correct record, after which the Minute was signed by the Chair.

4. BRITISH SIGN LANGUAGE IMPLEMENTATION PLAN 2018-2024

The Chair welcomed Sally Fraser-Hay and Elaine Campbell, registered sign language interpreters, and advised that they would sign the contributions of both himself and the Director of Business Services during this item.

With reference to the Minute of Meeting of the Committee of 13 September, 2018 (Item 4), when it had been agreed to approve the Aberdeenshire British Sign Language (BSL) Local Plan 2018 – 2024, and the Director of Business Services had been instructed to report back, following consultation with area and policy committees and the Integration Joint Board (IJB), there was circulated a report dated 20 December, 2018, by the Director of Business Services (1) which explained the background to the development of the Aberdeenshire BSL Local Plan, (2) which advised that the Council's BSL Implementation Plan was designed to highlight the costs of actions within the Local Plan and how the impact of those actions might be monitored and measured and (3) to which were appended a copy of the draft BSL Implementation Plan, together with comments received thereon from area and policy committees and the IJB.

After detailed consideration, the Committee:-

- (1) **approved** the Aberdeenshire BSL Implementation Plan 2018 – 2024, following consideration of comments received from area and policy committees and the IJB, and
- (2) **instructed** officers to submit an update report to a meeting of the Committee in 12 months' time, with the matter having first being considered at each of the 6 area committees.

5. PROPOSED SCRUTINY PROGRAMME FOR BUSINESS SERVICES COMMITTEE

Consideration was given to a circulated report by the Director of Business Services, which (1) explained that, since the adoption of the new Scheme of Governance by the Council in 2017, policy committees had been expected to undertake appropriate scrutiny in their own service areas, replacing scrutiny work no longer resting with the former Scrutiny and Audit Committee, (2) outlined the focus and method for appropriate scrutiny by the Business Services Committee, together with initial topic areas for consideration and (3) provided statistical detail of the work of the Council's Contact Centre.

After consideration, the Committee:-

- (1) **noted** members' comments in respect of the format of scrutiny workshops, the adoption of scrutiny functions by all policy committees, upgrading of telephone systems for the Contact Centre, unanswered calls, resourcing of the Contact Centre, and the levels of usage and analysis of footfall patterns at service points,
- (2) **agreed** that the Director of Business Services should develop a scrutiny programme for the Committee for the next 12 months and submit it to the next meeting for consideration, and
- (3) **noted** that Customer Services would be the first service area to be addressed, and that an initial informal workshop would take place immediately after the conclusion of the meeting.

6. SCOTLAND EXCEL REVIEW

Consideration was given to a circulated report dated 6 December, 2018, by the Director of Business Services, which (1) explained the background to the creation of Scotland Excel as a centre of expertise for local authority procurement, improving the value of purchasing through economies of scale, (2) advised that each local authority had agreed to pay an annual subscription, on a pro-rata basis, towards the operational costs of Scotland Excel and (3) outlined the subscription costs paid by Aberdeenshire Council, as against estimated savings through membership of Scotland Excel, together with the levels of spend with local Aberdeenshire suppliers and community benefit values.

After consideration, the Committee:-

- (1) **agreed** to continue with Scotland Excel membership for financial years 2019/20 and 2020/21,
- (2) **approved** the uplift in subscription fees from £156,995 to £159,420 for 2019/20 and 2020/21,
- (3) **requested** the Head of Commercial and Procurement Services to report to the Committee on a bi-annual basis, providing detailed evidence of the outcomes of, and benefits from, Scotland Excel membership, and
- (4) **requested** officers to arrange a workshop event on Scotland Excel for members of the Committee.

7. PROPOSED SALE OF SITE AT SOUTH HARBOUR ROAD, FRASERBURGH

With reference to the Minute of Meeting of Banff and Buchan Area Committee of 6 November, 2018 (Item 15), when it had been agreed to refer consideration of the sale of the site at South Harbour Road, Fraserburgh, to the Business Services Committee, with the recommendation that officers conclude the bargain by accepting offer number 2, as listed within the report, there was circulated a report dated 27 November, 2018, by the Director of Business Services, which (1) explained the background to the proposed sale of a development site at South Harbour Road, Fraserburgh and (2) provided details of the offers received.

After detailed consideration, the Committee **agreed** to defer determination until the next meeting, in order to enable officers to seek clarity on the detail of the offers submitted and to provide members with as much relevant information relating to the site as possible.

8. QUANTITY SURVEYING RESOURCE – PROCUREMENT APPROVAL

With reference to the Minute of Meeting of the Committee of 8 March, 2018 (Item 7), when approval had been given to the Annual Directorate Work Plan for financial year 2018/2019, there was circulated a report dated 18 December, 2018, by the Director of Business Services, which provided details of an additional project for inclusion within the Work Plan, aimed at providing additional quantity surveying resources.

Thereafter, the Committee:-

- (1) **approved** the addition of the item on the Business Services Supplementary Work Plan to the Directorate Work Plan, and
- (2) **noted** and **approved** the business case attached to the report.

9. SUPPLEMENTARY WORK PLAN 2018/19 FOR BUSINESS SERVICES DIRECTORATE – PROCUREMENT APPROVAL

With reference to the Minute of Meeting of the Committee of 8 March, 2018 (Item 7), when approval had been given to the Annual Directorate Work Plan for financial year 2018/2019, there was circulated a report dated 20 December, 2018, by the Director of Business Services, which provided details of additional projects proposed for inclusion within the Work Plan.

After consideration, the Committee:-

- (1) **noted** the Business Services Directorate Supplementary Work Plan, as contained within an appendix to the report,
- (2) **approved** the addition of the items on the Supplementary Work Plan to the Directorate Work Plan, and
- (3) **agreed** not to reserve approval of the business case for any of the items on the Supplementary Work Plan falling within the Committee's remit, where the value of the matter was between £50,000 and £1,000,000.

10. NORTH-EAST OF SCOTLAND PENSION FUND – GUARANTOR

On consideration of a circulated report dated 12 December, 2018, by the Director of Business Services, which explained (1) the background to Gordon Rural Action, a registered charity providing free independent advice on debt, welfare rights and in-court services, as well as general advice to Aberdeenshire citizens and (2) the status of its employees within the North-East of Scotland Pension Fund (NESPF), the Committee **agreed** that the Council should become guarantor for Gordon Rural Action, in respect of the NESPF.

11. MINUTE OF MEETING OF THE LICENSING SUB-COMMITTEE OF 12 OCTOBER, 2018

The Committee **noted** the Minute of Meeting of the Licensing Sub-Committee of 12 October, 2018, a copy of which forms Appendix A to this Minute.

