

# Public Document Pack



To: All Members of the Council

Town House,  
ABERDEEN, 6 February 2013

## COUNCIL BUDGET MEETING

The Members of the **COUNCIL** are requested to meet in Council Chamber - Town House on **THURSDAY, 14 FEBRUARY 2013 at 2.00pm.**

JANE G. MACEACHRAN  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

### **B U S I N E S S**

- 1 Five-Year Business Plan 2013/14 to 2017/18, Corporate Workforce Plan, Annual Report, General Fund Revenue and Capital Budget 2013/14 and Indicative Five-Year Budgets - Report by Director of Corporate Governance (Pages 1 - 200)
- 2 North East Scotland Pension Fund 2013/14 and Indicative 2014/15 - 2017/18 Budget - Report by Director of Corporate Governance (Pages 201 - 220)
- 3 Common Good Budget 2013/14 and Indicative 2014/15 - 2017/18 Budget - Report by Director of Corporate Governance (Pages 221 - 232)

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	14 February 2013
DIRECTOR	Stewart Carruth (Director of Corporate Governance)
TITLE OF REPORT	Five-Year Business Plan 2013/14 to 2017/18, Corporate Workforce Plan, Annual Report, General Fund Revenue and Capital Budget 2013/14 and Indicative Five-Year Budgets
REPORT NUMBER:	CG/13/

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### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to provide Council with details of the 2013/14 general fund revenue budget along with indicative five-year budgets for both the general fund and a gross indicative investment level of £302 million for the non-housing capital programme during the same time frame.
- 1.2 The report also provides a full suite of documents that for the first time brings together the budget, five-year business plan, workforce plan and the annual report which therefore provides elected members with a complete holistic view of the council's position for the last 12 months and also the future five years with a clear plan on the council's major cost base – its workforce.

### **2. RECOMMENDATION(S)**

- 2.1 It is recommended that the committee:
  - a) Approves the attached revenue budget for 2012/13 as attached at appendix 1 of this report, along with an indicative five-year budget;
  - b) Approves the attached five-year non-housing capital programme as attached at appendix 2;
  - c) Approves the prudential indicators as attached at appendix 3 to this report;
  - d) Approves the council's five-year business plan as attached as appendix 4;
  - e) Approves the council's workforce plan attached as appendix 5;
  - f) Approves the council's annual report attached as appendix 6;
  - g) Agrees to freeze the level of council tax for 2013/14 at the same level as 2012/13.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The council in anticipation of setting its budget for 2011/12 undertook an extensive priority-based budgeting (PBB) exercise that reviewed all costs being incurred across council services over a five-year period.
- 3.2 This led to the council producing a five-year business plan outlining the financial position over this period and this has been updated to reflect a more detailed understanding of the cost pressures, financial out-turn and Scottish Government settlement figures. This is attached as appendix 4 to this report.
- 3.3 The process for determining the 2013/14 budget involved undertaking a risk based approach to further enhance and develop the PBB process through the establishment of a risk fund.
- 3.4 This involved identifying cost pressures for future years and understanding the risk associated with these, such that in being prudent the cost pressure could be set against the risk fund which services will work on mitigating against in year.
- 3.5 The basis for this is predicated on the council anticipating an under spend against budget for 2012/13 of approximately £5 million. Given this will be the second year this level of underspend is likely to occur future year cost pressures could be met from this underspend. However, a risk fund has been created to ensure that if this is not the case then funding is in place to meet these pressures.
- 3.6 In setting the budget for 2013/14 the council needs to recognise that sufficient working balances are set aside to meet any future unforeseen expenses over the life of the five year business plan. This is of high importance given:
  - The continued economic outlook for the United Kingdom and further afield;
  - The continued austerity measures being implemented by the UK government;
  - Welfare reform and the potential impact this will have on the Council's customers;
  - The level of inflation that continues to be inherent within the current economic climate;
  - Potential wage pressures following a two-year wage freeze within the public sector;
  - Other cost pressures arising directly from rising prices or additional legislative burdens placed on the council; and
  - The council waits to see its next three-year settlement figures from the Scottish Government covering the period 2015/16 to 2017/18.

- 3.7 As reported and agreed at committee on 4 October 2012 the council has continued to set aside 2.5% of net revenue budget expenditure as uncommitted reserves on the general fund, with the express intention of ensuring that it can deal with unexpected and unplanned expenditure should the need arise.
- 3.8 In line with this approved strategy officers continue to monitor and examine the opportunities for increasing the level of working balances. With current forecasts showing that the level of underspend is likely to be in the order of £5-£6 million as part of the budget strategy a risk fund will be created to meet any potential cost pressures in year that cannot be met from existing budgets.
- 3.9 As part of the council's year-end process the most optimum position will be identified and referred to committee for approval in due course, along with continued updates during the remainder of this financial year on the potential to further increase the level of working balances. A key element of this strategy is to set aside further funds to meet the increased impact of welfare reform and to further reduce the council's overall level of borrowing over the next five-year period.

#### **4. OTHER IMPLICATIONS**

- 4.1 The council is required to set its council tax levels before the 11 March in the financial year preceding that for which it is set as governed by the Local Government Finance Act 1992.
- 4.2 A continued major impact on the council's position for 2013/14 and future year budgets is the current prolonged economic downturn of the United Kingdom economy and the subsequent impact this has had on the level of funding available to the public sector.
- 4.3 The Scottish Government has issued the Finance Circular for 2013/14 and it is in line with previous Government announcements. The major change to the funding is the removal of funding of police and fire and this also is in line with the council's current forecasts.
- 4.4 One of the major impacts on the level of funding the council will receive is the establishment of the single Police and Fire Boards in Scotland. As such, the council will receive approximately £34 million less funding. However, the converse position of this is that the council will no longer be responsible for funding these organisations and as such it will be cost neutral.
- 4.5 In setting the general fund budget it is assumed that a gross funding envelope of approximately £300 million will be provided for capital investment over the life of the five-year business plan. The council has a process for identifying and ranking projects, or bids, and the outcome of this is the production of the five-year non-housing capital programme as shown in appendix 2 of this report.

4.6 The council is required to comply with the requirements of the Prudential Code. This includes the setting of a number of prudential indicators and these are set out for approval in appendix 3 to this report.

## 5. REPORT

5.1 The budget proposals being recommended by officers is summarised in the table below and broken down further in Appendix 1 of this report:

<u>Note</u>	<u>Funding</u>	<u>£</u> <u>million</u>
1	General Revenue Grant	133.672
1	Non Domestic Rates	177.084
	Teacher Induction Grant	0.991
2	Council Tax (including Arrears)	<u>110.388</u>
		422.135
	Add:	
	Trading Services/Other Grants	<u>11.870</u>
	<b>Total Funding</b>	<b>434.005</b>
	<b><u>Projected Expenditure</u></b>	
	Current Estimated Spend	439.546
	Deduct: Introduction of Risk Fund	
3	Approach	<u>(5.541)</u>
	<b>Total Projected Expenditure</b>	<b>434.005</b>
	Net Spend	<b>0</b>

**Note 1** – This is the total funding notified to the council per the current Finance Circulars available based on non-domestic rates and general revenue grant (amended to reflect the deduction of police and fire grant and adjustment for council tax benefit).

**Note 2** – A review of council tax has been undertaken and it is estimated that a small increase in the band D equivalent properties for 2013/14 can be anticipated.

**Note 3**– This is the introduction of a risk fund based approach to dealing with in-year cost pressures that, given the inherent under spend being reported, will be absorbed from within existing budgets during the year if they should materialise.

## **Financial Settlement Position**

5.2 It is worthwhile noting that as part of the overall settlement agreement provided by the Scottish Government the council is expected to ensure that it has adequate budgetary provision to:

- Maintain a council tax freeze for the financial year 2013/14; and
- Maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme.

5.3 The council has received the Finance Circular for 2013/14 (Local Government Finance Circular no. 5/2012) and this is in line with previously reported expectations. The figures within this report reflect the funding position per the issued circular.

## **Council Tax Assumptions**

5.4 The current level of council tax band D equivalent is £1,230.39 per annum. This is based on 91,524 band D equivalent properties. It should also be noted that this assumes:

- Council tax non-collection rates are maintained at 2012/13 level for the five-year business plan (which will be monitored closely given the impact of welfare reform);
- It is assumed that an additional 400 band D properties will be added to the charge annually;
- Council tax levels are frozen at 2012/13 prices until 2015/16 when it is assumed that it will increase by 2% per annum;
- Welfare reform impact is provided for centrally and will be reviewed as more detail becomes available;

## **Business Rates Incentivisation Scheme**

5.5 For the financial year 2012/13 the Scottish Government has introduced the Business Rates Incentivisation Scheme. The aim of the scheme is twofold; to incentivise councils to maximise their existing business rate income; and to grow their tax base, allowing them to retain a proportion of business rates income over and above the target level of what they would otherwise be expected to raise.

5.6 Each local authority that exceeds its individual non domestic rate income target will retain a half share of the additional rates income generated. Any local authority that does not reach their target will continue to be compensated by the Scottish Government (as they are now) up to the level of their non domestic rates distributable amount through increased general revenue grant.

5.7 The council's original target for 2012/13 is £164.1 million. At present there is no indication what the target level is for 2013/14 as this detail is not provided in the settlement letter.

5.8 The Scottish Government within the issued Finance Circular has stated that:

“It should be noted that the 2012-13 BRIS targets are currently under review following receipt of the 2012-13 business rates mid-year returns. It is clear that there has been a delay in the settling of appeal cases caused by the need to await the outcome of the Mercat/Overgate Shopping Centre appeal cases. This appears to have had the effect of artificially increasing the income councils are collecting in 2012-13 (thereby creating an unjustified windfall this year). If this indeed turns out to be the case and there has been a large number of appeals that have been delayed and will now be pushed into 2013-14 and future years then this will have to be dealt with as a “significant event” and the BRIS targets reviewed. Once we have the full analysis and the likely impact on non domestic rate income we will discuss with COSLA and agree revised 2012-13 targets. Clearly this will also have an impact on the 2013-14 targets which will be issued in due course”

Further detail will be provided to committee when it becomes available as this position remains unchanged since reported in December.

### **Non Housing Capital Programme**

5.9 As indicated earlier in the report, in setting the general fund budget resources have been allocated to fund a non-housing capital programme amounting to a gross budget of £302.6 million as detailed in Appendix 2.

### **Five-Year Business Plan**

5.10 The full five-year business plan is attached as appendix 4 of this report. The plan has been re-drafted to reflect new priorities and provides a degree of continuity as it is a rolling five-year plan for the period 2013/14 to 2017/18.

5.11 Whilst the plan does provide continuity it has a different focus which is:

- A city-wide vision that has been developed by partners and is distinctive;
- A council vision focusing on Aberdeen – the Smarter City;
- Underpinned by six priorities



Smarter Governance – Participation	<b>Acknowledging the role that citizens can play</b> in the evolution of the city.
Smarter Living – Quality of Life	<b>Challenging inequality</b> and positively promoting wellbeing building on cultural and physical activity.
Smarter People – Social and Human Capital	<b>Focusing on education</b> including lifelong learning and nurturing a city of learning with a city-wide workforce which can grow and diversify the economy.
Smarter Environment – Natural Resources	<b>Sustaining the environment</b> by maximising the use of low-carbon technology in our infrastructure and housing. Managing our waste and promoting our streetscape and green space.
Smarter Economy – Competitiveness	<b>Recognising the importance of sustaining a competitive economy</b> with clear financial parameters which attracts people to invest, live, work and export from.
Smarter Mobility – Transport and ICT	<b>Promoting the transport links</b> to and from the city which are sustainable. <b>Maximising digital connectivity</b> for the benefit of all people and the development of business in the city.

- 5.12 The plan also provides an understanding of the future environment in which the council is likely to operate because of social and demographic changes. This includes an aging population with people aged over 65 projected to increase by 10% from 2012 to 2017. Over the same period the 0-15 age group is also anticipated to increase by 10% putting significant pressure on services.
- 5.13 It also acknowledges our partners and customers with and to whom we deliver millions of transactions each year. It also provides a directorate by directorate overview shaped by an operating model which is a mixed model to acknowledge that there are different ways to deliver services providing the opportunity to be innovative in how services are delivered and/or funding secured.
- 5.14 The operating model is underpinned by the financial plan which is projected over the five-year period. Whilst there is a reduction in general revenue grant in real terms over the period there is a very small increase for non-domestic rates. The 2013/14 budget and future projections as outlined in the report provides the detail behind the financial plan.
- 5.15 This provides a solid foundation enabling the city to invest just over £302 million gross over the next five years in schools, infrastructure, cultural buildings and broadband all of which underpin the smarter city priorities.

5.16 Examples of some of the key investments underpinning the smarter priorities are:

- Smarter Living - £32 million City of Culture bid (Art Gallery Re-development and Museums Collection Centre);
- Smarter People - £58 million in schools, £10 million in Housing and £21 million in Social Care;
- Smarter Environment - £3 million in the Duthie Park, £2 million in Hydrogen Buses and £30 million on waste and energy;
- Smarter Economy - £42 million in infrastructure projects;
- Smarter mobility - £2 million on broadband and £55 million on transportation.

5.17 The plan provides a set of outcomes against which the council will be measured. In conclusion, the five-year plan sets out a focused agenda for the council, recognising Aberdeen as a smart achieving city where inequalities still remain and need to be challenged.

### **Workforce Plan**

5.18 The Workforce Plan is strategically aligned to the Business Plan and the budget. The people intensive nature of the Council's services means that business planning requires to take account of key workforce matters and the fact that approximately 60% of the net revenue budget is directed towards staffing related matters provides an inextricable linkage between workforce planning and budgeting.

5.19 The plan sets out the workforce implications of the Council's transformational process; takes stock of the existing workforce in relation to a number of key considerations and details the workforce strategy which should ensure that the Council's workforce retains the capability of delivering on key organisational objectives.

5.20 Whilst workforce planning has been undertaken in the Council previously, this is the first time in the history of the organisation that this process has been informed by the Business Planning and budgetary processes. This joined-up approach should ensure that workforce plans are both affordable and consistent with key business objectives.

5.21 It is now an accepted fact that those organisations most successful in the consistent attainment of organisational objectives are those which successfully engage with their workforces. Employee engagement is, therefore, a significant issue for the Council and the plan sets out how this is currently being dealt with and what future actions will consist of.

5.22 Other key workforce issues covered in the plan include:

- Employee resourcing
- Skills development
- Health, safety and wellbeing
- Performance management, and
- Pay and reward

### **Annual Report**

5.23 During 2012 the draft five-year business plan has underpinned the council's vision of Aberdeen - The Smarter City. This annual report, attached as appendix 6 of this report, sets out case studies, examples of best practice and future planning achieved by the council in 2012/13 as an illustration of how the services we deliver support the vision for an ambitious, achieving, smart city.

5.24 The council is committed to providing a high quality service in everything we do and has created this annual report as a benchmark for future years. The annual report also presents and compares our achievements, areas of improvement, areas of growth with organisations across the UK.

5.25 The annual report is a public performance report setting out our activity, service delivery and achievements over the previous twelve months. We will continue to build upon these foundations as we seek to improve in everything we do.

5.26 In future years, the annual report will closely follow the council's progress against the five-year business plan, measuring performance each year.

## **6. SERVICE AND COMMUNITY IMPACT**

6.1 As a recognised top priority the council must take the necessary measures to balance its budget. Therefore, services are expected to work within a financial constraint as defined by their annual budgets.

**7. BACKGROUND PAPERS**

Scottish Government Finance Circulars  
Priority Based Budget Report  
2012/13 Monitoring Reports  
Five-Year Business Plan  
Corporate Workforce Plan  
Annual Report

**8. REPORT AUTHOR DETAILS**

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## APPENDIX 1

**General Fund Revenue Budget - 5 Year Position**

	2013/14	2014/15	2015/16	2016/17	2017/18
Service	£'000	£'000	£'000	£'000	£'000
Corporate Governance	28,278	28,053	27,841	27,657	27,882
Social Care and Wellbeing	123,372	127,969	130,639	134,520	138,401
Education, Culture and Sport	174,695	178,951	181,165	185,689	187,111
Housing and Environment	39,893	38,932	36,400	39,567	39,909
Enterprise, Planning and Infrastructure	50,372	50,984	51,912	53,829	53,844
Office of Chief Executive	864	887	916	944	1,248
Council Expenses	2,115	2,166	2,187	2,209	2,209
Miscellaneous Services	18,445	18,441	19,585	20,699	24,114
Valuation Board	1,512	1,527	1,542	1,558	1,558
<b>Net Cost of Service</b>	<b>439,546</b>	<b>447,910</b>	<b>452,187</b>	<b>466,672</b>	<b>476,276</b>

**Funding**

General Revenue Grant	(133,672)	(119,125)	(119,125)	(119,125)	(119,125)
Non Domestic Rates	(177,084)	(193,738)	(193,738)	(193,738)	(193,738)
Assumed Settlement Position	0	0	(3,500)	(7,000)	(9,000)
Teachers Induction Scheme Grant	(991)	(1,069)	(1,070)	(1,070)	(1,070)
Council Tax	(110,388)	(110,868)	(115,848)	(118,470)	(121,146)
Trading Services Surplus	(11,870)	(11,759)	(12,189)	(12,169)	(12,149)
<b>Funding</b>	<b>(434,005)</b>	<b>(436,559)</b>	<b>(445,470)</b>	<b>(451,572)</b>	<b>(456,228)</b>

**Budget (Surplus)/Deficit**

	<b>5,541</b>	<b>11,351</b>	<b>6,717</b>	<b>15,100</b>	<b>20,048</b>
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*Corporate Risk Register - In Base*

Social Care and Wellbeing	(2,941)	(954)	0	0	0
Miscellaneous Services	(2,600)	(2,100)	0	0	0
	(5,541)	(3,054)	0	0	0

**Revised Position**

	<b>0</b>	<b>8,297</b>	<b>6,717</b>	<b>15,100</b>	<b>20,048</b>
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## Appendix 1

<u>Education, Culture and Sport Virement</u>	Value
<u>Culture, Communities &amp; Sport</u>	£
Staff	(102,000)
Premises	(82,000)
Admin	(24,000)
Transport	(12,000)
Supplies & Services	(23,000)
Transfer Payments	(126,000)
	<u>(369,000)</u>

<u>Educational Development, Policy and Performance</u>	
Staff	(88,000)
Premises	(4,000)
Admin	(3,000)
Transport	7,000
Supplies & Services	(98,000)
	<u>(186,000)</u>

<u>Schools</u>	
Staff	(980,000)
Premises	(150,600)
Admin	(14,400)
Transport	(14,000)
Supplies & Services	(263,000)
Commissioning	(8,300)
Transfer Payments	(14,700)
	<u>(1,445,000)</u>
Total Virements	<u>(2,000,000)</u>