APPENDIX A

ABERDEENSHIRE COUNCIL BUSINESS SERVICES COMMITTEE LICENSING SUB-COMMITTEE

WOODHILL HOUSE, ABERDEEN, 12 OCTOBER, 2018

- Present:** Councillors F C P Hood (Chair), R E Bruce, C C Buchan (as substitute for Councillor D G Robertson), A C Forsyth, V G Harper (as substitute for Councillor A E M Evison), D-P L G Lonchay, M J Roy and E A Stirling.
- Apologies:** Councillors A E M Evison and D G Robertson.
- Officers:** Principal Solicitor (Jennifer McKearney), Senior Committee Officer (Allan Bell) and Solicitor (Iain Meredith), all Legal and Governance.
- In attendance:** Sergeant G Flett (Police Scotland).

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 interests were declared.

2A. 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 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.

2B. CONFIDENTIAL INFORMATION

The Sub-Committee **agreed**, in terms of Section 50A (2) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting during consideration of the Item 4 below on account of the likely disclosure of confidential information in breach of the obligation of confidence.

3. MINUTE OF MEETING OF THE SUB-COMMITTEE OF 24 AUGUST, 2018

On consideration of the circulated Minute of Meeting of the Sub-Committee of 24 August, 2018, members **agreed** to amend the Appendix to the Minute to read “an”, instead of “and”. The Minute was thereafter **approved** as a correct record and signed by the Chair.

4. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – APPLICATIONS FOR DETERMINATION

(a) Application for a Taxi Driver’s Licence (Case No. 952)

With reference to the Minute of Meeting of the Sub-Committee of 24 August, 2018 (Item 6), there had been circulated a report dated 5 September, 2018, 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 (identified as Case No. 952), in respect of which the Chief Constable had lodged an objection and (2) detailed information relevant to the application.

Notwithstanding the absence of the applicant, Councillor Stirling, seconded by Councillor Harper, **moved** that the Sub-Committee should proceed to consider the substantive application.

As an amendment, Councillor Lonchay, seconded by Councillor Buchan, **moved** that consideration of the application be further deferred to the next meeting to clarify gaps in the information provided in the application form.

Members of the Sub-Committee voted as follows:-

for the motion	(6)	Councillors Hood, Bruce, Forsyth, Harper, Roy and Stirling.
for the amendment	(2)	Councillors Buchan and Lonchay.

The motion was carried in the following terms:-

That the Sub-Committee proceed to consider the substantive application before them.

Thereafter, and having heard from the representative of the Chief Constable, the Sub-Committee **agreed**, by a majority, that the application be refused on the grounds that the applicant was not a fit and proper person to hold a taxi driver’s licence.

(b) Application for a Taxi Driver’s Licence (Case No. 953)

There had been circulated a report dated 21 September, 2018, 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 (identified as Case No. 953), in respect of which the Chief Constable had made observations and (2) detailed information relevant to the application.

Having heard from the applicant and the representative of the Chief Constable, the Sub-Committee **agreed** unanimously that consideration of the application be deferred to the next meeting to allow time for pending criminal proceedings to be concluded.

(c) Application for a Taxi Driver’s Licence (Case No. 954)

There had been circulated a report dated 17 September, 2018, 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 (identified as Case No. 954), in respect of which the Chief Constable had made observations and (2) detailed information relevant to the application.

Thereafter, the Sub-Committee **agreed** unanimously that consideration of the application be deferred to the next meeting to enable the applicant to attend.

(d) Application for a Taxi Driver's Licence (Case No. 955)

There had been circulated a report dated 20 September, 2018, by the Director of Business Services, which (1) requested that consideration be given to an application for a taxi driver's licence (identified as Case No. 955), 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 representative of the Chief Constable, the Sub-Committee **agreed** unanimously that the application be refused on the grounds that the applicant was not a fit and proper person to hold a taxi driver's licence, due to a history of offending.

5. UPDATE ON IMPLEMENTATION OF REVISED TAXI FARE SCALE

With reference to the Minute of Meeting on the Sub-Committee of 24 August, 2018 (Item 7), when approval had been given to the retention of the current taxi fare scale, subject to a number of minor adjustments, there was circulated and **noted** a report dated 2 October, 2018, by the Director of Business Services, which (1) explained that the Council has subsequently received notice from the Office of the Traffic Commissioner that a member of the taxi trade had indicated an intention to appeal against the process and that, as a consequence, the implementation date of the revised scale had been put back to 1 November, 2018, to allow the trade to put the required measures in place.

Thereafter, the Sub-Committee **agreed** that the Chair should speak to the Corporate Communications and Improvement team regarding arrangements for publicising the change of date for implementing the revised scale.

6. LICENSING SUB-COMMITTEE DATES FOR 2019

On consideration of a circulated report dated 20 September, 2018, by the Director of Business Services, it was **agreed** that the Sub-Committee should meet on the following dates:-

1 February, 2019 (10:15am, in Gordon House, Inverurie),
26 April, 2019 (10:15am, in Gordon House, Inverurie),
7 June, 2019 (10:15am, in Gordon House, Inverurie),
23 August, 2019 (10:15am, in Gordon House, Inverurie),
4 October, 2019 (10:15am, in Gordon House, Inverurie),
6 December, 2019 (10:15am, in Gordon House, Inverurie).

Thereafter, the Sub-Committee further **agreed** that officers should arrange a training session for members to take place on 23 November, 2018, at 9:30am.



REPORT TO BUSINESS SERVICES COMMITTEE – 28 FEBRUARY 2019

FINANCIAL MONITORING AS AT 31 DECEMBER 2018

1 Recommendations

The Committee is recommended to:

- 1.1 Consider and discuss the Revenue and Capital Budget monitoring as at 31 December, 2018; and
- 1.2 Agree and note the Revenue Budget virements set out in Appendix 3, which are to be submitted to Full Council for approval.

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 31 December, for both Revenue and Capital Budget monitoring.

Revenue Budget Monitoring

- 2.2 The financial position in respect of the Revenue Budget that falls within the remit of the Business Services Committee details a revised budget of £36,694,000 and a forecast position of £37,440,000, or £746,000 higher than budget. Planned funding from reserves of £396,000 reduces this forecast to an over budget position of £350,000. 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**.
- 2.3 When the virements in **Appendix 3** have been applied, the revised budget will be £36,694,000. The impact of the planned use of reserves is detailed below:

Forecast Expenditure	£37,440,000
Planned use of Reserves	£396,000
Net Forecast Expenditure	£37,044,000
Revised Budget	£36,694,000
Forecast Outturn – higher than budget	£350,000

- 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 the delivery of savings on building cleaning and procurement. These are being closely monitored and forecasts may fluctuate throughout the year as the savings are rolled out.