APPENDIX 2

Non Housing Capital Programme 2012/13 – 2017/18

Project Description	Approved Budget 2012/13 £'000	Approved Budget 2013/14 £'000	Approved Budget 2014/15 £'000	Draft Budget 2015/16 £'000	Draft Budget 2016/17 £'000	Draft Budget 2017/18 £'000	5 Year Project Totals £'000
<b>New Proposals - Financial profiling to be refined</b>							
ICT Data Centre	0	0	0	2,500	500	0	3,000
Technology Investment Requirements	0	900	1,800	0	0	0	2,700
Central Aberdeen Infrastructure	0	1,915	3,935	3,740	6,790	3,670	20,050
A96 Park & Choose : Stage 1 - Dyce Drive Link Road	0	100	2,500	2,500	0	0	5,100
A96 Park & Choose : Stage 2 - Park & Choose Facility	0	0	100	5,000	5,000	0	10,100
New Academy to the South	0	500	11,500	19,000	1,000	0	32,000
New Milltimber Primary	0	0	0	1,250	7,500	3,000	11,750
Art Gallery Redevelopment - Museums Collection Centre	0	246	2,320	434	0	0	3,000
Art Gallery Redevelopment - Main Contract (HLF)	0	1,100	867	12,300	13,883	850	29,000
Leachate & Gas Control Measures at Ness Landfill Site	0	0	500	1,000	400	0	1,900
Waste : Hill of Tramaud - Change of Law	0	350	0	0	0	0	350
Energy from Waste - Procurement & Land Acquisition	0	3,625	500	500	375	0	5,000
Waste : Implement Waste Strategy *	0	6,200	10,050	2,000	0	0	18,250
Fleet Replacement *	0	3,000	3,000	3,000	3,000	3,000	15,000
Social Care Facilities : Burnside *	0	3,960	440	0	0	0	4,400
Childrens Home Replacement / Upgrade *	0	250	1,100	200	0	0	1,550
Social Care Facilities : Quarry Centre Refurbishment *	0	150	0	0	0	0	150
Social Care Facilities : Criagielea Refurbishment *	0	200	0	0	0	0	200
Social Care Facilities : Fergus House *	0	250	0	0	0	0	250
Social Care Facilities : Respite Centre *	0	0	500	0	0	0	500
Social Care Facilities : Rosewell House	0	400	1,400	200	0	0	2,000
Tillydrone Extra Care Village : Residential Type Care *	0	500	1,000	2,000	3,000	3,500	10,000
Tillydrone Extra Care Village : Community Hub *	0	0	0	500	500	2,000	3,000
<b>Projects Continued from 11/12</b>							
Western Peripheral Route (Net)	4,100	1,000	600	600	600	600	3,400
3 <sup>rd</sup> Don Crossing	430	5,180	5,230	3,280	1,670	0	15,360
NESTRANS – Capital Grant	960	882	1,295	1,295	1,295	1,295	6,062
Ness Landfill Restoration	4,000	0	0	0	0	0	0
Hill of Tramaud Landfill – Change of Law Costs	449	0	0	0	0	0	0
Corporate Office Accommodation	1,000	0	0	0	0	0	0
Duthie Park HLF	3,170	0	0	0	0	0	0
St Nicholas House Demolition	1,000	2,692	0	0	0	0	2,692
<b>Carry forward - legally committed</b>							
Land Acquisition -Contingency	650	0	0	0	0	0	0
ICT Connectivity	34	0	0	0	0	0	0
Replacement Education MIS	167	0	0	0	0	0	0
3R's Furniture, Fittings & Equipment	50	0	0	0	0	0	0
Data Centre Move	175	0	0	0	0	0	0
Integrated Drugs Service	650	0	0	0	0	0	0
Reserve Collection Store	43	0	0	0	0	0	0
Duthie Park & Winter Gardens Replacement Greenhouses	4	0	0	0	0	0	0
<b>New Projects Approved in 2012</b>							
Marchburn House	912	0	0	0	0	0	0
ASN Centre (previously called Raeden)	771	5,722	6,393	1,057	835	0	14,007
Victoria House	1,271	1,272	0	0	0	0	1,272
Hydrogen Buses	400	400	400	400	400	0	1,600
City Broadband	1,000	1,000	0	0	0	0	1,000
School Estate Strategy (Newhills / Bucksburn)	522	1,215	7,638	2,555	149	0	11,557
School Estate Strategy (Riverbank)	172	1,490	88	0	0	0	1,578
Tullos Pool	871	100	0	0	0	0	100
Frederick Street Car Park	2,345	0	0	0	0	0	0
<b>Rolling Programmes</b>							
Police – Capital Grant	1,705	651	954	0	0	0	1,605
Corp Property Condition & Suitability Programme	7,710	7,400	7,400	7,400	7,400	7,400	37,000
Planned Renewal & Replacement of Roads Infrastructure	3,748	3,768	3,659	4,000	4,000	4,000	19,427
Cycling Walking Safer Streets Grant	252	232	341	0	0	0	573
Private Sector Housing Grant	921	1,032	1,512	1,200	1,200	1,200	6,144
	<b>39,482</b>	<b>57,682</b>	<b>77,022</b>	<b>77,911</b>	<b>59,497</b>	<b>30,515</b>	<b>302,627</b>

Capital Grant - Latest Figures	(16,085)	(14,463)	(22,341)	(14,591)	(14,591)	(14,591)	(96,662)
Prudential Borrowing / Receipts / Other Funding	(23,397)	(43,219)	(54,681)	(63,320)	(44,906)	(15,924)	(205,965)
					Grant		46000
					Police		1605

\* Indicates Revenue Funding

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## APPENDIX 3

### THE PRUDENTIAL CODE For Capital Finance in Local Authorities 2013/14 to 2015/16

From 1 April 2004, Councils are required by Regulation to have regard to the Prudential Code (the Code) when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003.

In setting the revenue and capital budgets, members will be aware that under the Prudential Code, the level of capital investment is determined locally. Therefore, these indicators will be reviewed on an ongoing basis to ensure that the Council does not breach the indicators it sets.

The key objectives of the Code are to ensure:-

- The Council's capital programmes are affordable, prudent and sustainable.
- Treasury management decisions are taken in accordance with good professional practice.

The Code also has the objectives of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal.

In setting the indicators, cognisance should be paid to the level of capital investment looking ahead for a three year period, for both the housing and non-housing capital programmes that the Council wishes to embark upon. For the purposes of this report, the underlying requirement to finance the 3R's project has been ignored on the basis that it is anticipated that the contract will continue to run as normal.

The Code requires the following Prudential Indicators are set for the Council:-

	<b>Capital Expenditure</b>				
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Non HRA	27,638	31,496	59,682	78,922	74,911
HRA	42,023	40,860	41,533	34,805	33,583

	<b>Ratio of Financing Costs to Net Revenue Stream</b>				
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Non HRA	7.7%	6.7%	7.2%	7.3%	7.2%
HRA	15.5%	15.5%	16.7%	18.0%	19.1%

	<b>Capital Financing Requirement</b>				
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Non HRA	510,806	505,209	498,631	491,539	483,547
HRA	218,917	238,341	252,355	259,583	263,881
<b>Total</b>	<b>729,723</b>	<b>743,550</b>	<b>750,986</b>	<b>751,122</b>	<b>747,428</b>

The Prudential Code states:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.” For example, the 2013/14 total authorised limit for external debt (£673.009 million per table below) should not exceed the total capital financing requirement as at 2015/16 (£749.428 million per table above).

The Head of Finance reports that the Council can meet this requirement in 2012/13, and it is expected to do so for the future years, as outlined, taking into account current commitments, existing plans, and the assumptions in this report.

	<b>Authorised Limit for External Debt</b>			
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	634,069	658,205	674,646	686,859
Other Long Term Liabilities	15,201	14,804	14,407	14,011
<b>Total</b>	<b>649,270</b>	<b>673,009</b>	<b>689,053</b>	<b>700,870</b>

	<b>Operational Boundary for External Debt</b>			
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	638,123	651,112	656,802	658,791
Other Long Term Liabilities	0	0	0	0
<b>Total</b>	<b>638,123</b>	<b>651,112</b>	<b>656,802</b>	<b>658,791</b>

The estimate of the incremental impact of capital investment decisions proposed in this report, over and above capital investment decisions that have previously been taken by the Council are:

(a) for the Band D Council Tax

<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
£0	£0 (Prov)	£0 (Prov)

(b) for average weekly housing rents (assuming that increased capital investment is financed by way of cfc and borrowing)

<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
£1.27	£0 (Prov)	£0 (Prov)

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APPENDIX 4 – FIVE YEAR BUSINESS PLAN

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Our vision is  
for Aberdeen  
to be an ambitious,  
achieving, smart city.

Aberdeen City Council  
Draft Five Year Business Plan 2013/14 -



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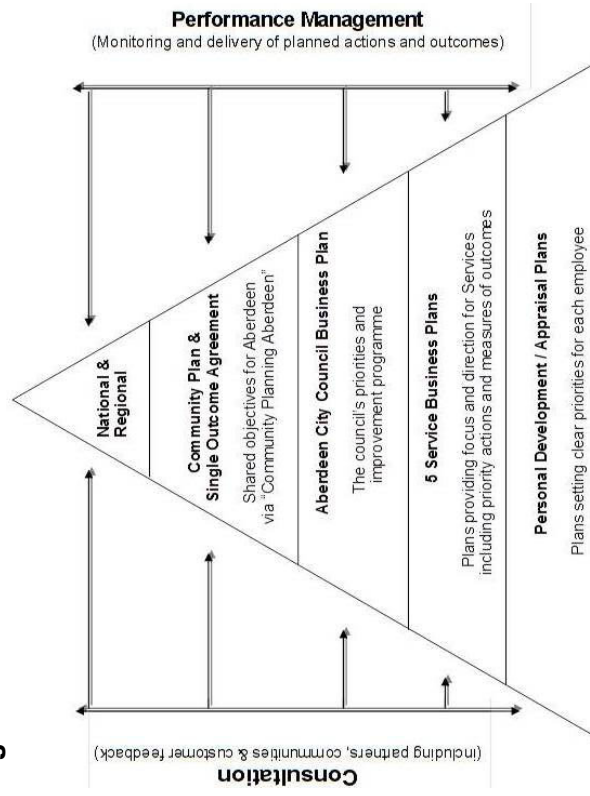


## 1. Executive summary

Aberdeen City Council's business plan covers the five-year period from 2013/14 to 2017/18. It is a rolling five-year plan and will be subject to annual review and update in line with changes in the council's priorities and emerging external factors which impact on the delivery of its objectives.

The business plan identifies those factors which influence the needs, development and delivery of our services and outlines the activities and initiatives which we will undertake to achieve our vision of Aberdeen – The Smarter City. This, in turn, reflects the national priorities set by the Scottish Government, the Concordat and the Single Outcome Agreement.

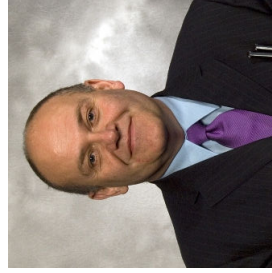
Figure 1



The business plan sets out the council's vision and key priorities and gives details of the main actions within each of the council's five services. These are supported by our priority-based approach to establishing our budget.

Regular reporting on the delivery of the business plan will be made at committee and council level and will form a key part of the council's public performance reporting.

The council is committed to continually improving its communications and active engagement with stakeholders, including Aberdeen citizens, visitors, the business community, partners, its employees and employee representatives. We seek a significant change in modernising the way we work and deliver our services.



**Barney Crockett**  
Council Leader



**Valerie Watts**  
Chief Executive

## 2. Vision and strategy

Aberdeen City Council and our community planning partners are committed to improving the city for the people who live, work and visit. The following vision has been jointly developed by the council and:

- NHS Grampian
- Aberdeen Council for Voluntary Organisations (ACVO)
- Grampian Fire and Rescue Service
- Grampian Police
- Aberdeen Civic Forum
- Aberdeen City and Shire Economic Future (ACSEF)

It shows a future for Aberdeen as the type of city we want to live in, in which we all have a stake and a shared responsibility to achieve.

## City vision

**As we look ahead, how can we all work towards...**

### **Aberdeen 2022 – the city we love to live in.**

There's a tangible sense of pride and passion in Aberdeen in 2022. This is a city at ease with itself. You can see it in the place and you can see it in its people. Aberdeen has become an exciting place to live, work and visit.

The city has harnessed its commercial strength and blended that with a strong civic ethos - Team Aberdeen - such that the city is now highly placed in Europe for quality of living. Its continued economic success is benefiting all its citizens and advancing equality in the city.

Over the past ten years, the city has capitalised on a number of truly iconic events and projects to bring together all sectors and communities. The result: a socially, economically and environmentally sustainable great city.

Aberdeen has evolved into a city with a recognised global reputation for knowledge development, capture and application. Its people have a strong, outward-looking view of the world, grounded in an equally strong sense of their traditional north-east identity.

Schools, further and higher education are embedded in their local and city-wide communities. Young people can be seen exploring new possibilities for their futures and linking into the rich learning opportunities that Education Aberdeen offers. They see learning as highly positive and

it has provided a route out of disadvantage for increasing numbers of children and their families.

Learning hubs have become important focuses for community development and a rich set of community-based cultural activities can be seen across the city. There is a strong sense of independence, resilience, confidence, self-esteem and aspiration coming from all our communities. Aberdonians work hard for themselves and for those communities.

The city centre is itself a vibrant hub of commercial and cultural activity with easy and safe access for Aberdeen's communities and tourists. People feel safe to socialise in the city centre at all times of the day and night. While local activity has defined Aberdeen's cultural renaissance, it has also led to the city's presence on the circuit of major popular, modern and classical cultural events.

Aberdeen is physically connected; it is easy for people to get in, out and around the city. Aberdeen is digitally connected with fast and easy access across the city.

As a result of the city's renaissance and its connectedness to the wider world, people are much more inclined to relocate to Aberdeen. This has allowed businesses to accelerate their growth, particularly in high value industries.

We have built on our oil and gas legacy to develop centres of excellence in renewable industries. We have taken the opportunity provided by our energy assets and developed

a much wider asset base in health, tourism, maritime resources and culture.

Our universities have developed strategic partnerships with the world's leading academic institutions. These partnerships are drawing in thought leaders and students from across the globe, and Aberdeen students regularly have an international dimension to their studies. They are also providing routes for Aberdeen's citizens to frame their careers in global terms.

Businesses work closely with their local schools and colleges, and all can see the benefits that brings. Colleges and universities can demonstrate significant collaborative pay-off in terms of academic and financial success. The city is recognised internationally as a centre of excellence in knowledge exchange between business and academia, with high levels of applied intellectual property.

The impact of all this on citizens is clear. The biggest changes are in those communities that used to have the greatest levels of need. Aberdeen is recognised as a socially and structurally integrated society. A global city that *all* its citizens are proud of.

This is a city that brings a rich and rewarding life for all its people, for the north-east and for the whole of Scotland.

## Council vision ‘Aberdeen –The Smarter City’

To realise the vision of Aberdeen described above, Aberdeen City Council is working to support:

- An ambitious, achieving, smart city, which:
- Develops an economy based on knowledge and innovation;
  - Encourages more efficient use of greener resource which generates a competitive economy;
  - Uses technology and data to enable informed decisions to be taken;
  - Enables citizens to interact in a city where there is a sense of place; and
  - Encourages a form of governance which engages its citizens.

Our citizens will recognise this and play their part in taking it forward. We will ensure all citizens are encouraged and appropriately supported to make their full contribution.

## Strategic priorities

The key priorities underpinning this vision are:

<b>Smarter Governance – Participation</b>	Acknowledging the role that citizens can play in the evolution of the city.
<b>Smarter Living – Quality of Life</b>	Challenging inequality and positively promoting wellbeing building on cultural and physical activity.
<b>Smarter People – Social and Human Capital</b>	Focusing on education including lifelong learning and nurturing a city of learning with a city-wide workforce which can grow and diversify the economy.
<b>Smarter Environment – Natural Resources</b>	Sustaining the environment by maximising the use of low-carbon technology in our infrastructure and housing. Managing our waste and promoting our streetscape and green space.
<b>Smarter Economy – Competitiveness</b>	Recognising the importance of sustaining a competitive economy with clear financial parameters which attracts people to invest, live, work and export from.
<b>Smarter Mobility – Transport and ICT</b>	Promoting the transport links to and from the city which are sustainable. Maximising digital connectivity for the benefit of all people and the development of business in the city.

The high-level priorities and outcomes underpinning each of the key priorities are outlined in Appendix 1 - Our vision in action.

## **Delivering our strategic priorities**

In order to deliver these priorities we will:

- Make best use of the financial resources available to us, ensuring best value for the public purse;
- Have a flexible, skilled and motivated workforce;
- Listen to, and be responsive to, our customers, shaping our services around their needs and focusing our resources where they are most needed; and
- Work closely with our partners, including local communities, to deliver a single set of outcomes for all the citizens of Aberdeen.

The council's action and financial plans, included in this business plan, are built on the delivery of our vision and strategic priorities, and we will measure our performance in terms of our success in their achievement.

### 3. Sector analysis

Figure 2 below shows a high-level analysis of issues which will impact on the council throughout the period of this plan.

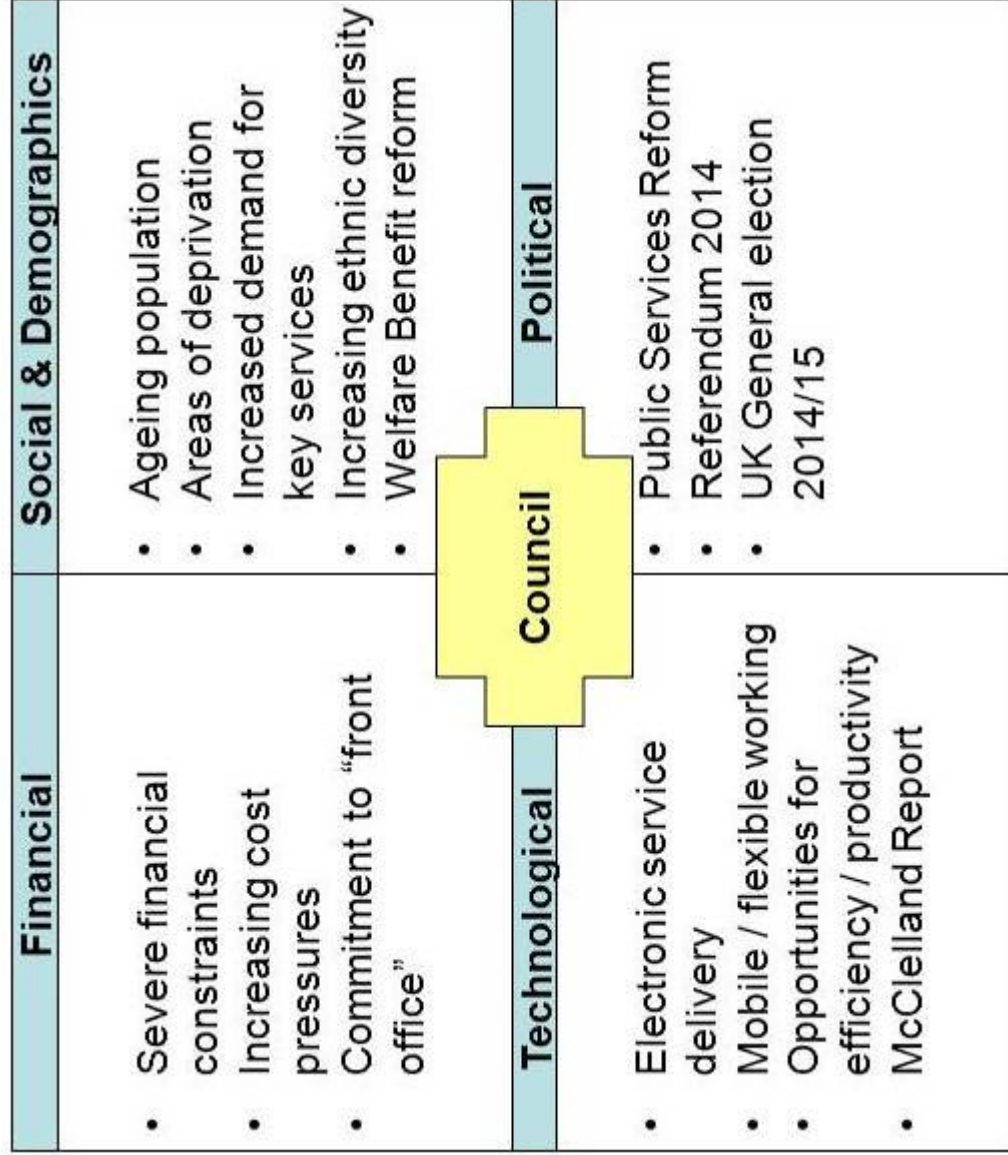


Figure 2

Over the next five years the council has a key role in addressing each of these issues.

### **(i) Finance**

The overall economic outlook and fiscal position for the period of the business plan continues to present a difficult financial challenge for the council. The introduction of a new funding floor from the Scottish Government has eased the financial position. However, current and future cost pressures facing the council will require it to be agile in service delivery given the limited financial resources it has available.

There are significant cost drivers over the next five years including costs associated with waste, the introduction of welfare reform, workforce costs and infrastructure costs, particularly in relation to roads.

The council receives the second lowest funding in Scotland and it will be important to continue to press for the best settlement possible in light of these financial pressures.

### **(ii) Social and demographics**

There are significant demand pressures on services within Education, Culture and Sport and Social Care and Wellbeing arising from anticipated demographic changes. Population projections for Scotland indicate that the 0-15 age group will grow by 2.6% between 2012 and 2017. Over the same period, the 0-15 age group in Aberdeen is projected to increase by just over 10%, from 35,027 to 38,609. Aberdeen's birth rate has grown significantly with 2,608 births in 2011 compared

with 2,200 in 2006. This will have an impact on primary school rolls, which are forecast to rise by 16% in the period 2012 to 2017. At the same time, secondary school rolls are forecast to fall by almost 3%.

The population in the 65+ age group is projected to rise in Scotland by 10.5% in the period from 2012 to 2017. In Aberdeen, the increase is projected to be slightly lower at 10.0%. This has a significant impact on the council's future planning for care of the elderly, which is a major driver of demand for social care and wellbeing services. The increase in the 65+ age group will also have an impact on housing, which whilst not a general fund service, will be key in supporting the balance of care agenda.

The city continues to attract new Scots. Many overseas migrants, especially from eastern Europe, have arrived in search of employment opportunities in recent years. This trend is likely to continue over the next five years and will impact on a range of services including housing, waste, education and social work.

The 2009 Scottish Index of Multiple Deprivation identified 28 areas in Aberdeen which are particularly disadvantaged. These are distributed throughout the city and not exclusively confined to particular neighbourhoods.



**(iii) Political**

The political environment in which the council will operate over the next five years is to be shaped by a series of elections at Scottish Government (including the referendum), local government and at UK level. The outcome of these elections will have an effect on a range of factors which contribute to the delivery of local services. It is important that the council is in a position to flex its services depending on the outcome of these elections and the impact that this has on policy either at a national or local level. Current national policy discussions and initiatives are pointing at radical changes in the model for delivery of social services, with closer integration with health and the reform of police and fire services.

Reforms to welfare benefits and the Community Empowerment and Renewal Bill could also have significant impact on the delivery of services.

**(iv) Technological**

At a national level the Local Government ICT Strategy will be published in 2012/13. The key elements of the strategy are sharing where possible, as well as working with the private sector. Digital connectivity will be vital to sharing and there is considerable investment available for superfast broadband.

The move to Marischal College, the use of telecare, access to learning and the implementation of self service all demand investment in technology and require closer working with the private sector. Whilst investment will be required, this will be on the basis of spend to save (or spend to constrain growth in costs of older people's services). Technology will also fundamentally contribute to shifting the balance of power and responsibility to the citizen rather than the state/public services, by facilitating a more personalised and flexible approach to how citizens engage with public services. This also gives citizens greater choice and control of services they wish to receive.

## 4. Communication and community engagement

### 4.1 Our approach to communication and community engagement

This business plan has been prepared following, and taking account of, extensive communication and community engagement. This included:

- Corporate stakeholder briefings with around 100 city stakeholders and directorate participants;
- A public survey;
- A City Voice survey;
- Internal communications with a series of staff briefings, workshops and use of the council's intranet, as a focus for information on business plan activity;
- An online survey promoted through social media;
- The council's website providing information and encouraging members of the public to give their views;
- 100 city-wide 'open doors' – the city's information points were used to promote and encourage members of the public to complete a questionnaire;
- Media briefings; and
- Follow-up corporate, directorate and public stakeholder events.

Continuing good communications with meaningful, active and ongoing dialogue with the citizens of Aberdeen will continue to be central to the approach which the council takes as it delivers its overall business plan objectives.

In line with the council's vision for Aberdeen – The Smarter City our communication and engagement activity will continue to build upon these existing foundations.

The council will continue to aspire to:

- Develop a sense of community in Aberdeen based on principles of openness, fairness, reciprocity and responsibility.
- Encourage and support citizens to participate in the development, design and decision making of services to promote civic pride, active citizenship and resilience.

As part of this, we will work to create a better awareness and understanding of all the council's activities and services which we, along with our partners, deliver for the citizens of Aberdeen, our future investors and our visitors and to encourage active participation and engagement with us as we deliver our plans.

Our objectives are:

- To offer accessible and timely information about all council services and activities;
- To provide opportunities for all to engage in dialogue with the council, whether face to face, written or online;
- To listen and respond to the views of our partners, citizens, staff and other stakeholders with an interest in the city; and
- To share our plans and aspirations for the city.

The council will do this through creating a variety and wide-ranging means of communications and engagement including:

- Open meetings on the transaction of our formal business;
- Face-to-face and timely public meetings on specific issues and activities;
- An effective and efficient customer contact service through our network of information points and by telephone or email;
- An interactive and easily accessible website;
- Extensive use of social media;
- Online e-magazines presenting information, progress, consultation and further opportunities for engagement;
- Providing appropriate and cost-effective information and advice on council services, decisions and achievements;
- Sharing communications and engagement opportunities with our partners in detailing joint activities;
- Continuous and ongoing dialogue with our partners in public sector organisations, the city's academic institutions, the city's business community, burgesses, others in the private sector, voluntary and charitable organisations and social enterprise companies;
- The use of social media, where appropriate; and
- Paid advertising of engagement events, where appropriate.

The council will also place an emphasis on excellent communications with our employees and their representatives as we plan improvements to the way in which we inform and engage with all employees, trade unions and elected members.

## 4.2 Who are our customers?

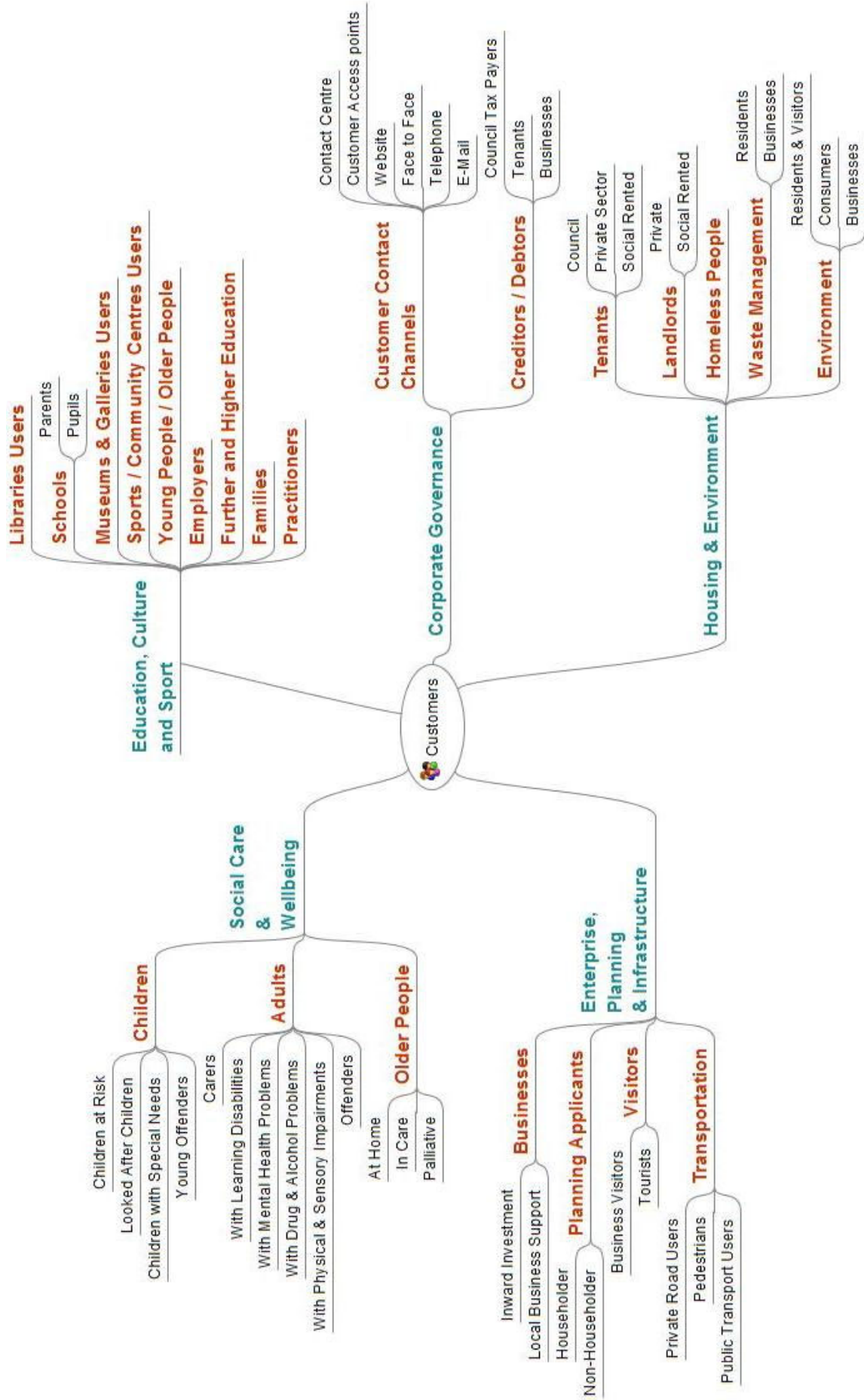


Figure 3: A representation of many, but not all, of the council's customers.

### 4.3 Partnership working

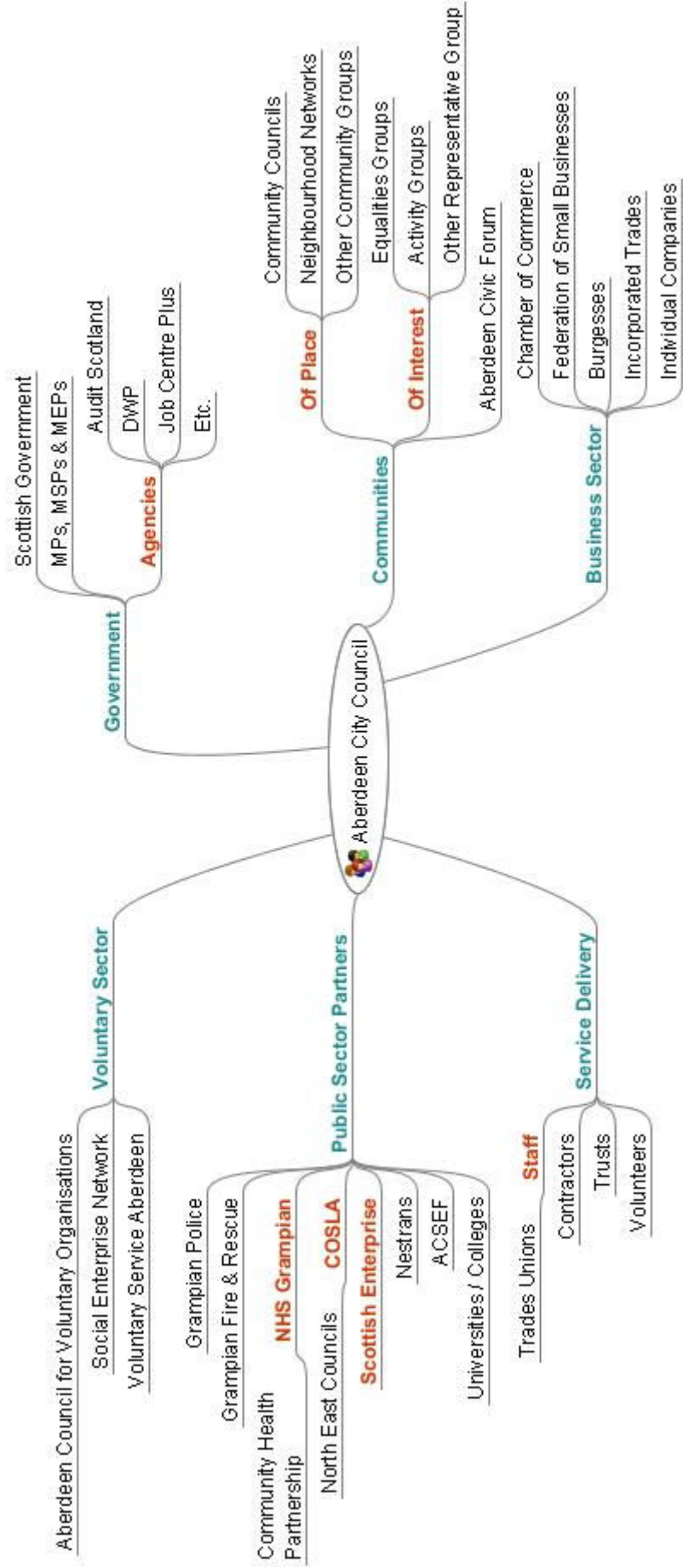


Figure 4: A representation of many, but not all, of the council's partners.

## **5. Service overview**

### **5.1 What services will we deliver?**

The council currently employs over 9,000 staff working across the city delivering a wide range of services and has an annual net budget of £450m which is distributed between five functional directorates:

- Education, Culture and Sport;
- Social Care and Wellbeing;
- Enterprise, Planning and Infrastructure;
- Housing and Environment; and
- Corporate Governance.

## 5.2 Directorate overviews

### Education, Culture and Sport

Agreement and encompass the activities and initiatives which we will undertake in order to achieve the council's key strategic objectives. These priorities are set out in the following ten themes:

- Curriculum for Excellence: implementing the new curriculum for schools;
- Fit-for-purpose schools / learning centres: making sure that we have the right facilities in the right place;
- Learning in the wider community: lifelong learning for everyone;
- Technology: using technology for learning;
- Health and wellbeing: helping people to make the right lifestyle choices from an early age and throughout their lives;
- Engagement in arts, culture and heritage: improving the quality of and impact of arts, culture and heritage provisions across the city;
- Helping those with different needs: helping everyone reach their potential;
- Better performing/value for money: demonstrate our commitment to continuous improvement;
- Skilled and trained staff: continually developing our staff through training opportunities; and
- Working together: making sure services work together in the interests of the learner.

#### Director

##### Directorate overview

Over the next five years the Education, Culture and Sport directorate will see significant change. Building on our strategies for learning, culture and sport, we will work in an innovative and creative way to provide flexible and high-quality education in schools, support community development and adult learning where it is most needed and enhance the cultural and heritage provision in the city of Aberdeen.

The focus of our directorate is, through new ways of working, to contribute to building a 'city of learning' which empowers individuals to fulfil their potential and to contribute to the economic, social and cultural wellbeing of our communities. Our priorities reflect the national priorities set out by the Scottish Government, the Concordat and the Single Outcome

Underpinning our ten priority themes are the objectives to improve attainment and achievement for all our learners and to close the gaps in learning, health, participation and employment outcomes that exist within the city. Our key priorities are met through the provision of a range of services and activities.



## Directorate portfolio

The Education, Culture and Sport directorate works across the city to deliver the following three services:

- Childcare and family learning; and
- Schools work experience.

### Schools and Educational Establishments

- Early years;
- Primary schools;
- Secondary schools;
- Offsite and specialist provision;
- Additional support needs (ASN) 0 – 18;
- Learning strategy 0 – 18;
- Curriculum and quality development; and
- Service improvement.

### Educational Development, Policy and Performance

- New educational developments;
- Performance and service improvement;
- Learning estate strategy;
- Workforce planning;
- ICT policy and practice;
- Service resource and budget management;
- Quality assurance, inspection and audit; and
- Continued professional development for pre-school and schools.

### Communities, Culture and Sport

- Community learning and development;
- Culture including arts, libraries, museums and galleries, venues including the Beach Ballroom;
- Sport and physical activity;
- Social and economic regeneration;
- Sustainable development;
- Educational psychology;
- Post-school transitions;
- Integrated children's services;
- Outdoor education/learning;
- Health and wellbeing;

## Social Care and Wellbeing



**Fred McBride**  
Director

- Identification and response to the social care needs of people living in Aberdeen, supporting them where they need assistance in their daily lives. Often working in partnership with others, to respond with cost-effective, quality services which support and promote the wellbeing and safety of people who are in greatest need; and
- Respect and promotion of people's rights, support for their independence and their inclusion in their own community and respect for their choice wherever possible.

### Directorate overview

Over the next five years the Social Care and Wellbeing directorate will work with clients to provide services based on the following principles:

- All the citizens of Aberdeen should have the opportunity to be in control of their own futures and destinies and to achieve their ambitions and aspirations;
- People will require varying degrees of support to achieve this and the direct role of Social Care and Wellbeing will be to provide that support to the most vulnerable members of our community on a fair basis;
- Close working with partners to ensure that support is provided early enough to prevent people requiring more intrusive forms of support and intervention;

The strategic outcomes for Social Care and Wellbeing, for adults and children, reflect the national and local priorities.

- People are protected from abuse, neglect and harm and feel safe in their environment;
- People are supported and cared for in their own home or in accommodation appropriate to their needs for as long as this is possible;
- People are enabled and supported individually or in groups to find and put in place the right solutions for their care; and
- Citizens of all levels of need and ability have access to the facilities of Aberdeen that will support them to maintain their health and wellbeing.

## Directorate portfolio

The directorate has a clear responsibility for the wellbeing of citizens, particularly those who are vulnerable. This includes public health promotion and preventative services.

### Children and young people

- Children's Services is a targeted service which provides support to:
  - children at risk of harm;
  - children who require child protection services;
  - children who are looked after;
  - children needing permanent families;
  - children who have a disability; and
  - children in need.

### Adults

- Meeting the needs of vulnerable adults, including:
  - those who are at risk of harm and abuse;
  - those who have mental health problems;
  - those who have substance misuse problems;
  - those who have a learning disability; and
  - those who have offended or are at risk of offending i.e. criminal justice services.