- 2.5 As part of the setting of the 2018/19 Business Services budget, a number of assumptions were made. One of these was around the level of savings which could be achieved through vacancy management. Whilst a significant level of savings have been achieved in this area, it is evident that there are areas where this is having an impact on the delivery of Service. In particular, Human Resources and Organisational Development has seen a significant increase in staff turnover due to an imbalance between permanent and fixed term contracts. At the same time, there has been an increase in transactional workloads. Whilst the forecasted overspend is currently being offset in part from underspends in other areas, this is not sustainable, and a permanent solution is being explored.
- 2.6 Within Customer Services, the level of customer transactions taking place at service points has significantly increased. The level of funding initially passed over from other services no longer covers the required level of staffing. The wider Customer Communication and Improvement Service has taken steps to reduce this overspend, mainly through vacancy management, but ongoing pressures are still evident, estimated at around £200,000 a year. The demand to open two further service points at Fraserburgh and Stonehaven will further increase this pressure. Officers are working on proposals to modernise and streamline Customer Services using technology to replace more traditional customer channels to deliver efficiencies.
- 2.7 Procurement is a shared service with Aberdeen City Council and Highland Council. Aberdeen City Council employs the staff and recharged a proportion of the costs to Aberdeenshire Council. The service is working to an approved staffing structure which costs more than the budget available. Any procurement savings achieved in relation to economies of scale are realised Council-wide through reduced contract costs. Officers are looking at options to reduce the overspend on the Procurement budget page.
- 2.8 In addition, a range of actions are being pursued across the Service and this includes:
- Prioritising spend in year (can we defer or remove spend);
 - Exploring options to generate further income; and
 - Vacancy management – only essential posts are being filled (reflecting that a significant part of the Service budget is staffing);

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

Capital Budget Monitoring

- 2.9 Business Services Revised Capital Budget for the year 2018/19 is £15,962,000. 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.
- 2.10 This is because the Capital Budget is set over a long term, multi-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 re-profile the capital expenditure on a continual basis.

2.11 The overall capital expenditure budget to the end of December, 2018, is forecasted to be £13,460,000, which is £2,502,000 less than the revised budget figure. Any movements to this position will be reported back to a future Committee meeting, as and when identified.

2.12 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 and a Town Centre First Impact Assessment are not required for this report as the report deals with the monitoring of expenditure against budgets which have been approved previously, and the re-profiling of some expenditure.

4.2 The monitoring position for revenue is forecasted to be £350,000 over revised budget and capital expenditure is forecasted to be £2,502,000 less than the revised budget, with details and explanation of variances contained within the appendices to this report.

4.3 A number of assumptions made in the budget regarding staffing is having an impact on service delivery within both Human Resources and Organisational Development and Customer Communications and Improvement. Officers are working towards solutions to address this impact and further information on this will be provided when completed.

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 paragraphs 2.5 to 2.8 of the report.

Ritchie Johnson
Director of Business Services

Report prepared by Shirley-Ann Gordon, Principal Accountant
February 2019

SUMMARY OF REVENUE MONITORING 2018/19 TO 31/12/2018 - BUSINESS SERVICES COMMITTEE

	Original Budget 2018/19 £000	Approved Virements 2018/19 £000	Virements to be approved 2018/19 £000	Revised Budget 2018/19 £000	Forecast 2018/19 £000	Variance £000	Transfer to/(from) Reserves £000	Net Variance £000
BUSINESS SERVICES COMMITTEE								
- Chief Executive	330	1	0	331	322	(9)	0	(9)
- Councillors' Remuneration and Expenses	2,478	8	(237)	2,249	2,090	(159)	0	(159)
- Business Services Directorate	1,695	(1,021)	0	674	716	42	0	42
- Finance	2,855	73	0	2,928	2,955	27	0	27
- Insurance	(152)	(3)	0	(155)	(155)	0	(100)	(100)
- Revenues	1,538	235	0	1,773	1,952	179	0	179
- Aberdeenshire Advice & Support Team	2,100	(1)	0	2,099	2,017	(82)	(25)	(107)
- Internal Audit	381	1	0	382	361	(21)	0	(21)
- Human Resources & Organisational Development	5,123	482	53	5,658	5,886	228	0	228
- Information Communications Technology	9,566	818	0	10,384	10,286	(98)	0	(98)
- Legal & Governance	2,474	(1)	0	2,473	2,585	112	0	112
- Customer Communication & Improvement	2,813	55	0	2,868	2,935	67	0	67
- Printing	(638)	(6)	0	(644)	(649)	(5)	0	(5)
- Procurement	41	44	207	292	452	160	0	160
- Miscellaneous Services	(33)	5	0	(28)	2	30	0	30
- Joint Board Requisitions	1,914	0	0	1,914	1,903	(11)	0	(11)
- Business Services Corporate Projects	0	0	0	0	288	288	(288)	0
- Woodhill House	1,737	143	15	1,895	1,991	96	0	96
- Office Accommodation	2,188	4	(15)	2,177	2,068	(109)	0	(109)
- Building Cleaning	202	(256)	0	(54)	27	81	0	81
- Public Conveniences	552	15	0	567	533	(34)	0	(34)
- Halls	375	(375)	0	0	0	0	0	0
- Operational Buildings	(76)	50	0	(26)	(26)	0	0	0
- Estates	(2,682)	(346)	30	(2,998)	(3,078)	(80)	0	(80)
- Property Corporate Projects	185	(13)	0	172	148	(24)	17	(7)
- Property Construction Services	(1,291)	68	0	(1,223)	(1,223)	0	0	0
- Property Building Repairs & Maintenance Account	5,112	338	0	5,450	5,527	77	0	77
- Area Managers (Buchan & Formartine)	819	4	0	823	814	(9)	0	(9)
	39,606	322	53	39,981	40,727	746	(396)	350
Charges to HRA/Capital/Other Services	(3,287)	0	0	(3,287)	(3,287)	0	0	0
Other Expenditure/(Income)	1,052	(1,885)	833	0	0	0	0	0
NET EXPENDITURE FOR BUSINESS SERVICES	37,371	(1,563)	886	36,694	37,440	746	(396)	350