### Older people and rehabilitation

- Meeting the needs of older people and people with physical disability, including:
  - those with a sensory impairment;
  - those who have dementia;
  - those in need of rehabilitation;
  - those at risk of harm and abuse; and
- Meeting the needs of carers.

In addition, the directorate ensures that where people's needs and services cross the boundaries of these three areas, the service shall operate in a coherent and effective way. This will include where there are cross-service considerations such as:

- Young people moving into adulthood;
- Commissioning, contracting and care management;
- The impact of substance misuse; and
- The wellbeing and protecting people agendas.

## Enterprise, Planning and Infrastructure



**Gordon McIntosh**  
Director

### Directorate overview

In developing an effective business plan for the next five years, the directorate recognise that the city's enterprise, planning and infrastructure issues are closely related to wider issues in the north-east of Scotland as well as Scotland and the UK as a whole. The Enterprise, Planning and Infrastructure directorate will, therefore, provide the strategic direction for Aberdeen within a wider geographical context, whilst continuing to engage with local people to ensure that we meet the stated needs of communities and individuals.

Over the period of the business plan we will see the continuing development and strengthening of the Enterprise,

Planning and Infrastructure directorate, so that it continues to engage with managers across all council services and external partners, on key issues affecting communities.

The main aims of the directorate are to:

- Encourage future economic and business development in the city;
- Deliver an up-to-date development plan for the city;
- Protect and enhance our high-quality, natural and built environment;
- Support the delivery of a fully integrated transport network;
- Ensure the council's physical assets are managed and maintained in a cost-effective manner; and
- Deliver our statutory responsibilities effectively and efficiently.

We will do this by:

- Ensuring people and communities are genuinely engaged in decisions relating to enterprise, planning and infrastructure issues in the city, and
- Working with, and obtaining commitment from, partner organisations to provide better and more efficient enterprise, planning and Infrastructure services across the city.

## Directorate portfolio

The Enterprise, Planning and Infrastructure directorate works across the city to deliver the following three services:

### **Economic and Business Development**

- Business sector development;
- International trade and investment;
- Employability, skills and community enterprise;
- Investor, skills and visitor attraction;
- City events and twinning; and
- Marketing.

### **Planning and Sustainable Development**

- Transportation strategy;
- Roads projects;
- Public transport;
- Development management;
- Environmental policy; and
- Building standards.

### **Asset Management and Operations**

- Estates management;
- Corporate asset management;
- Fleet services;
- Property investment;
- Traffic management;
- Lighting, lining and signing;
- Roads maintenance;
- Facilities management; and
- Structures, flooding and coastal engineering.

## Housing and Environment



**Pete Leonard**

Director

### Directorate overview

We recognise that housing is about more than just places where people live. Our service has an important part to play in place-making, and quality places contribute towards economic success. Housing plays a key role in people's lives and can have a direct impact on other council activities, including:

- Helping people to gain and keep employment;
- Supporting young people's education;
- Helping to develop social skills and relationships;
- Helping to reduce offending and reoffending;
- Encouraging a culture of self help; and
- Enabling people to stay longer in their own homes.

Demographic changes and increases in the number of households will continue to put pressure on the housing market.

There is a requirement for 1,094 new build properties in Aberdeen per annum to meet housing demand. There is also a need for 415 new affordable houses in Aberdeen for the next ten years to meet housing needs. Aberdeen has some of the highest house prices in Scotland and the private rented sector is very expensive due to the requirements of the oil industry.

Our Environment teams play a key role in keeping the city a safe, clean and attractive place to live, work and visit. Our parks and gardens, and those of our communities, have a proud tradition of success in Scotland and Britain in Bloom competitions. Environmental Health and Trading Standards safeguard the health and safety of our citizens. Waste management services provide a daily, just-in-time service to tens of thousands of customers every day. How we manage our waste is one of the key financial and environmental challenges for the city.

Over the period of the five-year business plan the Housing and Environment directorate will continue to develop and improve services to realise the following aspirations:

- Flexible housing services which support the needs and aspirations of our tenants;

- Protection of the public from poor quality private sector housing and safe guarding of the built environment and granite heritage;
- Reduction of homelessness by investing in additional resources dedicated to early intervention and prevention and support;
- Improvement in the cleanliness and security of our multi-storey blocks;
- Retention of a large stock of quality, well-maintained affordable housing that match the highest of standards;
- New house building which increases the provision of affordable houses;
- Transforming the housing and regeneration service to deliver strategic housing priorities and to raise additional income;
- Improved community safety, including the protection of vulnerable people, and enhancement of health and wellbeing;
- Regeneration of strategically important parts of the city;
- Moving towards a zero waste city by increasing recycling, reducing the amount of waste produced and diverting waste from landfill;
- A greener, cleaner and safer city through improved grounds maintenance and street cleaning; and
- The protection of consumers and the public through focused environmental health and trading standards, with support from the Public Analyst and Scientific Laboratories.

## Directorate portfolio

The Housing and Environment directorate works across the city to deliver the following three services:

### Housing and Community Safety

- Housing policy, planning and performance
- Housing services;
- Homelessness;
- Private sector housing;
- Traveller liaison;
- Benefits advice;
- Community safety;
- City wardens; and
- Emergency planning.

### Regeneration and Housing Investment

- Property asset planning;
- Property design and development;
- Planned and response repairs
- Contracts
- Regeneration.

### Environment

- Trading standards;
- Environmental health;
- Aberdeen Scientific Services Laboratory;
- Waste and recycling services;
- Parks and gardens;
- Arboriculture services;
- Countryside services;
- Street cleansing services;
- Flytipping, flyposting and graffiti;
- Public conveniences; and
- Bereavement services and crematorium.



## Corporate Governance



**Stewart Carruth**  
Director

### Directorate overview

It is highly likely that over the next three years the delivery of the services within the Corporate Governance directorate will continue to change significantly. The type, level and shape of service will be altered to meet demands such as the changing needs of other directorates, increasing financial constraints, a greater understanding of customer requirements and emerging technological advances.

Corporate Governance is already at the forefront of a move to transform support services, driven by a desire to innovate, improve quality and meet the financial constraints faced by the council, now and in the future.

Transforming service delivery will require investment, give opportunities for staff to build their skills and develop their

careers, put in place efficient and effective processes and, through working with partners, make use of leading expertise and know how.

There needs to be an increased pace and scale of change particularly against the background of public sector reform and financial challenges. Community planning has a key role to play in bringing partners together and we will maintain our emphasis on planning and delivering more effective services which requires all key partners to understand and make best use of the combined resource of partners with a revision of the Single Outcome Agreement.

We will continue to engage with staff so that they are informed and involved in the design, development and delivery of services. This will include:

- Mechanisms for employees to feedback views, suggestions and innovations;
- Ongoing and regular monitoring of employee engagement through a range of means including focus groups, briefings and technology; and
- Co-design with other staff and customers of future service delivery.

Other stakeholders also need to be engaged on the way ahead and an engagement plan for Corporate Governance will be developed for all our stakeholders including partners, trades unions, and other services.

## Directorate portfolio

The Corporate Governance directorate works across the city to deliver the following five services:

### Finance

- Corporate accounting;
- Service accounting;
- Revenues and benefits; and
- Pensions.

### Legal and Democratic Services

- Legal services;
- Archives;
- Committee services;
- Registrar and registrations; and
- Members' services.

### Human Resources and Employee Development

- HR strategy;
- Workforce planning;
- Employee and industrial relations;
- Payroll service;
- Employee health, safety and wellbeing;
- HR shared service centre;
- Training and development;
- Equality and diversity;

- HR policies; and
- Knowledge management.

### Customer Services and Performance

- Best Value;
- Internal audit;
- Risk management;
- Community planning;
- Corporate performance information management;
- Research and information;
- Customer service operations;
- Customer service development;
- Accord;
- ICT services;
- Programme Management Office (PMO);
- Business improvement;
- Shared services;
- Information assurance
- Process redesign; and
- Improvement management.

## **Procurement**

- Procurement strategy, policy and advice;
- Electronic procurement projects;
- Supplier/contracts management;
- Scotland Excel North East Regional Hub;
- Supplies; and
- Shared service with Aberdeenshire Council.

## 5.2 How we will deliver

Over the next five years the delivery of the services within the council will change significantly. As we respond to the changing demands, increasing financial constraints, a greater understanding of customer requirements and emerging technological advances, the type, level and shape of service will be altered to meet these demands.

As a result, we will develop a new operating model for the council which will be supported by a set of guiding and mandated principles for managing the council and its business.

The principles set out in the operating model will be constantly revisited to ensure that targets are permanently aligned to best-in-class performance.

The opportunity exists within the operating model to be radical and the council will take the opportunity to set out areas of genuine and real innovation.

The operating model will reflect the organisational priorities, political imperatives and local circumstances. Members will be involved in determining the principles and direction of the operating model – but the detail and accountability for delivery will be owned by the Chief Executive and the Senior Management Team.

The operating model will set out a much more sophisticated picture of a mixed economy of service provision and will also reflect that the council is very clear in what is core and what is non-core business and we will structure and manage the council accordingly.

This sophisticated mixed economy indicates a multitude of delivery options including in-house service provision, shared services, joint ventures, arm's-length organisations as well as partnerships and contracts with the public, private and third sector organisations (community, voluntary and social enterprises).

New delivery vehicles will have multiple purpose including direct delivery of services and providing services to multiple agencies and organisations.

Whilst recognising that a great deal of work has already taken place to restructure, review capacity and streamline internal processes to drive out inefficiencies – it is important that this programme continues to deliver benefits into the future. The operating model will exploit all potential funding, including European Union funding, social investment, partnerships with the private sector and regional growth funds. This will also include delivery models that enable the authority to generate additional income streams (through charges and selling services, including to other local authorities).

The council will also lead a collaborative approach and deliver services with our partners on a city-wide basis.

All of this activity will mean that we need to put in place systematic engagements with staff and trade unions in order that they are informed and involved in the design, development and delivery of services.

With this as context, the implementation of this business plan and delivery of services will be based on the following principles:

- 1. Transform the way public services are delivered:**

To provide better value in public sector spending across the city, which is focused on better services delivering outcomes more efficiently and effectively. This will be achieved by developing new ways of delivering services and rewarding and recognising good performance as well as challenging poor performance.
- 2. Focus investment for long-term, sustainable, economic growth of the city and surrounding area:**

To secure new long-term, private sector investment hand in hand with developing our own assets to deliver affordable housing, to reshape the delivery of education and culture and to develop sustainable communities

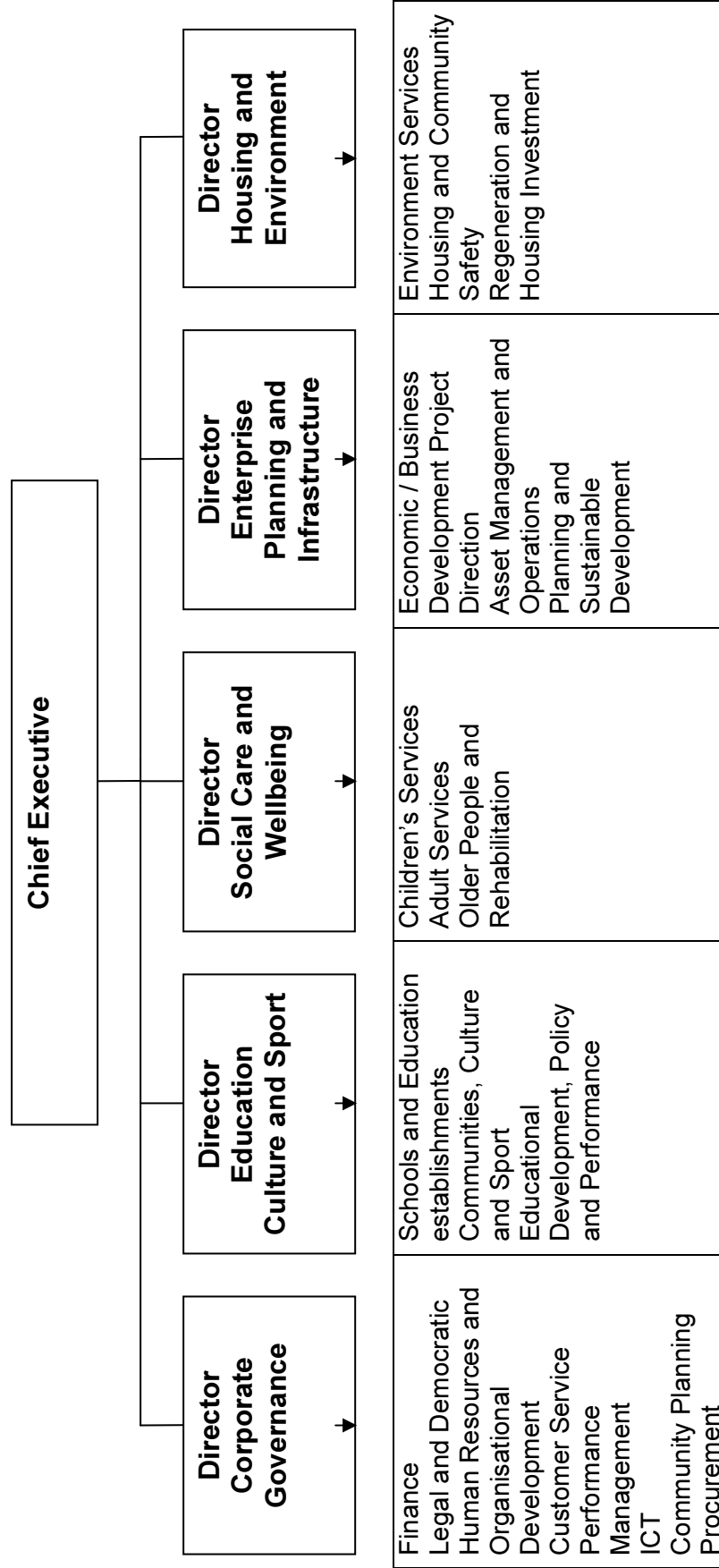
- 3. Deliver services which meet people's needs:**

To understand the needs of citizens who live and work in Aberdeen and deliver services which meet those needs. This will also mean building capacity within communities which will encourage citizens to become involved and to take responsibility for delivering services.
- 4. Work in partnership with other public sector organisations, the private and the voluntary sectors:**

To foster integrated working between sectors to optimise public, voluntary and private spend for the benefit of the citizens, communities and organisations working within the city.

### 5.3 The team to deliver

Our vision sets out the need for a highly skilled and motivated workforce which will deliver high-quality, cost-effective and customer-centric services. Building on the knowledge and ability which we already demonstrate, we are committed to learning from others and developing our skills further. The management structure of the council is shown in figure 5 below together with areas of responsibility. During the next five years we commit to a review of the structures within the council to ensure our resources are best matched to deliver our vision.



**Figure 5**

## **(i) Our approach to employee engagement**

Successful delivery of the services outlined in the business plan is dependent on the quality and commitment of our employees. We recognise that we already have a workforce which has a strong public sector and work ethos and is motivated to do a good job for the citizens of Aberdeen.

The challenge over the next five years will be to continue to deliver high quality services with a smaller core workforce, a restricted budget and increasing customer expectations. This will depend on how well we engage our employees and will require a much greater emphasis on and understanding of employee engagement.

‘Engaged’ employees understand the business needs, are committed to their work and add value to the organisation. Effective employee engagement has been shown to benefit organisations through increased performance and retention. It also benefits employees through greater job satisfaction and ultimately customers through positive impact on service delivery.

Engagement depends on how the organisation deals with a number of factors including:

- How we communicate;
- How we work together as colleagues, teams, services and with partners;
- The quality of our leadership and management;
- How we treat our employees in terms of being fair, flexible and family friendly;

- How we manage performance and reward our employees;
- How well we manage our employees’ health, safety and wellbeing;
- The availability of training, development and career opportunities; and
- How satisfied employees are with their work and with their employer.

The level of current employee satisfaction was measured through the 2010 Employee Opinion Survey. An action plan has been put in place to build on the positive outcomes of this survey and at the same time bring about improvements in areas such as performance and appraisal, communication and job satisfaction.

We are strongly committed to our staff and have put in place a reward package which includes staff benefits, flexible working and learning and development opportunities which make the council a great place to work.

As part of this action plan, and in delivering on the business plan, we are also committed to providing:

- Strong, visible leadership;
- Clarity of vision and direction;
- Open and honest communication on decisions affecting employees at as early a stage as possible;
- Mechanisms for employees to feedback views, suggestions and innovations;

- Consultation and involvement, where this is possible, information where it is not and clarity of which is being offered; and
- Ongoing and regular monitoring of employee engagement through a range of means including focus groups, briefings and technology.

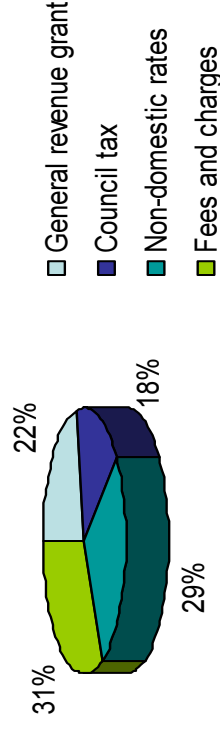


## 6. Financial plan

### 6.1 How we are funded

The council receives funding through a number of sources, which include:

- General revenue grant;
- Council tax;
- Non-domestic rates; and
- Fees and charges.



**Figure 6**

Figure 6 shows the percentage of council funding by source. It is worth noting that for 2013/14 the council will receive funding from the Scottish Government that equates to 51% of the total income generated by the council (or £311 million). Of this funding £177 million is raised locally through non-domestic rates (57% of Scottish Government funding) and £134 million by way of general revenue grant (43% of Scottish Government funding). Part of this significant change in funding is due partly because of the introduction of a central police and fire service in Scotland and this funding now being retained by the Scottish Government.

### 6.2 Assumptions

The following assumptions have been made (and are by no means exhaustive) within the five-year business plan.

- General revenue grant and non-domestic rates are assumed to follow the pattern shown in figure 7 below:

	2013/14	2014/15	2015/16	2016/17	2017/18
General revenue grant	-6.43%	-10.68%	0.00%	0.00%	0.00%
Non-domestic rates	7.60%	9.40%	1.80%	3.54%	4.40%
Combined movement	0.34%	0.80%	1.10%	2.20%	2.80%

**Figure 7**

- Council tax continues to be assumed frozen at 2012/13 levels until 2015/16 of the business plan with a 2% increase thereafter. A small increase in the number of council tax properties is assumed of approximately 400 per annum;
- Pay awards have been built into the business plan at 1% per annum for all staff groups (teaching and non-teaching staff);
- Demographic changes in the population have been included within the model;
- Additional cost pressures and reductions for additional waste disposal costs and landfill allowance/tax net impact is estimated based on current legislation;
- The council must provide for auto-enrolment of pensions and a provision of approximately £1 million has been made for this;
- The Government plans to begin the roll out of the Welfare Reform Bill which potentially will impact on the council and a provision has been made for the estimated cost of this;
- Provisions and specific allowances are captured within the model for items such as non-domestic rates, capital financing charges, utility bills etc.
- It has been assumed that the creation of single police and fire services in Scotland will be cost neutral to the funding settlement the council receives;
- It is assumed that the funding being made available to the council is in line with the settlement letter received as part of the 2012/13 budget, which includes an additional level of funding for the previously introduced 85% floor;
- A capital programme of £57 million gross in 2013/14 and £77 million gross in 2014/15 has been assumed. Future capital programmes will be dependent on the level of capital grant received from the Scottish Government and will be predicated on achieving a five-year funded programme rather than the traditional annually funded programme which is currently £302 million gross;
- The council has taken a risk-based approach to setting the 2013/14 budget such that a risk fund has been set to mitigate against future cost pressures which services will, in the first instance, be expected to try to meet before any call is made on the risk fund;

- An average loans pool rate of approximately 4.5% has been used over the period of the business plan.

It can be seen that the complexities of an organisation that provides a wide-ranging list of services does require a great deal of estimation to project into the future. This is done in a time of economic uncertainty within both the United Kingdom and world economies.

### 6.3 Funding, spend and savings

The council's expected funding, spend and savings which are based on these assumptions are:

	Year 1	Year 2	Year 3	Year 4	Year 5
	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
Funding	(434,005)	(436,559)	(445,470)	(451,572)	(456,228)
Net Forecast Spend	434,005	447,910	452,187	466,672	476,276
Surplus/(Deficit)	0	(8,297)	(6,717)	(15,100)	(20,048)

**Figure 8**

The council aims approved its 2013/14 general fund budgets in February 2013 which set the budget for that financial year and continue to implement its service options identified as part of the priority-based budget process. The total values of options are shown in the table below and demonstrate the delivery annually (that is the figures are not cumulative).

The following service options will continue to be delivered:

Service options accepted:	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
Corporate Governance	(1,389)	(1,840)	(2,278)	(2,688)	(2,688)
Social Care and Wellbeing	(966)	(3,170)	(5,335)	(5,335)	(5,335)
Education, Culture and Sport	(1,710)	(2,853)	(3,661)	559	559
Housing and Environment	(1,619)	(4,998)	(8,050)	(5,259)	(5,259)
Enterprise, Planning and Infrastructure	(5,564)	(6,254)	(6,870)	(6,854)	(6,878)
<b>Total service options</b>	<b>(11,248)</b>	<b>(19,115)</b>	<b>(26,194)</b>	<b>(20,695)</b>	<b>(20,719)</b>

**Figure 9**

This clearly demonstrates the council's commitment to implementing a fully-costed business plan over the medium term.

Notwithstanding the service options in figure 9 that have been accepted by council, the resulting gap will be filled by further service options which will be considered as part of the iteration process of reviewing the business plan for future years. In addition, it is likely that over the period of the five years, there will be significant changes in the level of funding and spend which will impact on the level of savings required.

#### **6.4 Risk-based approach: risk fund**

The council's 2012/13 outturn shows that it is highly probable that it will deliver an underspend against its budget. This will be the second year that this will have occurred and again is running at approximately £5 million. It is therefore not prudent to identify service options to meet future cost pressures given this scenario.

With this in mind the Corporate Management Team have applied a risk-based approach to the 2013/14 priority-based budget approach for future years. While additional funding has been put in place within the base budget for 2013/14 it still remains that potential cost pressures of approximately £5.5 million still exist.

The council has therefore created a risk fund which captures these potential cost pressures. These cost pressures are to be cash backed – that is, the current year underspend will be set aside to meet these potential costs but access to this funding is subject to strict governance arrangements.

## 6.5 Sensitivity analysis

The table below illustrates how the cost base would vary annually given a different set of assumptions:

	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000
Base position	8,417	6,907	15,257	20,207
1% grant uplift per annum	5,293	3,709	11,984	16,874
1% grant reduction per annum	11,542	10,105	18,529	23,540
0% years 2/3, 2% thereafter	8,417	6,907	8,712	13,541

**Figure 10**

Figure 10 above shows the impact of a small variance in the overall budgetary position for the council. The range of sensitivities that can be applied are currently being developed and will be discussed through a series of corporate meetings which will also address the council's introduction of a risk fund to ensure that the council continues to de-risk its position in relation to future costs and risk pressures.

In summary, as the sensitivity analysis demonstrates, it is highly likely that the levels of funding, costs and shortfalls will change, resulting in a further review of the council's five-year business plan.

## 7. How will we measure our performance?

This impact of the delivery of this business plan will be measured in the following ways:

### 1. Public service value

Measuring public value focuses both on the public investment in services and on the delivery of improved results for citizens and communities. Through the evaluation of outcome measures we will demonstrate the impacts, benefits and consequences of the activities driven through the business plan. Our public service value model is shown in figure 11 and is followed by detailed outcome focussed metrics against which our success will be measured.

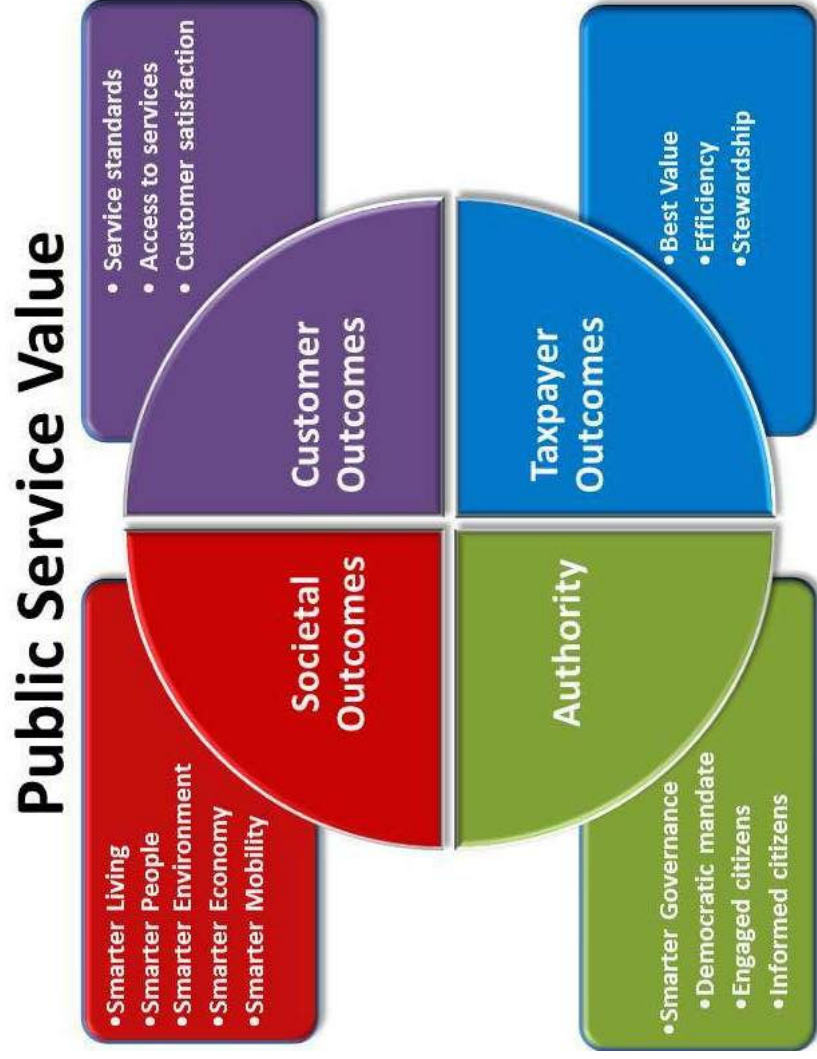


Figure 11

# Societal Outcomes

## METRICS AND WEIGHTINGS ARE ILLUSTRATIVE

Smarter Living – Quality of Life			
Priorities	Outcomes	Weighting %	Metrics
<p>We will enhance the physical and emotional wellbeing of all our citizens by offering support and activities which promote independence, resilience, confidence and self-esteem</p> <p>We will promote and improve opportunities for physical activity and sport to enable Aberdeen's visitors and citizens to lead more active, healthier lives</p> <p>We will improve access to and increase participation in arts and culture by providing opportunities for citizens and visitors to experience a broad range of high quality arts and cultural activities</p> <p>We aspire to be recognised as a City of Culture, a place of excellence and arts by promoting Aberdeen as a cultural centre hosting high quality and diverse cultural events for the whole community and beyond</p> <p>We will create a city of learning which will empower individuals to fulfil their potential and to contribute to the economic, social and cultural wellbeing of our communities</p> <p>We will seek to develop a sense of community in Aberdeen based on principles of fairness, reciprocity and responsibility</p> <p>We will encourage citizens to participate in the</p>	<p>All our citizens have enhanced physical and emotional wellbeing</p>	<p>40%</p>	<ul style="list-style-type: none"> <li>- Life expectancy</li> <li>- Self-assessed health</li> <li>- Average score Warwick-Edinburgh Mental Wellbeing Scale (Short version)</li> <li>- Participation in physical activity</li> <li>- Participation in cultural activity</li> <li>- The proportion of children travelling actively to school (walking or cycling)</li> <li>- Reduction in levels of substance abuse</li> </ul>
			<ul style="list-style-type: none"> <li>- Life expectancy 15%</li> <li>- Self-assessed health 15%</li> <li>- Average score Warwick-Edinburgh Mental Wellbeing Scale (Short version) 15%</li> <li>- Participation in physical activity 15%</li> <li>- Participation in cultural activity 15%</li> <li>- The proportion of children travelling actively to school (walking or cycling) 15%</li> <li>- Reduction in levels of substance abuse 15%</li> </ul>
	<p>Aberdeen is a fair and equal city</p>	<p>30%</p>	<ul style="list-style-type: none"> <li>- Attitudinal surveying (“% who feel Aberdeen is a fair and equal city”)</li> <li>- Prejudice incidents</li> </ul>
			<ul style="list-style-type: none"> <li>- Attitudinal surveying (“% who feel Aberdeen is a fair and equal city”) 25%</li> <li>- Prejudice incidents 20%</li> <li>- Prejudice incidents 35%</li> </ul>

Smarter Living – Quality of Life				
Priorities	Outcomes	Weighting %	Metrics	Weighting %
<p>development, design and decision making of services to promote civic pride, active citizenship and resilience.</p> <p>We will seek to reduce the levels of inequality in the city and plan with key partners to try and ensure that welfare reform does not increase the inequality gap</p>			<ul style="list-style-type: none"> <li>- recorded</li> <li>- Indices of deprivation</li> <li>- Benefits claimants</li> </ul>	20%
<p>We will provide quality services to our council tenants to ensure that they have a dry, warm home in a safe and enjoyable environment.</p> <p>We will meet national legislative targets on homelessness and minimise the impact of welfare reform using early intervention to help people sustain their tenancies</p> <p>We will improve access to affordable housing in both the social rented and private sectors, by supporting first time buyers, regenerating areas within the city and by working with developers to maximise the effective use of planning gain contributions</p>	Residents have a dry, warm home in a safe and enjoyable environment	30%	<ul style="list-style-type: none"> <li>- Housing condition (Scottish Housing Quality Standards)</li> <li>- Homelessness</li> <li>- Levels of sustained tenancies</li> <li>- Recorded anti-social behaviour</li> <li>- Attitudinal surveying (“Local neighbourhood as a good place to live”)</li> </ul>	20% 20% 20% 20% 20%



### Smarter People – Social and Human Capital

<b>Priorities</b>	<b>Outcomes</b>	<b>Weighting %</b>	<b>Metrics</b>	<b>Weighting %</b>
<p>We will provide a high quality education service within our schools and communities which will improve attainment and life chances of our children and young people to achieve their full potential in education, employment or training.</p>	<p>Our children and young people achieve their full potential in education, employment or training</p>	<p>50%</p>	<ul style="list-style-type: none"> <li>- Educational attainment and achievement</li> <li>- Young people in positive and sustained destinations in education, employment or training</li> <li>- % schools assessed externally as satisfactory</li> <li>- Attainment gap tariff between lowest 20% and highest 80%</li> </ul>	<p>30%</p> <p>30%</p> <p>15%</p> <p>25%</p>
<p>We will provide opportunities for lifelong learning which will develop knowledge, skills and attributes of our citizens to enable them to meet the changing demands of the 21<sup>st</sup> century</p> <p>We will create a city of learning which will empower individuals to fulfil their potential and contribute to the economic, social and cultural wellbeing of our communities</p> <p>We will aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the city / region economy</p>	<p>Our citizens are empowered to develop the knowledge, skills and attributes which allow them to fulfil their potential, contribute to the economic, social and cultural wellbeing of our communities and meet the changing demands of the 21<sup>st</sup> century</p>	<p>50%</p>	<ul style="list-style-type: none"> <li>- Numbers participating in adult learning</li> <li>- % adults with low or no qualifications</li> <li>- Employment rate in Aberdeen</li> <li>- Skills gap - survey of businesses</li> <li>- % of adults who have either participated in a cultural activity or who have attended or visited a cultural event or place in the last 12 months</li> </ul>	<p>10%</p> <p>20%</p> <p>30%</p> <p>20%</p> <p>20%</p>



Smarter Economy - Competitiveness				
Priorities	Outcomes	Weighting %	Metrics	Weighting %
<p>We will work with partners to promote the city / region as a place to invest, live, work and export from</p> <p>We will create a city of learning which will empower individuals to fulfil their potential and contribute to the economic, social and cultural wellbeing of our communities</p> <p>We will aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the city / region economy</p>	<p>The city is recognised as good place to invest, live, work and export from</p>	70%	<ul style="list-style-type: none"> <li>- Economic activity rate</li> <li>- Gross value added</li> <li>- Number of new businesses</li> <li>- Numbers of new jobs / apprenticeships</li> <li>- Population</li> <li>- "Aberdeen – The Smarter City" brand recognition</li> </ul>	<p>20%</p> <p>20%</p> <p>20%</p> <p>15%</p> <p>15%</p> <p>10%</p>
<p>We will improve access to affordable housing in both the social rented and private sectors, by supporting first-time buyers, regenerating areas within the city and by working with developers to maximise the effective use of planning gain contributions</p>	<p>Citizens have access to affordable housing in both the social rented and private sectors</p>	30%	<ul style="list-style-type: none"> <li>- Number of new home owners over period</li> <li>- Units of new affordable units</li> </ul>	<p>50%</p> <p>50%</p>

### Smarter Mobility – Transport and ICT

Priorities	Outcomes	Weighting %	Metrics	Weighting %
<p>We will maximise digital connectivity to ensure equal opportunity of access to services for all people</p> <p>We will maximise connectivity to promote and develop business growth in the city / region</p>	<p>The city is digitally connected to ensure equal opportunity of access to services for all people and to support business development</p>	<p>30%</p>	<ul style="list-style-type: none"> <li>- Availability of broadband at higher speeds across the city</li> </ul>	<p>30%</p>
<p>We will develop, maintain and promote road and rail, ferry and air links from the city to Scotland, UK and the rest of the world</p>	<p>The city has effective transportation links from the city to the UK and the rest of the world</p>	<p>35%</p>	<ul style="list-style-type: none"> <li>- The number of destinations served direct from Aberdeen airport</li> <li>- Number of passengers through Aberdeen airport</li> <li>- Number of countries with shipping services from north-east ports</li> <li>- The volume of goods through the north-east's major ports</li> <li>- Number of ferry services from north-east ports</li> <li>- Number of rail services per week from Aberdeen to key destinations</li> <li>- Number of passengers per year through north-east stations</li> <li>- Number of coach services per week from the north-east direct to key locations</li> </ul>	<p>15%</p> <p>15%</p> <p>10%</p> <p>10%</p> <p>10%</p> <p>10%</p> <p>15%</p> <p>15%</p>

**Smarter Mobility – Transport and ICT**

<b>Priorities</b>	<b>Outcomes</b>	<b>Weighting %</b>	<b>Metrics</b>	<b>Weighting %</b>
<p>We will develop, maintain and promote road and rail, ferry and air links from the city to Scotland, UK and the rest of the world</p> <p>To provide and promote a sustainable transport system which reduces our carbon emissions</p>	<p>Negative outcomes of transportation are minimised (casualties from accidents; air pollution; noise pollution; built environment)</p>	<p>35%</p>	<ul style="list-style-type: none"> <li>- % of driver journeys delayed due to congestion</li> <li>- CO<sub>2</sub> emissions from road transport</li> <li>- Average atmospheric concentration of monitored pollutants in Aberdeen city centre</li> <li>- % of journeys to work made by public or active transport</li> <li>- Number of persons killed or seriously injured in road accidents</li> </ul>	<p>20%</p> <p>20%</p> <p>20%</p> <p>20%</p> <p>20%</p>

## Customer Outcomes

### METRICS AND WEIGHTINGS ARE ILLUSTRATIVE

Priorities	Outcomes	Weighting %	Metrics	Weighting %
We will encourage citizens to participate in the development, design and decision making of services to promote civic pride, active citizenship and resilience.	The council regularly meets its published customer service standards	30%	<ul style="list-style-type: none"> <li>- Work to be done to identify key standards</li> </ul>	100%
	The council's services are accessible to all customers in the ways which meet their needs	35%	<ul style="list-style-type: none"> <li>- Channel shift meeting demand</li> <li>- Metrics to link to "equalities outcomes"</li> </ul>	20% 20% 20% 20% 20%
	Customers are satisfied with the council's services and how these are delivered	35%	<ul style="list-style-type: none"> <li>- Surveyed satisfaction with council services</li> <li>- Number of complaints upheld or partially upheld</li> </ul>	80% 20%

## Taxpayer Outcomes

### METRICS AND WEIGHTINGS ARE ILLUSTRATIVE

Priorities	Outcomes	Weighting %	Metrics	Weighting %
We will invest in the city where that investment demonstrates financial sustainability based on a clear return on investment	The council's services are efficient and demonstrably represent best value	40%	<ul style="list-style-type: none"> <li>- Completed annual review of functions through PPB</li> <li>- Recorded annual efficiencies</li> <li>- Benchmark costs</li> </ul>	<ul style="list-style-type: none"> <li>30%</li> <li>30%</li> <li>40%</li> </ul>
			<ul style="list-style-type: none"> <li>- Rate of return on capital expenditure</li> <li>- Leveraged funding from capital expenditure</li> </ul>	<ul style="list-style-type: none"> <li>50%</li> <li>50%</li> </ul>
			<ul style="list-style-type: none"> <li>- Balanced budget</li> <li>- Debt v assets</li> <li>- Reserves (committed / non-committed)</li> <li>- Clean accounts</li> <li>- Risk management maturity index</li> </ul>	<ul style="list-style-type: none"> <li>25%</li> <li>20%</li> <li>20%</li> <li>20%</li> <li>15%</li> </ul>
	Council invest in the city demonstrates financial sustainability and a clear return on investment	30%		
	The council's resources are managed effectively in full compliance with statutory responsibilities and best practice	30%		

# Authority

## METRICS AND WEIGHTINGS ARE ILLUSTRATIVE

Smarter Governance - Participation			
Priorities	Outcomes	Weighting %	Metrics
We will encourage citizens to participate in the development, design and decision making of services to promote, civic pride, active citizenship and resilience	Citizens feel they can influence their communities through engagement in the development, design and decision making of services	100%	<ul style="list-style-type: none"> <li>- Electoral turnout</li> <li>- % of adults agreeing that they can influence decisions affecting their local area</li> <li>- % of adults who feel well informed about council services</li> <li>- % of adults giving up time to volunteer in the last 12 months</li> <li>- % of social care clients agreeing that they have support that is flexible and puts them in control</li> <li>- Average score Warwick-Edinburgh Mental Wellbeing Scale (Short version)</li> </ul>
			<ul style="list-style-type: none"> <li>30%</li> <li>10%</li> <li>10%</li> <li>10%</li> <li>20%</li> <li>20%</li> </ul>



## **2. Self-evaluation**

The council has begun, and is developing, a programme of self-evaluation using the model 'How Good is Our Council?' As well as being an important tool to manage improvement, self-evaluation by councils is a requirement of phase two of Audit Scotland's arrangements for The Audit of Best Value and Community Planning (BV2).