Appendix 2 - Variance Analysis Business Services Committee

<u>Budget Page</u>	<u>Forecast</u>	<u>Comment</u>
	<u>Over (within) budget</u>	
	<u>2018/19</u>	
	<u>£'000</u>	
- Councillors' Remuneration and Expenses	(159)	Election of Councillors budget line is forecast to underspend by £146,000 due to no local elections or bi-elections taking place this year. Small underspends across other lines take the total underspend to £159,000. This is not affecting service delivery.
- Insurance	(100)	It is anticipated there will be additional income received to the insurance budget of around £100,000
- Aberdeenshire Advice & Support Team	(107)	There has been a reduction in benefits payments made, with the roll out of the Universal Credit system. This will result in a corresponding reduction in subsidy received from Department of Work and Pensions.
- Human Resources & Organisational Development	228	An overspend in staffing of around £169,000 is projected. The Service is working towards addressing this through vacancy management. In addition, a saving which was due to be realised across the Council for changes to relief staff contracts is no longer progressing.
- Legal & Governance	112	The Service is forecasting an overspend on staffing of around £95,000. The Service is working towards addressing this through vacancy management.
- Procurement	160	Procurement is a shared service with Aberdeen City Council and Highland Council. Aberdeen City Council employ the staff and recharge a proportion of the costs to Aberdeenshire. The service are working to an approved staffing structure which costs more than the budget available, any savings procurement make are in relation to economies of scale and therefore will not be realised in full within the procurement budget, however the savings will be realised across the Council through reduced contract costs. The Service is progressing options to deliver additional procurement savings above the target this financial year in order to address the shortfall in budget

Appendix 3

SUMMARY OF REVENUE MONITORING VIREMENTS - BUSINESS SERVICES COMMITTEE

£'000's

1 Permanent Virement to move budget from Councillors to Procurement to offset core funding shortfall within Business services

Procurement	207
Councillors	(207)

Reconciliation of Budget

Opening Budget 37,371

Virements approved to 30 September 2018 (1,563)

Virements to be approved by Business Services Committee (as above) 0

Additional Virements to be Approved by Full Council:

Other Expenditure/(Income) - budget transferred to IJB for Apprenticeship Levy costs	(166)
Other Expenditure/(Income) - budget transferred to IJB for Criminal Justice Funding	2,676
Other Expenditure/(Income) - budget transferred to Economic Development for Carbon Reduction	(280)
Commitment	
Other Expenditure/(Income) - budget transferred to Transfer to/(from) Earmarked Reserves to offset	(1,397)

£'000's

1 **Permanent Virement to move budget from Councillors to Procurement to offset core funding shortfall within Business services**

Procurement	207
Councillors	(207)

Virements Approved by the Director:

Office Accommodation - Offset additional rental and service charge income being received from tenants against Staff costs and rental income for Woodhill House	(15)
Woodhill House - Offset additional rental and service charge income being received from tenants against Staff costs and rental income for Woodhill House	15
Councillors - Budget provided towards Councillors share of Corporate Training costs.	(30)
HR & OD - Budget provided towards Councillors share of Corporate Training costs.	30

Virements to be Approved by the Head of Finance:

Estates - budget transferred from Waste Disposal (Infrastructure Services) for the reduction of internal rent for Ellon HWRC	30
HR & OD - Union Rep Salary budget contribution from Education	23

Closing Budget	36,694
	36,694
	0

BUSINESS SERVICES CAPITAL BUDGET 2018/19 MONITORING & CAPITAL PLAN 2018-2033 UPDATE - 31/12/18

	Original Budget Full Council 8/2/18 2018/19 £000	Revised Budget 2018/19 £000	Forecast Outturn 2018/19 £000	Variance 2018/19 £000	Changes to Future Years £000	Note
PLANNED EXPENDITURE						
Buchan House - Police Office Extension	467	517	50	(467)	467	1
Carbon Reduction - Council Wide Objectives	800	996	996	0	0	
Depots	5,352	3,677	4,201	524	(524)	2
Development of Industrial Portfolio & Factory Units	5,341	2,000	2,000	0	0	
Health and Safety - Council Wide Objectives	500	500	500	0	0	
Information Communications Technology	1,450	1,557	1,557	0	0	
Legal and Governance System Software	0	72	72	0	0	
New Council Office	312	400	400	0	0	
Planned Maintenance - Council Wide Objectives	2,500	2,000	2,000	0	0	
Cleaning (Previously named Public Toilets)	115	150	90	(60)	60	
Woodhill House - Complete Refurbishment	0	98	98	0	0	
Workspace	2,702	2,360	896	(1,464)	1,464	3
Workspace - Saltoun Square Fraserburgh	0	1,635	600	(1,035)	1,035	4
					0	
TOTAL PLANNED EXPENDITURE	19,539	15,962	13,460	(2,502)	2,502	

BUSINESS SERVICES CAPITAL BUDGET 2017/18 MONITORING & CAPITAL PLAN 2018-2033 UPDATE - 31/12/18

Significant Variance Analysis

<u>Note</u>	<u>Budget</u>	Variance Revised Budget 2018/19 £'000	<u>Comment</u>
1	Buchan House - Police Office Extension	(467)	Due to a delay in finalising an agreement with Police Scotland the construction works will not commence until 2019/20 which means budget amounting to £467,000 required to be deferred until then.
2	Depots	524	Works at Alford and Crow's Nest, Banchory facilities have progressed faster than anticipated which means budget amounting to £524,000 requires to be accelerated from 2019/20.
3	Workspace	(1,464)	The programme of works are linked to the Office Strategy which is currently under consideration. Works planned for Viewmount, Stonehaven will not take place this financial year and will be undertaken in conjunction with the Office Strategy. Budget amounting to £1,464,000 requires to be delayed until 2019/20.
4	Workspace - Saltoun Square Fraserburgh	(1,035)	As a result of the contractor going into administration the project has been significantly delayed. Officers are currently progressing a solution but completion of the project will not happen until 2019/20. As a result, budget amounting to £1,035,000 requires to be deferred until next financial year.

BUSINESS SERVICES COMMITTEE – 28 FEBRUARY 2019

REVIEW OF THE PERFORMANCE OF THE TREASURY MANAGEMENT FUNCTION AND INVESTMENTS FOR THE PERIOD TO 30 SEPTEMBER 2018

1. Recommendation

The Committee is recommended to:

- 1.1 Note the details of the review of performance of the Treasury Management function and investments for the period to 30 September, 2018; and**
- 1.2 Agree that a further report be provided after the end of the financial year on the outturn review of the performance of the Treasury Management function for the period 1 April, 2018, to 31 March, 2019.**

2. Background / Discussion

- 2.1 This report details performance in relation to the Treasury Management and investment activity for the period to 30 September, 2018. It also documents compliance and monitoring in relation to the Treasury Management Strategy Statement and Prudential Indicators for the period 1 April, 2018, to 30 September, 2018.
- 2.2 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 per annum. Reports are now prepared covering operational performance on this basis.
- 2.3 The Treasury Management Strategy Statement and Prudential Indicators which underpin Treasury Management activity are approved annually by the Business Services Committee. The Strategy Statement incorporates the Investment Policy and Long-Term Borrowing Strategy.