## **3. Regulation and inspection**

The various bodies responsible for inspection and regulation of the council's service, operating as a Local Area Network, currently undertake an annual rolling evaluation of the council and develop a risk-based assurance and improvement plan (AIP). The AIP has three elements to it:

- An assessment of performance against outcomes;
- An assessment of the performance of individual services; and
- An assessment of corporate management arrangements.

The inspection and regulation timetable for 2012/14 is shown overleaf:

**Assurance and Improvement Plan**

<b>2012-13</b>	
<b>Issues for scrutiny /improvement</b>	<b>Scrutiny bodies / Council potential involvement</b>
Shared Risk Assessment / revised Assurance and Improvement Plan	Local Area Network (LAN)
Targeted Best Value corporate assessment work	Audit Scotland
Competitiveness	LAN (scrutiny and /or supported self-evaluation), Aberdeen City Council (self-evaluation)
Corporate Improvement Plan: subject to annual external audit	Regular monitoring throughout year - appointed external auditor

<b>2013-14</b>	
<b>Issues for scrutiny /improvement</b>	<b>Scrutiny bodies / Council potential involvement</b>
No additional work identified	

## **8. How do we manage risks which might impact on the delivery of the business plan?**

Risk management is central to strategic planning and operational delivery within the council. As with any plan, there are current, and there will be future, risks which impact on the delivery of this business plan. An assessment of business; political; finance; technological; legislative; people; customer / citizen; environmental; partnership; social; management / professional risk has been carried out and risks have been identified and evaluated in terms of the likelihood of their occurrence and the impact these could have. Significant actions to mitigate these risks have been put in place and further mitigation will follow.

The overall level of risk will be continuously reviewed, reported to and considered by senior managers and elected members. Each project within the overall programmes of work initiated to deliver the business plan will consider and actively manage project risk.

The overall governance arrangements for risk management are shown in figure 12 overleaf.

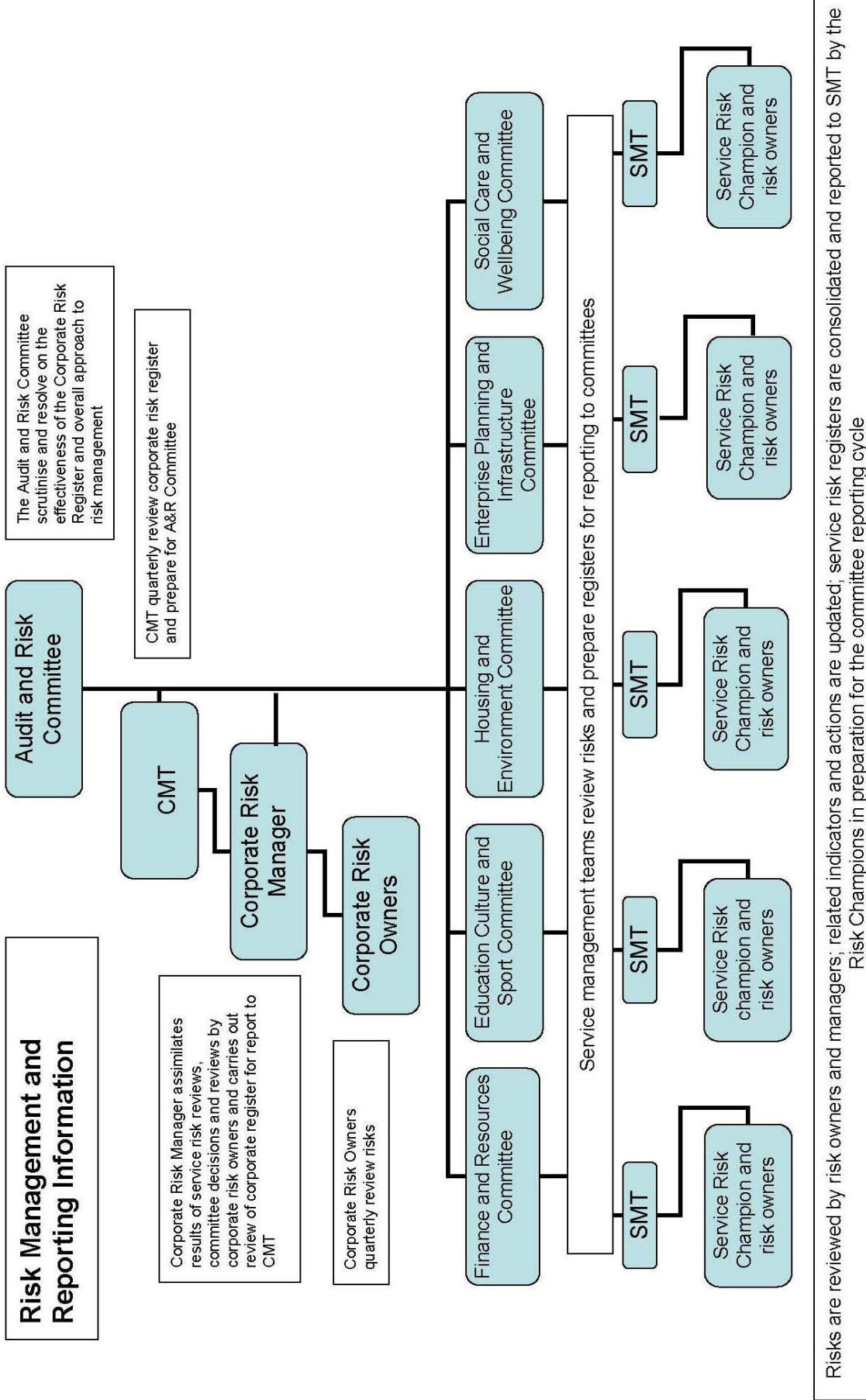


Figure 12

## APPENDIX 1

### Our vision into action

The undernoted sections sets out the actions we are taking, and will take, to make Aberdeen – The Smarter City a reality. It also shows the measures we are monitoring which will indicate how successful these actions are.

<b>SMARTER GOVERNANCE (Participation)</b>				
<b>High-level priority</b>	<b>Projects</b>	<b>Workstream/actions</b>	<b>Outcomes &amp; Metrics</b>	<b>Responsibility</b>
We will seek to develop a sense of community in Aberdeen based on principles of fairness, reciprocity and responsibility	<ul style="list-style-type: none"> <li>Wellbeing strategy focussing on people within the organisation as well as the wider community</li> <li>Welfare Reform Cross-Sector Working Group (PMO approach)</li> <li>Intergenerational projects</li> </ul>	<ul style="list-style-type: none"> <li>Appointment of three wellbeing co-ordinators and work plans for older people's services</li> <li>IT access for Older People in Sheltered Housing Supported by Younger People</li> <li>Cooking with Confidence (older people and younger people working</li> </ul>	<p>Citizens feel they can influence their communities through engagement in the development, design and decision making of services:</p> <ul style="list-style-type: none"> <li>% of adults giving up time to volunteer in the last 12 months</li> <li>Average score Warwick-Edinburgh Mental Wellbeing Scale (Short version)</li> </ul>	<p>Social Care and Wellbeing</p> <p>Corporate Governance</p>

# SMARTER GOVERNANCE (Participation)

High-level priority	Projects	Workstream/actions together)	Outcomes & Metrics	Responsibility
<p>We will encourage citizens to participate in the development, design and decision making of services to promote civic pride, active citizenship and resilience</p>	<ul style="list-style-type: none"> <li>• Community capacity building projects</li> <li>• Communication and engagement</li> <li>• Five-year business plan</li> </ul>	<ul style="list-style-type: none"> <li>• Community councils</li> <li>• Civic Forum</li> <li>• CPP</li> <li>• City Voice</li> <li>• Youth Council</li> <li>• Parents Forum</li> <li>• Student Forum</li> </ul>	<p>Citizens feel they can influence their communities through engagement in the development, design and decision making of services:</p> <ul style="list-style-type: none"> <li>- Electoral turnout</li> <li>- % of adults agreeing that they can influence decisions affecting their local area</li> <li>- % of adults who feel well informed about council services</li> <li>- % of adults giving up time to volunteer in the last 12 months</li> <li>- % of social care clients agreeing that they have support that is flexible and puts them in control</li> </ul>	<p>Corporate Governance</p>

<b>SMARTER LIVING (Quality of life)</b>				
<b>High-level priority</b>	<b>Projects</b>	<b>Workstream/actions</b>	<b>Outcomes &amp; metrics</b>	<b>Responsibility</b>
We will enhance the physical and emotional wellbeing of all our citizens by offering support and activities which promote independence, resilience, confidence and self-esteem	<ul style="list-style-type: none"> <li>Reshaping Care for Older People</li> <li>Redesign of learning disability services and mental health services</li> <li>Children's Services projects</li> </ul>	<ul style="list-style-type: none"> <li>Wellbeing Co-ordinator's work plans</li> <li>Active Ageing - Technogym and Golden Games</li> <li>Self-directed support (SDS) workstream</li> <li>Day opportunities workstream</li> <li>Employment opportunities workstream</li> <li>Whole systems approach to youth justice</li> <li>Getting It Right For Every Child</li> <li>Families Project</li> </ul>	<p>All our citizens have enhanced physical and emotional wellbeing</p> <ul style="list-style-type: none"> <li>Life expectancy</li> <li>Self-assessed health</li> <li>Average score Warwick-Edinburgh Mental Wellbeing Scale (Short version)</li> <li>Participation in physical activity</li> <li>Participation in cultural activity</li> <li>The proportion of children travelling actively to school (walking or cycling)</li> <li>Reduction in levels of substance abuse</li> </ul>	Social Care and Wellbeing

<b>SMARTER LIVING (Quality of life)</b>				
<b>High-level priority</b>	<b>Projects</b>	<b>Workstream/actions</b>	<b>Outcomes &amp; metrics</b>	<b>Responsibility</b>
	<ul style="list-style-type: none"> <li>• Criminal Justice Service projects</li> <li>• Substance misuse services</li> </ul>	<ul style="list-style-type: none"> <li>• Various validated interventions</li> <li>• Workstreams of Alcohol &amp; Drugs Partnership</li> </ul>		
We will seek to reduce the levels of inequality in the city and will plan with key partners to try to ensure welfare reform does not increase the inequality gap	<ul style="list-style-type: none"> <li>• Welfare Reform Cross-Sector Working Group</li> </ul>		<p>Aberdeen is a fair and equal city</p> <ul style="list-style-type: none"> <li>- Attitudinal surveying (“% who feel Aberdeen is a fair and equal city”)</li> <li>- Prejudice incidents recorded</li> <li>- Indices of deprivation</li> <li>- Benefits claimants</li> </ul>	<p>Social Care and Wellbeing</p> <p>Housing and Environment</p> <p>Corporate Governance</p>
We will improve access to and increase participation in arts and culture by providing opportunities for citizens and visitors to experience a broad range of high quality arts and cultural activities.	<ul style="list-style-type: none"> <li>• Future delivery of culture and sports services – review</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of review of external investment in Communities, Culture and Sports</li> </ul>	<p>Our citizens are empowered to develop the knowledge, skills and attributes which allow them to fulfil their potential, contribute to the economic, social and cultural wellbeing of our communities and meet the changing demands of the 21st century:</p>	Education, Culture and Sport



## SMARTER LIVING (Quality of life)

High-level priority	Projects	Workstream/actions	Outcomes & metrics	Responsibility
<p>We aspire to be recognized as a City of Culture, a place of excellence for culture and arts by promoting Aberdeen as a cultural centre hosting high quality and diverse cultural events for the whole community and beyond.</p> <p>We will promote and improve opportunities for physical activity and sport</p>	<ul style="list-style-type: none"> <li>• UK City of Culture bid</li> </ul>	<ul style="list-style-type: none"> <li>• Bid Team proposal developed for consideration</li> <li>• Implementation of cultural strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Numbers participating in adult learning</li> <li>- % adults with low or no qualifications</li> <li>- Employment rate in Aberdeen</li> <li>- Skills gap - survey of businesses</li> <li>- % of adults who have either participated in a cultural activity or who have attended or visited a cultural event or place in the last 12 months</li> </ul>	<p>Education, Culture and Sport</p>
	<ul style="list-style-type: none"> <li>• Implementation of the water management</li> </ul>	<ul style="list-style-type: none"> <li>• Review of commissioned</li> </ul>	<p>All our citizens have enhanced physical and</p>	<p>Education, Culture and Sport</p>

<b>SMARTER LIVING (Quality of life)</b>				
<b>High-level priority</b>	<b>Projects</b>	<b>Workstream/actions</b>	<b>Outcomes &amp; metrics</b>	<b>Responsibility</b>
to enable Aberdeen's visitors and citizens to lead more active, healthier lives.	<p>plan</p> <ul style="list-style-type: none"> <li>• Delivery of the Active Aberdeen strategy</li> </ul>	<p>services</p> <ul style="list-style-type: none"> <li>• Enhance quality of physical education in schools</li> </ul>	<p>emotional wellbeing:</p> <ul style="list-style-type: none"> <li>- Life expectancy</li> <li>- Self-assessed health</li> <li>- Average score Warwick-Edinburgh Mental Wellbeing Scale (Short version)</li> <li>- Participation in physical activity</li> <li>- Participation in cultural activity</li> <li>- The proportion of children travelling actively to school (walking or cycling)</li> <li>- Reduction in levels of substance abuse</li> </ul>	
We will provide quality services to our council tenants to ensure that they have a dry, warm home in a safe and enjoyable environment	<ul style="list-style-type: none"> <li>• Housing/rent management service review</li> <li>• Community Safety Hub</li> </ul>	<ul style="list-style-type: none"> <li>• Implement review</li> <li>• Develop business case for approval by Community Planning Partnership Board. Deliver project if</li> </ul>	<p>Residents have a dry, warm home in a safe and enjoyable environment</p> <ul style="list-style-type: none"> <li>- Housing condition (Scottish Housing Quality Standards);</li> <li>- Homelessness;</li> <li>- Levels of sustained</li> </ul>	Housing and Environment

<b>SMARTER LIVING (Quality of life)</b>				
<b>High-level priority</b>	<b>Projects</b>	<b>Workstream/actions</b>	<b>Outcomes &amp; metrics</b>	<b>Responsibility</b>
	<ul style="list-style-type: none"> <li>Housing revenue account (HRA) 30-year business plan</li> </ul>	<p>approved</p> <ul style="list-style-type: none"> <li>Annual investment reviews linked to council budget process</li> <li>Study into the sustainability of multi storey properties</li> <li>Housing for Varying Needs Review</li> <li>Implement rent review</li> </ul>	<p>tenancies:</p> <ul style="list-style-type: none"> <li>Recorded anti-social behaviour;</li> <li>Attitudinal surveying ("Local neighbourhood as a good place to live")</li> </ul>	
<p>We will meet national legislative targets on homelessness and minimise the impact of welfare reform using early intervention to help people to sustain their tenancies</p>	<ul style="list-style-type: none"> <li>Victoria House</li> <li>Private sector leasing</li> </ul>	<ul style="list-style-type: none"> <li>Design/build project</li> <li>Improve supply of private sector properties for temporary accommodation purposes</li> </ul>	As above	Housing and Environment

## SMARTER PEOPLE (Social and human capital)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
<p>We will provide a high quality education service within our schools and communities which will improve attainment and life chances of our children and young people to achieve their full potential in education, employment or training.</p>	<ul style="list-style-type: none"> <li>• Curriculum for Excellence implementation:                             <ul style="list-style-type: none"> <li>• Primary</li> <li>• Secondary</li> </ul> </li> <li>• Raising attainment and closing the gap</li> <li>• Early Years and Early Intervention                             <ul style="list-style-type: none"> <li>• Total Place</li> </ul> </li> <li>• Review of inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Implement new quality improvement framework</li> <li>• Developing curriculum support materials for secondary subjects</li> <li>• Qualifications development for new National 4 and 5</li> <li>• Develop strategic guidance on curriculum structures</li> <li>• Literacy action plan to support roll out of new literacy curriculum materials</li> <li>• Roll-out new validated self-evaluation quality assurance process</li> <li>• Total Place and Roots of Empathy projects</li> </ul>	<p>Our children and young people achieve their full potential in education, employment or training</p> <ul style="list-style-type: none"> <li>- Educational attainment and achievement</li> <li>- Young people in positive and sustained destinations in education, employment or training</li> <li>- % schools assessed externally as satisfactory</li> <li>- Attainment gap tariff between lowest 20% and highest 80%</li> </ul>	<p>Education, Culture and Sport</p>

# SMARTER PEOPLE (Social and human capital)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
<p>We will provide opportunities for lifelong learning which will develop knowledge, skills and attributes of our citizens to enable them to meet the changing demands of the 21<sup>st</sup> century</p>	<ul style="list-style-type: none"> <li>• Education ICT strategy implementation;</li> <li>• Integrated children's service</li> <li>• Getting It Right For Every Child (GIRFEC)</li> <li>• Child protection</li> <li>• Workforce development strategy with ACSEF</li> <li>• Improving childcare</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion review working groups</li> <li>• ICT strategy and mobile technology guidance</li> <li>• Virtual learning environment</li> <li>• School wireless and mobile technology pilots and roll-out</li> <li>• Roll-out of leadership development programme for staff</li> <li>• Implement childcare services improvement plan</li> </ul>	<p>Our citizens are empowered to develop the knowledge, skills and attributes which allow them to fulfil their potential, contribute to the economic, social and cultural wellbeing of our communities and meet the changing demands of the 21<sup>st</sup> century</p> <ul style="list-style-type: none"> <li>- Numbers participating in adult learning</li> <li>- % adults with low or no qualifications</li> <li>- Employment rate in Aberdeen</li> <li>- Skills gap - survey of businesses</li> <li>- % of adults who have either participated in a cultural activity or who have attended or visited a cultural event or place in the last 12 months</li> </ul>	<p>Education, Culture and Sport</p>

# SMARTER PEOPLE (Social and human capital)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
<p>We will create a city of learning which will empower individuals to fulfil their potential and contribute to the economic, social and cultural wellbeing of our communities</p>	<ul style="list-style-type: none"> <li>• City Campus initiative</li> <li>• Ensuring Community Service meets the needs of communities               <ul style="list-style-type: none"> <li>○ Adult learning / literacies</li> </ul> </li> <li>• Implement action plans to support young people under More Choices, More Chances Strategy and 16+ Learning Choices through the Opportunities For All programme</li> <li>• Industry / schools engagement programme</li> </ul>	<ul style="list-style-type: none"> <li>• New ways of learning and accessing information – e-books, loans from library service</li> <li>• Developing e-learning in partnership with other councils</li> <li>• Global Citizenship Programme</li> <li>• Increasing access and opportunities for all pupils across the city</li> <li>• Create cohesive pathways for students going into further education, higher education, business and industry</li> <li>• Skills development</li> </ul>	<p>As above</p>	<p>Education, Culture and Sport</p> <p>Enterprise, Planning and Infrastructure</p>
<p>We will aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the city</p>	<ul style="list-style-type: none"> <li>• Council alumni project</li> <li>• North-east public sector group</li> </ul>		<ul style="list-style-type: none"> <li>• As above</li> </ul>	<p>Corporate Governance</p> <p>Education, Culture and Sport</p>