2.4 Money Market Review & Investment Activities

- 2.4.1 **Summary:** The performance of the Treasury management function has been challenging given the constraints of the current Medium-Term Financial Strategy (MTFS) and a sustained period of low investment rates. To mitigate this, in the year to date, we have taken advantage of higher cash balances and, through active cash flow management, we have invested funds over a longer term, generating higher than budget returns.
Looking at the Performance Indicators in Appendix B, the average cost of raising and servicing borrowing, as a % of amounts owed to the Loans Fund from Council Services, is forecast to reduce, as maturing borrowing has been actively replaced with lower level interest rates.

2.4.2 **Bank rate:** The Bank rate was 0.50% at the start of financial year 2018/19 and has risen to 0.75% during this reporting period, due to a flow of positive economic data in the first half of 2018 and concerns about a build-up of inflationary pressures.

2.4.3 **Investment Income:** The Revenue Budget assumes investment income of £60,000 in 2018/19 and the return for quarters 1 and 2 is detailed in **Table A** below. Investment income is above budget due to average cash balances being higher than anticipated and by locking investments out over longer periods, in order to achieve a more favourable return.

Table A: Return of Treasury Management Investment Income

	Budget	Q1	Q2	F/cast
	£000s	£000s	£000s	£000s
Interest Earned	60	74	97	275
Average Cash Balances	12,000	51,472	55,669	41,956
Annualised % Return	0.50%	0.57%	0.70%	0.66%

2.5 **Repayments/Restructuring:** There has been no repayment or restructuring of debt undertaken during the reporting period. This option is reviewed on a weekly basis by the Treasury Management function and, although borrowing rates are still at historically low levels, they restrict restructuring opportunities.

New Borrowing: No new longer-term borrowing has been taken in this reporting period. In line with the Council's current MTFS, any capital or cash flow requirements are being met from existing deposits or short-term temporary borrowing with no cost of carry.

The strategy of no new long-term borrowing is regularly reviewed to ensure that longer-term borrowing options are reviewed in line with the MTFS.

2.6 Details of both Treasury Management and other investment activities undertaken during this reporting period are highlighted in **Appendix A**.

2.7 During the reporting period there were no instances of the Treasury Management Strategy Statement being in breach of counterparty limits per the permitted Investments Schedule, or breaching the prudential indicators relating to fixed and variable borrowing.

2.8 **UK Economic Outlook**

Monetary: The first half of 2018/19 showed that UK economic growth continued to improve at a moderate pace but sufficiently robust for the UK Monetary Policy Committee (MPC) to increase the Bank Rate in August from 0.50% to 0.75%. There are still concerns about a build-up of inflationary pressures, particularly with the pound falling in value against both the US Dollar and The Euro. Inflation rose unexpectedly in August but is expected to fall back to the 2% inflation target over the next 2 years, given a scenario of minimal increases in the Bank Rate. The MPC indicated the Bank Rate may need to be in the region of 1.5% by March, 2021, for inflation to stay on track. Financial Markets are currently pricing in the next increase for the second half of 2019.

Fiscal: Unemployment has continued at a 43-year low and has seen wage inflation pressures starting to rise. Increased household spending power could support UK growth but the MPC will monitor wage inflation as, if this is in excess of 3%, it would create increasing inflationary pressures within the UK economy.

Brexit: The main risk, however, is whether the UK achieves an orderly withdrawal from the European Union in March, 2019. There is a risk that the current minority government may be unable to muster a majority in the Commons over Brexit. Should this happen and the UK faces another general election in the next 12 months, it could lead to a loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up. The view at present is that the Bank Rate may rise in the second half of 2019, but further interest rate rises would be limited and gradual. Rates would not return to the pre-financial crisis levels.

- 2.9 **US Economic Outlook:** The US economy continued to show growth in 2018, fuelled by a boost in consumption due to massive easing of fiscal policy, but has led to increased inflationary pressure. The Federal Reserve increased rates for a fourth time in 2018 by 0.25% to between 2.00% and 2.25% and have indicated 4 more rises will occur by the end of 2019. The dilemma, however, is that when this temporary boost to consumption wanes, particularly with the imposition of tariffs on countries the US exports to, they could see a rise in prices, which may limit the Federal Reserve's ability to ease monetary policy further.

European Economic Outlook: Uncertainty of the effect of the UK's exit from the EU will continue to cause volatility on financial markets going forward. Growth in the EU was unchanged in quarter 2 and has undershot early forecasts of a strong economic performance in 2018. Germany has had mixed data and could be negatively impacted by the US tariffs on a significant part of manufacturing exports e.g. vehicles.

- 2.10 **UK Banks:** During the reporting period, the ratings of UK institutions have seen very little volatility. UK banks are more highly capitalised than before the banking crisis and impaired lending is at the lowest rates since 2010. One of the major ratings agencies has tried to estimate the impact of a no Brexit deal and UK Banks should weather any storm. The more important thing that could affect ratings is the UK sovereign rating, which is currently on negative outlook. If the UK fails to reduce its debt as forecast, there may be a ratings downgrade, which would have a knock-on effect. Events will continue to be monitored on a continuous basis.

Government-backed UK Banks: We will also continue to monitor Government-Backed Banks, which our Treasury Advisors recommend investing in up to a maximum of 12 months. Lloyds Banking Group has been in private ownership since 2017. The Government continues its process to return Royal Bank of Scotland to private ownership through managed tranches: in June, 2018, it reduced its share from 70.1% to 62.4%.

- 2.11 **Clydesdale Bank:** The Council retendered for banking services in 2018, with Clydesdale Bank successful in retaining the contract. Clydesdale Bank's Long-Term ratings were downgraded by all the credit rating agencies following its demerger from its parent company, National Australia Bank Ltd (NAB), in 2016.

As a result, Clydesdale Bank has sufficient capital and liquidity buffers necessary to continue as a standalone entity. Indeed, they recently acquired Virgin Money to grow the business and we will monitor how the merged business progresses, in conjunction with our treasury advisors, through review of performance and rating outlooks.