## SMARTER PEOPLE (Social and human capital)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
/ region economy	<ul style="list-style-type: none"> <li>• ACSEF strategy</li> <li>• ‘Adopt an intern’ project</li> <li>• Corporate parenting</li> <li>• Looked after children into positive destinations</li> </ul>	<ul style="list-style-type: none"> <li>• Internships for care leavers (Family Firm Project)</li> </ul>		Enterprise, Planning and Infrastructure  Social Care and Wellbeing

## SMARTER ENVIRONMENT (Natural resources)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
<p>We will design and construct all new infrastructure to be energy efficient by maximising the use of low carbon technology and materials. We will use recycled materials where appropriate</p>	<ul style="list-style-type: none"> <li>• Capital Plan</li> <li>• Hub Pipeline</li> <li>• Common Good Fund Strategy</li> <li>• Council Asset Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Education and technical design briefs for ASN and Newhills / Bucksburn schools to reflect aspirations on energy and carbon efficiency</li> <li>• Engagement with community on school estate</li> <li>• Working group to consider future of school estate</li> <li>• Paper to Education, Culture and Sport committee setting out the vision for the future school estate provision in Aberdeen</li> <li>• Scottish Futures Trust (SFT) Phase 3 proposal for new secondary school</li> <li>• Service asset plans</li> </ul>	<p>The city has reduced its carbon footprint</p> <ul style="list-style-type: none"> <li>- Carbon footprint</li> <li>- CO<sub>2</sub> emissions</li> <li>- % living in fuel poverty</li> <li>- Energy costs (Council)</li> <li>- HECA rating</li> </ul>	<p>Enterprise, Planning and Infrastructure</p> <p>Education, Culture and Sport</p> <p>Housing and Environment</p>



# SMARTER ENVIRONMENT (Natural resources)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
	<ul style="list-style-type: none"> <li>Housing-led regeneration projects</li> </ul>	including learning estate (Review school estate; redesign of school estate; new ASN school; new primary school build to replace Newhills and Bucksburn schools; extension to Riverbank school; and, SFT-supported new secondary school)		
We will increase energy efficiency and introduce carbon reduction measures in our processes and our housing and non-housing assets to reduce our carbon footprint, save money and to bring people out of fuel poverty	<ul style="list-style-type: none"> <li>Council Carbon Reduction Plan</li> <li>Renewable energy strategy for city</li> </ul>	<ul style="list-style-type: none"> <li>Torry/Balnagask “green” regeneration</li> </ul>	Review existing plan to ensure that latest developments are included – e.g. Combined Heat and Power (CHP), hydrogen buses, onshore wind etc	As above
		<ul style="list-style-type: none"> <li>List projects in plan</li> <li>Work with Aberdeen</li> </ul>		Enterprise, Planning and Infrastructure

## SMARTER ENVIRONMENT (Natural resources)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
<p>We will manage waste effectively and in line with UK and European legislative requirements by maximising recycling and reducing waste to landfill, thereby reducing our costs and carbon footprint</p>	<ul style="list-style-type: none"> <li>Council waste strategy</li> </ul>	<p>Renewable Energy Group to deliver European Offshore Wind Deployment Centre (EOWDC)</p> <ul style="list-style-type: none"> <li>Review strategy and develop a costed business case identifying waste management technical solutions, procurement routes and capital/revenue investment options</li> <li>Deliver the actions identified in the strategy</li> </ul>	<p>The city maximises recycling of waste and minimises waste sent to landfill</p> <ul style="list-style-type: none"> <li>% of waste recycled</li> </ul>	<p>Housing and Environment</p>
<p>We will provide a clean, safe and attractive streetscape and promote bio-diversity and nature conservation. We will encourage wider access to green space in our streets, parks and countryside</p>	<ul style="list-style-type: none"> <li>Streetscape/ green space service improvements</li> <li>Duthie Park HLF (Heritage Lottery Fund)</li> <li>Countryside Ranger</li> </ul>	<ul style="list-style-type: none"> <li>Develop and support community groups</li> </ul>	<p>The city has a clean, safe and attractive streetscape</p> <ul style="list-style-type: none"> <li>PACS score</li> <li>% of adults stating they feel 'very safe' or 'fairly safe' when at home alone at night AND 'very safe' or 'fairly</li> </ul>	<p>Housing and Environment</p> <p>Enterprise, Planning and Infrastructure</p> <p>Education, Culture and Sport</p>

# SMARTER ENVIRONMENT (Natural resources)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
	<p>business plan</p> <ul style="list-style-type: none"> <li>• City of Culture</li> <li>• SURF</li> <li>• Energetica</li> </ul>		<p>safe' when walking alone in the local neighbourhood after dark</p> <ul style="list-style-type: none"> <li>- Attitudinal surveying ("61% state the city centre has become less attractive over the last two years</li> <li>- Attitudinal surveying ("Local neighbourhood as a good place to live")</li> </ul> <p>The city has accessible, well used green space in our streets, parks and countryside</p> <ul style="list-style-type: none"> <li>- % accessible green space</li> <li>- % of derelict land</li> <li>- Average score Warwick-Edinburgh Mental Wellbeing Scale (Short version)</li> </ul>	

## SMARTER ECONOMY (Competitiveness)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
<p>We will improve access to affordable housing in both the social rented and private sectors, by supporting first-time buyers, regenerating areas within the city and by working with developers to maximise the effective use of planning gain contributions</p>	<ul style="list-style-type: none"> <li>Helping people into the housing market</li> <li>Housing-led regeneration projects to increase the supply of affordable homes for rent and for sale</li> </ul>	<ul style="list-style-type: none"> <li>Explore ways of enabling first-time buyers and others to own their own home</li> <li>Develop three deliverable housing-led regeneration projects in this administration:                             <ul style="list-style-type: none"> <li>Tillydrone / East Woodcroft</li> <li>Torry /Balnagask</li> <li>Logie / Middlefield</li> </ul> </li> <li>Create strategic land asset-backed vehicles to create public/private/third sector partnerships to assist in delivery of regeneration projects</li> <li>Work with developers to maximise the use of planning gain</li> </ul>	<p>Citizens have access to affordable housing in both the social rented and private sectors</p> <ul style="list-style-type: none"> <li>Number of new home owners over period</li> <li>Units of new affordable units</li> </ul>	<p>Housing and Environment Enterprise, Planning and Infrastructure</p>

# SMARTER ECONOMY (Competitiveness)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
	<p>to affordable housing</p> <ul style="list-style-type: none"> <li>• Structure Plan / Local Development Plan (LDP)</li> </ul>	<p>contributions in a manner sensitive to the social aspects of tenure mix</p> <ul style="list-style-type: none"> <li>• Work to bring forward deliverable housing planning applications in areas set out in LDP</li> </ul>		
<p>We will invest in the city where that investment demonstrates financial sustainability based on a clear return on investment</p>	<ul style="list-style-type: none"> <li>• Five year business plan</li> <li>• Long-term financial modelling</li> <li>• Inward investment strategy</li> <li>• Structure plan / Local Development Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Five-year business plan</li> <li>• Priority-based budget</li> <li>• Capital programme</li> <li>• Individual development proposals</li> </ul>	<p>Council investment in the city demonstrates financial sustainability and a clear return on investment:</p> <ul style="list-style-type: none"> <li>- Rate of return on capital expenditure</li> <li>- Leveraged funding from capital expenditure</li> </ul>	<p>Corporate Governance Enterprise, Planning and Infrastructure</p>
<p>We will work with partners to promote the city / region as a place to invest, live, work and export from</p>	<ul style="list-style-type: none"> <li>• Economic and environmental development strategy</li> </ul>	<ul style="list-style-type: none"> <li>• AECC site development</li> <li>• Delivery of commercial</li> </ul>	<p>The city is recognised as good place to invest, live, work and export from:</p>	<p>Enterprise, Planning and Infrastructure</p>

# SMARTER ECONOMY (Competitiveness)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
	<ul style="list-style-type: none"> <li>• Inward investment strategy</li> <li>• Trade development strategy</li> <li>• ACSEF strategy</li> <li>• Local development plan</li> <li>• Seven cities strategy</li> <li>• EU 2020 strategy</li> </ul>	<ul style="list-style-type: none"> <li>business parks identified in local development plan</li> <li>• Better roads infrastructure – (AWPR) and associated infrastructure.</li> <li>• Energetica Corridor</li> <li>• City centre re-development</li> <li>• Anchoring the oil and gas supply chain</li> <li>• Delivery of destination marketing organisation (DMO)</li> <li>• Development of renewable energy projects</li> </ul>	<ul style="list-style-type: none"> <li>- Economic activity rate</li> <li>- Gross value added</li> <li>- Number of new businesses</li> <li>- Numbers of new jobs / apprenticeships</li> <li>- Population</li> <li>- “Aberdeen – The Smarter City” brand recognition</li> </ul>	

# SMARTER MOBILITY (Transport and ICT)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
<p>We will develop, maintain and promote road and rail, ferry and air links from the city to Scotland, UK and the rest of the world.</p>	<ul style="list-style-type: none"> <li>• Airport master plan</li> <li>• Harbour master plan</li> <li>• Rail improvements                             <ul style="list-style-type: none"> <li>• Aberdeen to Inverness</li> <li>• Aberdeen to Dundee</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Work with airport on a range of priorities to improve the service and connectivity</li> <li>• Work with harbour to review short, medium and long-term plans to ensure continuing success and growth</li> <li>• Work with partners and Scottish Government to ensure cost effective and modern rail, bus and ferry services to the Northern Isles and possible new services</li> </ul>	<p>The city has effective transportation links from the city to the UK and the rest of the world:</p> <ul style="list-style-type: none"> <li>- The number of destinations served direct from Aberdeen airport</li> <li>- Number of passengers through Aberdeen airport</li> <li>- Number of countries with shipping services from north east ports</li> <li>- The volume of goods through the north east's major ports</li> <li>- Number of ferry services from north-east ports</li> <li>- Number of rail services per week from Aberdeen to key destinations</li> <li>- Number of passengers per year through north-</li> </ul>	<p>Enterprise, Planning and infrastructure</p>

## SMARTER MOBILITY (Transport and ICT)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
We will maximise digital connectivity to ensure equal opportunity of access to services for all people	<ul style="list-style-type: none"> <li>• City and Shire digital connection strategy</li> <li>• Aberdeen city digital strategy (Including bids to Scottish, UK and European governing bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver strategy to Aberdeen areas:                             <ul style="list-style-type: none"> <li>• City centre</li> <li>• Rest of Aberdeen including regeneration areas and business parks</li> </ul> </li> </ul>	east stations - Number of coach services per week from the north-east direct to key locations  The city is digitally connected to ensure equal opportunity of access to services for all people and to support business development: - availability of broadband at higher speeds across the city	Enterprise, Planning and Infrastructure  Corporate Governance
We will maximise connectivity to promote and develop business growth in the city / region	<ul style="list-style-type: none"> <li>• City and Shire digital connection strategy</li> <li>• Aberdeen city digital strategy (Including bids to Scottish, UK and European governing bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver strategy to Aberdeen areas:                             <ul style="list-style-type: none"> <li>• City centre</li> <li>• Rest of Aberdeen including regeneration areas and business parks</li> </ul> </li> </ul>	As above	Enterprise, Planning and Infrastructure  Corporate Governance



# SMARTER MOBILITY (Transport and ICT)

High-level priority	Projects	Workstream/actions	Outcomes & Metrics	Responsible
<p>We will develop, maintain and promote road and rail, ferry and air links from the city to Scotland, UK and the rest of the world</p>	<ul style="list-style-type: none"> <li>• Regional transport strategy \ (with Nestrans)</li> <li>• Local transport strategy</li> <li>• Structure plan</li> <li>• Local development plan</li> </ul>	<ul style="list-style-type: none"> <li>• AWPR</li> <li>• Associated roads projects</li> <li>• Increased use of low-carbon vehicles</li> <li>• Increased investment in roads with innovative funding methods</li> <li>• Review transport systems in city centre</li> <li>• Investigate new linkages with new housing and commercial development.</li> </ul>	<p>Negative outcomes of transportation are minimised (casualties from accidents; air pollution; noise pollution; built environment):</p> <ul style="list-style-type: none"> <li>- % of driver journeys delayed due to congestion</li> <li>- CO<sub>2</sub> emissions from road transport</li> <li>- Average atmospheric concentration of monitored pollutants in Aberdeen city centre</li> <li>- % of journeys to work made by public or active transport</li> <li>- Number of persons killed or seriously injured in road accidents</li> </ul>	<p>Enterprise, Planning and Infrastructure</p>

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APPENDIX 5 – WORKFORCE PLAN

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Our vision is  
for Aberdeen  
to be an ambitious,  
achieving, smart city.

Aberdeen City  
Council

Strategic Workforce Plan: 2013/14 –  
2017/18



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## 1.0 Executive Summary

The Council's workforce is highly diverse and extremely complex – reflecting the range and type of services which the organisation delivers. The workforce, like the organisation as a whole, has undergone significant transformation during the lifetime of the Council. However, whilst it has reduced significantly in size in recent years, our workforce continues to deliver high quality and improving services to the citizens of Aberdeen.

This Workforce Plan is strategically aligned to the Five Year Business Plan (Business Plan) and the Priority Based Budget (PBB). It captures the workforce implications of the Council's ongoing process of transformation, provides commentary on the existing workforce (both at a service and corporate level) and sets out a workforce strategy which seeks to ensure our workforce retains the capability of delivering on the objectives set out within the Business Plan.

Traditionally, like most of the public sector, the Council's budgetary process was focussed mainly on the forthcoming financial year with limited reference to organisational priorities and medium to long term planning. The requirement for savings was met by 'salami-slicing' the budget and an urgency to exit staff from the organisation before 31<sup>st</sup> March in order to achieve the necessary reductions. Clearly this approach did not facilitate sensible and strategically informed workforce planning.

The introduction of PBB with its strategic, medium to long term focus has enabled services to start to workforce plan on a far more meaningful basis. Other practical benefits have followed. For example, the budget is structured to such an extent that there are no plans to reduce staff numbers during the financial year 2013/14 – a position which is clearly beneficial in relation to employee engagement and industrial relations.

Each service in the Council has developed its own business plan with a five year future focus. The plans are characterised by an aspiration to transform services positively for the benefit of citizens and most services are well advanced on this journey.

To enable and support this level of transformation, a number of changes to the way the workforce is managed and organised have taken place i.e.:

- changes to our performance management system – moving to a model which explicitly encourages high performance;
- changes to our employee development programmes – linking to key organisational priorities;
- the introduction of an employee engagement strategy;
- moves to better empower managers; and
- changes to the way we manage attendance.

However, by virtue of the medium to long term nature of the Council's business planning process it is necessary to assess the existing workforce (in quantitative and qualitative terms) in relation to its capability and capacity to



deliver on the longer term objectives contained within the Plan. Key considerations in this regard include:

- How we will develop workforce skills and capacity;
- How we will manage talent within the organisation;
- How we will pay and reward our workforce; and
- How we will develop the organisation.

Developing a vision of the workforce of the future and dealing with actual or perceived gaps in capacity and capability will require the Council's HR Strategy to be re-modelled accordingly. Taking cognisance of the common themes emerging from the directorate and corporate Business Plans and with regard to the financial landscape set out in the PBB document, the following strategic workforce priorities are proposed for the period 2013/14 to 2017/18:

- 1. Strengthen and make increasingly explicit the linkage between business, financial and workforce planning.**
- 2. Further embed a culture of high performance across the authority.**
- 3. Maximise the effectiveness of our employee engagement strategy – striving for positive industrial and employee relations.**
- 4. Further encourage a proactive health, safety and wellbeing culture.**
- 5. Manage required changes to the workforce in a structured, planned and fully consulted basis.**

- 6. Ensure that the Council's status as an 'employer of choice' is enhanced and that the principles and spirit of equal opportunities are evident in all aspects of the Council's employment processes.**
- 7. Ensure attendance management levels equate to upper quartile performance standards.**
- 8. Ensure high level management performance across the Council through robust selection processes and tailored development programmes.**

Delivering on these priorities will go a significant way to fulfilling the Business Plan aspiration to have a "flexible, skilled and motivated workforce".

Actions in support of these strategic priorities are underway and these will be further developed. The time-scaled actions will be detailed within the Corporate Governance Service Plan (HR), which will be presented to Members in early course.

Workforce planning is by its nature iterative. Therefore, the Workforce Plan will continue to evolve to match the objectives and aspirations of the organisation.

## **2.0 Introduction**

Aberdeen City Council has been a major employer in the city since its inception in 1996. The organisation is people intensive, borne out by the fact that approximately 60% of the net revenue budget relates to staffing.

The Council regards itself as a 'good employer' and can back up this contention with concrete evidence. For example, we are one of the very few local authorities in Scotland which will implement pension auto enrolment on schedule – demonstrating genuine care for the financial wellbeing of our employees in their later years. In addition, we have established one of the most extensive and creative employee benefits packages in the country and the terms and conditions of employment we offer are, in many respects, competitive.

Despite significant ongoing resourcing challenges, the Council is committed to maintaining, and indeed enhancing, our reputation as an employer of choice. This is significant as the successful achievement of the objectives contained within the Business Plan will be highly dependent on our success in continuing to attract and retain the right number and quality of employees.

This strategic Workforce Plan represents the Council's first attempt to more fully align our workforce planning with our business and financial planning and the document, therefore, complements both the Business Plan and the Budget Plan.

The traditional public sector budgetary model of setting annual budgets with little or no medium to long term business

planning was replaced within the Council by a more strategically focussed model in 2011/12 i.e. priority-based budgeting. This model enables us to set service priorities and prioritise spending towards achieving these objectives – rather than 'salami-slicing' all budgets which has, in the past, resulted in less being provided across a vast range of non-prioritised and potentially unnecessary services.

The PBB model is widely recognised as an exemplar in relation to public sector financial management. However, the benefits of the model extend far beyond budget setting and maintenance. The model is aligned completely to the Council's business or service planning process (business priorities shaping the budget). In addition, the PBB model has enabled the initiation of meaningful and strategically aligned workforce planning.

Workforce planning of sorts has always been undertaken within the Council. Some services have developed an expertise in ensuring that changing service demands are catered for by appropriate adjustments to their workforce. For example, the relatively clear cut demand factors within the school sector (i.e. pupil numbers) have enabled Education, Culture and Sport to plan the teaching and other school-based workforce accordingly.

Whilst some cross-Council workforce planning success has been achieved, up until the introduction of the PBB model it is fair to say that the majority of workforce planning represented a relatively crude reaction to year on year budgetary reduction. The fact that approximately two-thirds of the revenue budget relates to 'staffing' created an inevitability that staffing costs would require to be reduced significantly.

The Workforce Plan is iterative in nature. It will require to be modified on a continual basis in order to capture and accommodate any directional changes in terms of business and/ or financial planning.