As reported as part of our Investment Policy, Clydesdale Bank is now no longer on our treasury advisors' list of acceptable financial institutions for investment. A recent review of the standalone entity by Moody's rating agency resulted in an improvement in their long and short-term outlooks, moving from a stable to positive outlook.

- 2.12 Following downgrades in the past, officers changed their operational procedures in relation to Clydesdale Bank. As a means of managing the risk of a further deterioration in the bank's standing, the maximum investment period was reduced to Instant Access Accounts and this practice continues, as the outlook is still not at a level where investment levels will be altered. As such, Clydesdale Bank is currently not included on our treasury advisors' suggested counterparty investment list.

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 as at 30 September, 2018, is forecast to be in line with budget as follows - £37,240,000 (General Fund: £30,340,000 and HRA: £6,900,000) in 2018/19. 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](#)).

Ritchie Johnson
Director of Business Services

Appendix A

1. New Borrowing

No new borrowing has been taken during the reporting period. This is in line with our Treasury Strategy and Medium-Term Financial Strategy.

2. Loan Repayment

No loans were repaid during the six months to 30 September, 2018.

3. Counterparties and Balances

Counterparty	Investment Status	Balance as at 30/09/18 £'s
Fixed Term Deposits		
Royal Bank of Scotland	Up to 365 days	10,000,000
Bank of Scotland	Up to 365 days	10,000,000
Total Fixed Term Deposits		20,000,000
Call Accounts		
Clydesdale Bank	Up to 365 days	14,850,000
Total Call Accounts		14,850,000
Total Investments		34,850,000

4. Other Investment Activity

Name	Principal Balance as at 31 March 2018	Investment Return - YTD	Principal Balance as at 30 September 2018
	£'s	£'s	£'s
Call Accounts	8,800,000	40,028	14,850,000
Money Market Funds	0	62,363	0
Fixed Term Deposits	10,000,000	68,342	20,000,000
	18,800,000	170,733	34,850,000
Trust Funds: Heritable Property	0	0	0
Trust Funds: Government Stocks	215,666	2,517	215,666
Trust Funds Shareholdings: Investment Trusts	90,360	1,218	90,360
Trust Funds Shareholdings: Unit Trusts	3,221,724	53,301	3,159,400
Trust Funds Shareholdings: Others	73,502	0	73,502
Investment in Loans Fund	2,817,885	8,729	2,887,293
	6,419,137	65,765	6,426,221
Common Good Funds: Heritable Property	1,370,133	0	1,370,133
Common Good Funds: Government Stocks	0	0	0
Common Good Funds Shareholdings: Unit Trusts	13,967	338	13,967
Investment in Loans Fund	1,456,326	4,460	1,447,768
	2,840,426	4,798	2,831,868
Adhoc loans incl. existing long-term debtors	10,406,078	143,172	10,148,984
Support for Aberdeenshire Business Scheme	168,752	1,126	164,064
	10,574,830	144,298	10,313,048
Investment Land and Buildings	1,712,350	0	1,712,350
Total	48,346,743	385,594	56,133,487

Appendix B

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.

	2017/18 Actual	2018/19 Budget	2018/19 Forecast
Loans Fund Interest Rate	3.49%	3.41%	3.31%
Loans Fund Expenses Rate	0.02%	0.04%	0.04%
Total Rate	3.51%	3.45%	3.35%

The Loans Fund interest rate reflects rates applicable to the whole debt portfolio of the Council. Much of the Council’s debt was borrowed in times when interest rates were much higher than at present.

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

Purpose: - Indicates whether the Council is achieving value for money in its borrowings.

	2017/18 Actual	2018/19 Budget	2018/19 YTD
Average interest rate of longer-term borrowing	0.00%	2.50%	0.00%

No long-term borrowing has been taken to date in line with the MTFs referenced in section 2.5. Capital expenditure and cashflow have been covered from internal balances and temporary borrowing. Some long-term borrowing is forecast to occur later in the financial year.

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

Purpose: - Indicates whether 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.

	2017/18 Actual	2018/19 YTD
New borrowing	0.00 years	0.00 years
Debt rescheduling	n/a	n/a
Average	0.00 years	0.00 years

2. Compliance with Treasury Strategy

(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.

Table A: Interest Receivable Realised from Counterparties

Counterparty	2018/19 Actual
	£s
Bank of Scotland	30,739
Clydesdale Bank PLC	40,028
Federated Investors Sterling MMF	21,793
LGIM Sterling Liquidity MMF	17,179
Royal Bank of Scotland	37,603
SSGA Sterling Liquidity MMF	2,480
Standard Life Sterling Liquidity MMF	20,911
Total Interest Receivable	170,733

The conditions contained in the Investment Policy relating to the counterparties in Table A are that all counterparties are UK or EU domiciled and are checked weekly to our Treasury Advisors’ suggested counterparty list.

(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, 2018, to 30 September, 2018.

(iii) “Restriction of amount lent to any one borrower at any one time to £20M”.

There was no instance of the amount being breached during the reporting period. The review of lending is checked and maintained on a daily basis on the balance of advances to counterparties database maintained by the treasury function.

(iv) “Restriction of temporary borrowing to 40% of the total capital debt outstanding at the time of borrowing”

	Actual 2017/18	YTD 2018/19
Maximum Temporary Borrowing to Debt Outstanding	4.86%	11.75%

- (v) **“The minimum [□] average life to maturity of all long-term borrowing will be at least 5 years”**

	Actual 2017/18	YTD 2018/19
Minimum Average Life to Maturity	24.46 years	24.17 years

- (vi) **“No more than the greater of 25% of all temporary borrowing or £30M will be taken from any one lender at any one”**

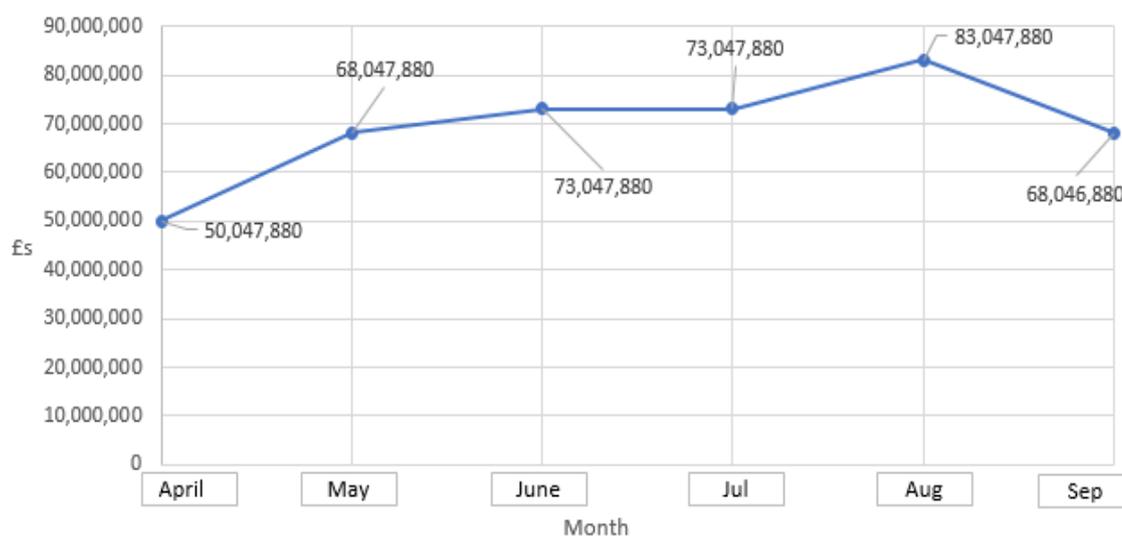
	Actual 2017/18 £'s	YTD 2018/19 £'s
Maximum Outstanding with 1 lender	10,000,000	20,000,000*

*See **Greater London Authority** in Lenders table below.

The table details the lending taken at any point in time in the monitoring period from April to September, 2018. The graph details the actual temporary borrowing totals at the end of each month for comparison purposes.

Lender	£'s
City of Westminster	5,000,000
East Riding of Yorkshire Pension Fund	10,000,000
*Greater London Authority	20,000,000
Hampshire County Council	2,500,000
London Borough of Brent	10,000,000
London Borough of Ealing	10,000,000
North Yorkshire County Council	5,000,000
Nottinghamshire Office of the Police & Crime Commissioner	5,000,000
Police & Crime Commissioner of Hampshire	2,500,000
Police & Crime Commissioner of Hertfordshire	5,000,000
Tees Valley Combined Authority	5,000,000
Vale of Glamorgan	3,000,000
West of England Combined Authority	10,000,000
West Yorkshire Combined Authority	15,000,000
Wokingham Borough Council	10,000,000
TOTAL	118,000,000

The following graph highlights the temporary borrowing position at the end of each month in the monitoring period April to September 2018.



ABERDEENSHIRE COUNCIL
BUSINESS SERVICES COMMITTEE
LICENSING SUB-COMMITTEE

WOODHILL HOUSE, ABERDEEN, 26 OCTOBER, 2018

- Present:** Councillors F C P Hood (Chair), C C Buchan (as substitute for Councillor A G Robertson), R E Bruce, M J M Ewenson (as substitute for Councillor E A Stirling), A C Forsyth, V Harper (as substitute for Councillor A E M Evison) and D-P L G Lonchay.
- Apologies:** Councillor A E M Evison, D G Robertson, M J Roy and E A Stirling
- Officers:** Senior Committee Officer (N David), Legal & Governance, and Senior Solicitor (F Stewart), Legal and Governance.
- In attendance:** Sergeant K Wood (Police Scotland).

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 interests were declared.

2A. 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 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, and
- (2) to consider, where an equality impact assessment has been provided, its contents and to take those into consideration when reaching a decision.

2B. EXEMPT INFORMATION

The Sub-Committee **agreed**, in terms of Section 50A (2) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting during consideration of Items 3 and 4 below on account of the likely disclosure of confidential information in breach of the obligation of confidence.

**3. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – SCHEDULE 1, PARAGRAPH 12
– REQUEST FOR THE TEMPORARY SUSPENSION OF TAXI DRIVER’S LICENCE
(CASE NO. 956)**

There had been circulated a report dated 18 October, 2018, by the Director of Business Services, which (1) requested that consideration be given to a complaint, submitted by the Chief Constable, seeking the temporary suspension of a taxi driver’s licence, and (2) detailed information relevant to the licence.

The Sub-Committee, having heard from the Chief Constable’s representative, **agreed**, unanimously, that the complaint was justified.

The Sub-Committee **agreed**, unanimously, that the activity to which the licence related was likely to cause a serious threat to public order or public safety.

Thereafter, the Sub-Committee **agreed**, unanimously, that the licence be temporarily suspended.

The Sub-Committee, having determined that the licence be temporarily suspended, **agreed**, unanimously, that the licence be suspended until the next scheduled meeting of the Sub-Committee on 7 December, 2018.

**4. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – SCHEDULE 1, PARAGRAPH 12
– REQUEST FOR THE TEMPORARY SUSPENSION OF TAXI DRIVER’S LICENCE
(CASE NO. 957)**

There had been circulated a report dated 22 October, 2018, by the Director of Business Services, which (1) requested that consideration be given to a complaint, submitted by the Chief Constable, seeking the temporary suspension of a taxi driver’s licence, and (2) detailed information relevant to the licence.

The Sub-Committee, having heard from the Chief Constable’s representative, **agreed**, unanimously, that the complaint was justified.

The Sub-Committee **agreed**, unanimously, that the activity to which the licence related was likely to cause a serious threat to public order or public safety.

Thereafter, the Sub-Committee **agreed**, unanimously, that the licence be temporarily suspended.

The Sub-Committee, having determined that the licence be temporarily suspended, **agreed**, unanimously, that the licence be suspended until the next scheduled meeting of the Sub-Committee on 7 December, 2018.

ABERDEENSHIRE COUNCIL
BUSINESS SERVICES COMMITTEE
LICENSING SUB-COMMITTEE

GORDON HOUSE, INVERURIE, 7 DECEMBER, 2018

- Present:** Councillors F Hood (Chair), R Bruce, A Evison, A Forsyth, D Lonchay, D Robertson, A Stirling and I Taylor (as substitute for Councillor M Roy).
- Apology:** Councillor M Roy.
- Officers:** Senior Committee Officer (Allan Bell) and Solicitor (Iain Meredith), both Legal and Governance.
- In attendance:** Sergeant K Wood (Police Scotland).

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 interests were declared.

2A. 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 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.

2B. CONFIDENTIAL AND EXEMPT INFORMATION

The Sub-Committee **agreed**, in terms of Section 50A (2) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting during consideration of Items 4, 5 and 6 below, on account of the likely disclosure of confidential information in breach of the obligation of confidence, and, in terms of Section 50A (4) and (5) of the 1973 Act, to exclude the public during consideration of Item 7 below so as to avoid disclosure of exempt information of the class described in paragraph 6 of Part I of Schedule 7A of the Act.

3. MINUTE OF MEETING OF THE SUB-COMMITTEE OF 12 OCTOBER, 2018

On consideration of the circulated Minute of Meeting of the Sub-Committee of 12 October, 2018, members **approved** the Minute as a correct record. It was thereafter signed by the Chair.

4. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – APPLICATIONS FOR DETERMINATION

(a) Application for a Taxi Driver's Licence (Case No. 954)

With reference to the Minute of Meeting of the Sub-Committee of 12 October, 2018 (Item 4(c)), there had been circulated a report dated 14 November, 2018, 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 (identified as Case No. 954), in respect of which the Chief Constable had made observations and (2) detailed information relevant to the application.

Having heard from the applicant and the representative of the Chief Constable, the Sub-Committee **agreed** unanimously that the licence be granted for a period of one year.

(b) Application for a Taxi Driver's Licence (Case No. 958)

There had been circulated a report dated 16 November, 2018, 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 (identified as Case No. 958), 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 representative of the Chief Constable, the Sub-Committee **agreed** unanimously that the application be refused, on the grounds that the applicant was not a fit and proper person to hold a taxi driver's licence, due to his propensity for the possession and use of cannabis.

(c) Application for a Taxi Driver's Licence (Case No. 959)

There had been circulated a report dated 17 October, 2018, 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 (Case No. 959), in respect of which the Chief Constable had made observations and (2) detailed information relevant to the application.

Having heard from the applicant and the representative of the Chief Constable, the Sub-Committee **agreed** unanimously that the licence be granted for a period of three years.

(d) Application for a Taxi Driver's Licence (Case No. 960)

There had been circulated a report dated 20 November, 2018, 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 (identified as Case No. 960), in respect of which the Chief Constable had made observations and (2) detailed information relevant to the application.

Having heard from the applicant and the representative of the Chief Constable, the Sub-Committee **agreed** unanimously that the licence be granted for a period of one year.

(e) Application for a Taxi Driver's Licence (Case No. 961)

There had been circulated a report dated 20 November, 2018, 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 (identified as Case No. 961), 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 representative of the Chief Constable, the Sub-Committee **agreed** unanimously that the licence be granted for a period of one year.

**5. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – CONSIDERATION OF
SUSPENSION/REVOCAION OF TAXI DRIVER'S LICENCE FOLLOWING SUSPENSION
(CASE NO. 956)**

With reference to the Minute of Special Meeting of the Sub-Committee of 26 October, 2018 (Item 3), when it had been agreed to suspend, with immediate effect, a taxi driver's licence (identified as Case No 956), in terms of Paragraph 12 of Schedule 1 of the Civic Government (Scotland) Act 1982, on the basis that the licenceholder's actions had caused, and were likely to cause, a serious threat to public order and public safety, there was circulated a report dated 9 November, 2018, by the Director of Business Services, which (1) requested that, in terms of Paragraph 11 of the 1982 Act, consideration be given to the suspension and/or revocation of the licence in question, within a period of six weeks from the date of temporary suspension and (2) detailed information relevant to the case.

Having heard from the representative of the Chief Constable and in the absence of the licence holder, the Sub-Committee **agreed** unanimously:-

- (1) that the carrying on of activity relating to the taxi licence had caused, and was likely to cause, public nuisance or a threat to public order or safety,
- (2) that the licenceholder no longer remained a fit and proper person to be the holder of a taxi driver's licence, and
- (3) that the licence in question should be revoked.

**6. CIVIC GOVERNMENT (SCOTLAND) ACT 1982 – CONSIDERATION OF
SUSPENSION/REVOCAION OF TAXI DRIVER'S LICENCE FOLLOWING SUSPENSION
(CASE NO. 957)**

With reference to the Minute of Special Meeting of the Sub-Committee of 26 October, 2018 (Item 4), when the Sub-Committee had agreed to suspend a taxi driver's licence (identified as Case No. 957), in terms of Paragraph 12 of Schedule 1 of the Local Government (Scotland) Act 1982, on the basis that, by reason of a conviction outlined within the complaint received from the Chief Constable, a serious threat was posed to public safety, there was circulated a report dated 5 November, 2018, by the Director of Business Services, which (1) requested that, in terms of Paragraph 11 of the 1982 Act, consideration be given to the suspension and/or revocation of the licence in question, within a period of six weeks from the date of temporary suspension and (2) detailed information relevant to the case.

Having heard from the licenceholder and the representative of the Chief Constable, the Sub-Committee **agreed** unanimously:-

- (1) that the carrying on of activity relating to the taxi licence was not likely to cause public nuisance or a threat to public order or safety,

- (2) that the licence holder remained a fit and proper person to be the holder of a taxi driver's licence, and
- (3) that the licence in question should not be suspended or revoked.

7. HOUSING (SCOTLAND) ACT 2006 – APPLICATION FOR GRANT OF LICENCE FOR HOUSE IN MULTIPLE OCCUPATION (CASE NO. 962)

There had been circulated a report dated 20 November, 2018, by the Director of Business Services, which (1) requested that consideration be given to an application for the grant of a licence for a house in multiple occupation (identified as Case No. 962), in respect of which an objection had been received and (2) detailed information relevant to the application.

Having heard from the applicants, and in the absence of the objector, the Sub-Committee **agreed** unanimously that the licence be granted for a period of three years.

8. RETENTION PERIODS OF LICENSING DOCUMENTS

With reference to the Minute of Meeting of the Sub-Committee of 13 February, 2015, there was circulated a report dated 15 November, 2018, by the Director of Business Services, which (1) explained that the Council had recently procured a new licensing software package which would assist in retaining the records of expired licences, (2) advised that the Council currently retained liquor and civic government licensing documentation for a period of five years once a licence had ceased to have effect and (3) highlighted the various pieces of legislation impacting on licensing processes, including the General Data Protection Regulations.

After consideration, the Sub-Committee:-

- (1) **agreed**, in relation to the Civic Government (Scotland) Act 1982, that (a) where an application for the grant of a licence, permit or permission was refused by the Sub-Committee (or relevant area committee), information relating to that licence, permit or permission should be retained for a period of two years from the date of refusal, thereafter to be destroyed and (b) in any other case, information relating to a licence, permit or permission should be retained for a period of two years from the date the licence, permit or permission ceased to have effect, thereafter to be destroyed, and
- (2) **agreed**, in relation to miscellaneous licences, that (a) where an application for the grant of a licence, permit or permission was refused by the Sub-Committee (or relevant area committee), information relating to that licence, permit or permission should be retained for a period of two years from the date of refusal, thereafter to be destroyed and (b) in any other case, information relating to a licence, permit or permission should be retained for a period of two years from the date the licence, permit or permission ceased to have effect, thereafter to be destroyed.