The first iteration of the Plan focuses on key qualitative considerations such as development, engagement and strategy. Subsequent iterations will give greater clarity on the numbers of employees the Council anticipates it will employ during the life-time of the Plan and a vision of the Council's workforce 2020.

It is planned to present a fuller quantitative analysis of our future workforce to the Council during the course of 2013/14.

The pre-PBB budgetary process was characterised by the commencement of redundancy consultation in November/ December each year to ensure that the statutory period for consultation was adhered to. Large numbers of staff were exited from or redeployed within the organisation and the period November to March was traditionally difficult for employees, unions, managers and the HR Service.

Whilst the rate and extent of organisational change has arguably intensified since the adoption of PBB, the new model has allowed services to make these changes on a planned, gradual and more inclusive basis. The rationale for change is clearly articulated within the Council's Business Plan and this has enabled more informed consultation to be undertaken.

Service planning (and PBB scoping) enables a medium to long term business perspective to be taken. Services necessarily require to give careful and considered thought to the staff resources they will need in order to achieve their core objectives (rather than the single year 'survival' mentality promoted by the previous budgetary model).

This strategic Workforce Plan contains evidence of existing and planned workforce transformation which necessarily accompanies the Council's business objective setting. Each service has contributed to the Workforce Plan by providing commentary in relation to current and future workforce composition and Corporate Governance has taken a strategic overview in relation to the implications for the organisation as a whole.

### **3.0 Our Existing Workforce**

In planning for the workforce of the future it is clearly important to take stock of the composition of the current workforce, how it is managed and to be aware of significant underlying trends.

The following factors are regarded as the most significant but are not presented in priority order.

#### **3.1 Workforce Profile**

Our workforce mirrors the complexity and diversity of the services we provide. We have a range of employment types including full-time, part-time, job-share, fixed-term, term-time and zero hours. In addition, there are individuals who work for the Council on an irregular basis, including reliefs, casuals, and supply teachers.

The situation is further complicated by the fact that approximately 200 individuals have more than one contract with the Council (some have multi-contracts albeit each one totals a relatively small number of hours).

Therefore, quantifying the workforce with any degree of accuracy and consistency can be as complicated as the workforce itself. Nevertheless, using a 'snap shot' position derived from PSe (as at 30/1/13), the Council's funded establishment equates to approximately 9,300 headcount, with a full-time equivalent of approximately 7,800.

The workforce has reduced in size since the Council's inception in 1996.

**Appendix A** indicates the extent of the reduction. These figures were taken from the Council's statutory staffing watch returns to the Scottish Government and, whilst not an ideal barometer, the figures do indicate a downward underlying trend.

Other profile data includes the fact that:

- 71% of our employees are female and 29% male - this represents a steady state with only minimal fluctuations when compared against data produced previously.
- 95% of employees have a permanent contract which, again, is consistent with previous analysis.
- 59% of employees are full time (equivalent of 1 FTE) with the remaining 41% working part time. As with previous data, although there can be specific fluctuations, this represents a largely steady trend.
- The most highly populated non-teaching pay grade is G09 (approximately £18–20,000 per annum) with 20% of employees paid on this grade.
- The average length of service is 9.5 years.

#### **Age Profile**

**Appendix B** shows an age profile analysis of the Council's workforce.

The data shows that we have an ageing workforce (average age being 45.5) which peaks at the 50 to 59 years of age range. This trend has remained static for the last few years. After that point the numbers in the respective ranges decrease rapidly. If these peaks are combined with those in the 40 to 49 ranges it is possible to state that around 5000 employees are aged between 40 and 59 years of age. However, it must also be noted that there are significant and arguably 'sufficient' numbers of employees in the lower age brackets.

This means that we are unlikely to experience severe difficulties with huge numbers of staff retiring at the same time and nobody to replace them. While there will be significant numbers of staff approaching retirement at the same time the graph indicates that there should be an adequate supply of employees coming through to fill the gap. Thus, key areas of consideration for us are managing older employees, and knowledge management for succession planning purposes.

Age profiling from previous years conducted on an ad hoc basis suggests that the trend described above is not new and represents a fairly steady state. In other words having an ageing workforce has not presented us with significant intrinsic issues in the past and has been successfully managed thus far.

### **Turnover**

In the year January 2012 to January 2013, the Council had a turnover figure of 17%.

Turnover, and what it signifies, is a highly interesting concept. In some industries relatively high turnover is viewed positively in as much as it is seen as a safeguard against complacency, and stagnation (new ideas and fresh approaches being generated by new recruits). In other industries a high level of employment 'churn' is regarded as extremely detrimental because of the break in service continuity (within the Council, for example, home care and teaching would fall into this category).

A turnover figure of 17% is relatively high (upper quartile) for the public sector. It is more consistent with the private sector average.

Clearly there are variations within services but in general terms it is plausible that the relative buoyancy of the Aberdeen employment market (and the impact of the oil-related jobs market) places the Council at the top end of public sector turnover. Using the Council's HR Service as an example, around 10% of staff have been lost to the oil sector during the last 12 – 18 months.

### **3.2 How we reward our staff**

We recognise four sets of national negotiating arrangements for pay purposes. For Local Government employees the introduction of an objective points rated job evaluation scheme and the decision to apply this to all jobs, except Teachers, Craft Workers or Chief Officials, ensures that the employer has a defence against equal pay for work of equal value and like work claims for that group. The maintenance of the job evaluation scheme and regular equal pay audits on the pay and grading structure

should be sufficient for us to ensure the equal pay problems which emanated from the 1970s are not repeated.

For Teachers the pay scale is determined nationally by the Scottish Negotiating Committee for Teachers (SNCT). This sets out the rate of pay for all main grade Teachers. A job sizing toolkit has been provided through the SNCT to determine the rate of pay for 'promoted posts'.

In respect of Craft Workers, a local collective agreement was reached and implemented in 2008 regarding the rates of pay for the respective trades, semi-skilled and unskilled labourers.

We recognise that the ability to recruit the right calibre of staff is at times dependent on the employment package offered, which is largely expressed as an annual salary. Where recruitment pressures have arisen creative solutions have been sought, and found, in order to ensure a viable supply of resources. Examples include the use of targeted career fairs, the use of social media for advertising and the increasing tendency to 'grow our own' employees.

### **Employment Package**

Our employment package is constantly reviewed and updated to ensure it is both attractive to potential employees and valued by current employees. In addition to a competitive pay rate which at the lowest point meets the government's definition of a 'Living Wage', we currently offer:

- a competitive pension scheme
- very competitive holiday provision
- a variety of flexible working opportunities including flexi-time, part-time, term-time and compressed hours up to twelve months' sick pay (service dependent)
- an employee assistance programme
- one of the best employee benefits packages in the country – comprising several salary sacrifice schemes (from childcare vouchers to the purchase of annual leave) and a range of employee discounts.

### **The Living Wage**

The Council has, to date, supported the application of the 'living wage' and this has clearly assisted our less well paid employees.

It should be noted, however, that the continual 'bottom loading' of pay awards does create difficulties for Councils as the ability to differentiate between the value of jobs at the lower end of the pay scale becomes harder. It is important that the equilibrium of the pay and grading structure is not compromised by such moves and any such future proposal will be equal pay 'proofed' accordingly and Members advised of the outcome.

### **3.3 Our organisational culture and how we expect our workforce to perform**

We recognise that the delivery of the Council's 5 year Business Plan, Smarter City agenda and high quality

services depends on the quality of our workforce and on consolidating and enhancing a culture which focuses on high performance. The outcomes of the 2010 Employee Opinion Survey and a subsequent 'world café' event in May 2011 also supported a more performance oriented culture.

To achieve this, a revised appraisal scheme, making a more positive link between performance and reward, as well as employee engagement, was introduced in September 2011. This new scheme, **Performance, Review & Development** (PR&D), recognises that future improvement relies on employees more clearly understanding what they should be doing, how they should be doing it and how what they are doing contributes to corporate objectives. This approach is entirely consistent with the Government's 'Pay and Workforce Strategy' and 'Comprehensive Performance Assessment'.

The PR&D scheme applies to all employees, except Teachers (who are covered by a national Professional Review and Development Scheme).

The PR&D scheme describes the outcomes or objectives employees are expected to deliver and sets out the core organisational behaviours against which performance will be measured. Importantly, 'what' a person does (their outcomes and objectives) and 'how' they do it (their behaviours) are given equal weighting. These behaviours are designed to reflect the culture of the organisation and are described later.

Employees who successfully deliver on their PR&D objectives will receive a salary increment (unless at the top of their scale). In contrast, those employees who fall short in this regard or whose poor conduct or attendance is being addressed via an appropriate policy, will not automatically receive an increment.

The scheme enables us to more effectively measure and recognise good performance, reward exceptional performance and, very importantly, address underperformance.

### 3.4 How we develop our workforce

We recognise the need to invest in the development of people to enhance their skills and performance and realise their potential. To meet this need, the Council has three teams which provide a comprehensive range of development activities for employees ranging from short training courses to management qualifications.

The corporate Employee Development Team, located in HR & Organisational Development, focuses on responding to the organisation's business needs and helping to improve performance. It manages corporate development across the organisation and has an allocated corporate training budget for this purpose. This includes helping identify needs at a corporate level, designing and delivering training, or sourcing providers where appropriate, and evaluating what has been provided.

In addition, there is a development team located within Education, Culture and Sport to support the specific

requirements of teaching staff and another team located within Social Care & Wellbeing to support the CPD for social care staff.

Proposed development priorities are put forward to CMT for approval at the beginning of each year and services are provided with monthly reports of corporate training undertaken by members of their service. The Employee Development team is also responsible for managing the corporate training budget. This is used to fund development needs which are common across services and which will enable employees to deliver against the aims, vision and values of the organisation. Development needs which are service or job specific are funded from service training budgets.

Development is planned taking into account different learning styles, the need to balance time spent on development with operational requirements and the need to make best use of our resources. We therefore offer development through a range of methods such as face to face workshops, eLearning, coaching, mentoring, short 'hot topic' seminars and tailored team events.

### **Developing skills inhouse**

#### ***Trainee Schemes***

To overcome the skills shortages we face, we have developed schemes to '**grow our own**' workforce in order to supply the staff we need. Examples include, HR professionals, Solicitors, Accountants, Environmental

Health Officers, Trading Standards Officers, Planners and Building Standards Officers.

Typically, these schemes involve identifying individuals with potential, either inhouse or externally, designing an individual development plan for a defined period, supporting the individual while they study for the relevant qualification (e.g. providing mentoring) and providing them with work experience. This can either lead to their appointment to a suitable post at the end of their training programme or create a pool of trained and skilled people, with the skills and behaviours we need, to recruit from when vacancies arise.

#### ***Apprenticeships***

We provide a range of craft apprenticeships (e.g. skilled labourers, electricians and plumbers) which provide apprentices with an opportunity to gain experience and to learn the skills and behaviours that we need. We employ approximately 80 apprentices (under a 'training contract') at any one time and this provides us with a valuable pool to recruit from.

#### ***Leadership Development***

Recognising the need to strengthen leadership capability so that managers have the skills to develop and motivate high performing teams and individuals, we introduced approximately two years ago a range of powerful programmes to develop managers' leadership and strategic skills. Evaluation of these programmes has been



very positive and participants are experiencing a positive change in their job role as a result of attending these programmes.

### **3.5 How we engage with trades unions**

As a member of the Confederation of Scottish Local Authorities (CoSLA) the Council is bound by national agreements of Terms and Conditions of Service. There are four National Negotiating Committees which determine annual pay awards and various nationally prescribed conditions of service. These are the Scottish Joint Council for Local Government Employees, the Scottish Joint Council for Craftworkers, the Scottish Negotiating Committee for Teachers and the Joint National Committee for Chief Officials.

The Council recognises the same Trade Unions as those represented on the National Negotiating Committees i.e. UNISON, UNITE, GMB, UCATT, EIS, SSTA, NASUWT and the Voice.

The Council recognises trade unions for collective bargaining purposes and has in place a number of local collective agreements. We seek to work in partnership with Trade Unions with a view to establishing a culture of trust and developing a working environment where the ideas, views, knowledge and experience of the individuals who make up the workforce are listened to, considered and valued.

We also have in place local negotiating and consultation arrangements where Elected Members meet with Council Officers and representatives of the Trade Unions at Joint Consultative Committees. In addition Trade Union Regional Officers have a regular meeting with the Chief Executive to discuss topical issues. More formal consultation is undertaken through each service having a Union Management Committee chaired by the Director or other Senior Manager within the service. In addition the local Trade Union conveners meet with senior management of the HR Service to consult on corporate issues and deal with concerns.

We also have separate regular consultation arrangements for health and safety issues, this is described in more detail in the Health and Safety section of the Workforce Plan.

In order to promote effective and positive industrial relations the Council has had in place for a number of years a Framework Agreement on Industrial Relations ('FAIR') which includes a process for dealing with disputes. Over the years the Disputes Procedure has been used on a number of occasions and has provided for a successful resolution of outstanding issues. It is necessary to review 'FAIR' with a view to incorporating many of its positive aspects into a new Partnership Agreement between the Council and Trade Unions.

It must be recognised, however, that not all employees choose to be a Trade Union member and mechanisms have been established (e.g. Employee Voice), and will need to be created, to allow all employees to have a voice

through offering views, ideas and comment on matters which affect them. So whilst a positive working relationship through partnership is the way forward, we need to take account of those employees who choose not to join a Trade Union and develop arrangements to demonstrate and ensure they are equally valued and listened to by the organisation.

### **3.6 How the organisation is designed**

The organisation has been configured in a number of ways since 1996. Several internal re-structurings have led to changes in the management structure. Indeed it is believed that Aberdeen City Council has fundamentally re-structured more often than any other Scottish Local Authority.

The extent of change is demonstrated by the fact that, in 1996, the Council was organised into 14 departments led by approximately fifty Chief Officials. The current structure has only five services (plus the Office of Chief Executive) and twenty four chief officials.

As a consequence of top-level rationalisation, more operational accountability is now vested in the Council's Service Managers. Below this level there are comparatively few organisational tiers, a far cry from the traditional local authority organisational structure which would have had a large number of tiers between the Chief Executive and basic grade practitioners.

The current organisational structure is therefore deliberately 'flat' in nature. This, it is felt, results in efficient

decision making, clear lines of accountability, improved lines of communication and flexibility.

Clearly it is essential that the Council's structure is conducive to organisational effectiveness and, importantly, to the delivery of high quality services.

### **3.7 How we have empowered managers**

We recognise that the quality of our leaders and managers and the relationship between line managers and their teams is key to organisational effectiveness. In this respect we have focused on recruiting and retaining the type of manager we need and achieving the right balance between empowering them to manage effectively and providing them with the right levels of support.

In line with this we have shifted the focus of our management recruitment from technical skills to 'cultural fit' and have introduced more rigorous methods of recruitment such as assessment centres to support this where appropriate. Once recruited, we provide an induction specific to new managers to advise them of their responsibilities and of the support which is available to them. We have also clearly defined, under the PR&D scheme, consistent standards for all managers which provides role clarity and clarity of expectations.

Over the last few years we have rolled out an intensive development programme for our managers which raises awareness of the impact of their behaviours on others and which encourages a task-oriented yet people focused

approach to management. This programme has delivered tangible results for managers, their teams and for the organisation.

We are now moving increasingly towards empowering managers through more flexible policies. As an example the PR&D scheme, which focuses on achieving a high performance culture, allows managers a large degree of flexibility in how it is implemented to suit the differing needs of different occupations and services. In addition the new job profile format, which focuses on overall outcomes rather than detailed tasks, is designed to enable managers to manage their resources to best effect.

### **3.8 How we have improved employee engagement**

The link between employee engagement and higher performance has been well researched and well documented. The 2010 Employee Opinion Survey indicated that there was a need for us, as a Council, to improve levels of engagement across the organisation. As a result the cross-service People Dimension Group produced an action plan to address this. A number of key actions from this plan have been taken forward and implemented. Examples include:

- A focus on the quality of our leadership and management – including the shift to a more behavioural approach to recruitment and the development programme for managers, as

described above;

- The involvement of employees in key initiatives which affect them – a good example being the development of the new PR&D scheme which began with a 'world café' event seeking employees' views and included employee input at every stage in its development;
- The introduction of 'communication' and 'engagement' as core behaviours for all managers, against which they will be recruited and against which their performance will be measured through Performance Review;
- The introduction of Employee Voice, the Council's online suggestion scheme, which allows employees not only to make suggestions for service improvements but also to interact with colleagues they would never otherwise meet and to discuss such improvements in a way which would not previously have been possible.

The People Dimension Group also play an active role in supporting the Communications and Engagement Manager in implementing the Communication and Engagement Strategy.

### **3.9 How we manage attendance**

Prior to December 2010 sickness absence rates across the Council were at unacceptably high levels. In December 2010 we replaced our Absence Management Policy with a

new Maximising Attendance Policy which addressed a number of the weaknesses of its predecessor. This was a watershed for the improvement in the management of absence across the Council and, since this time, sickness absence levels have generally been on a downward trend. The current absence level is an average of 11.6 days per employee (as at 31/12/12), being four days less than the figure two years ago.

Sickness absence statistics are reported regularly to the Corporate Management Team (CMT) and on a monthly basis to Service Management Teams (SMTs) where appropriate management scrutiny takes place. These statistics are also regularly reported to Service Committees and the Corporate Policy and Performance Committee is provided with regular update reports on the subject.

**Appendix C** illustrates sickness rates over the last 12 months and the current position within the Council in respect of absence (as at 31/12/12).

Proactive initiatives to reduce absence are constantly being introduced. For example, employee health checks are regularly offered to the workforce where blood pressure, body mass index and cholesterol levels are all measured. Other preventative measures include advice and support on issues such as healthy eating, smoking cessation and the promotion of physical exercise etc.

### **3.10 How we address equality and diversity in the workplace**

Equality and Diversity is an area of employment where legal considerations form a minimum position for the Council. The Equality Act 2010 consolidated all previous equality related legislation and extended provisions to the 9 protected characteristics. The Equality Act places three general and a number of specific duties on public sector organisations which the Council has or is in the process of implementing. As part of compliance with the duties we continue to monitor the makeup of the workforce and, since 2002, have undertaken a data validation exercise of employees' personal and sensitive data every 3 years, in line with best practice. This exercise allows the Council to report the profile of the workforce and highlights areas where action is required.

The Council, like all other local authorities in Scotland, has implemented Single Status which included the introduction in May 2009 of an analytical points rated job evaluation scheme. The pay and grading structure resulting from this scheme continues to be maintained and a recent Equal Pay Audit showed that there is practically no difference in the basic rate of pay between male and female employees. This is in contrast to the position before the implementation of Single Status where a clear earnings skew in favour of male workers existed. The Council has produced an Equal Pay Policy Statement which commits itself to pay equality going forward.

The achievement of pay equality notwithstanding, there is still clear evidence of occupational segregation in some parts of the Council (e.g. a predominance of female

workers in catering and cleaning) and this will be addressed on an action-planned basis.

As an employer the Council promotes equality by providing many flexible working opportunities and, by ensuring its recruitment processes are free from unlawful discrimination. In addition it subscribes to the Department of Work and Pensions Positive about People with Disabilities two ticks scheme, which guarantees a disabled person an interview if they meet the essential criteria for the job. The Council has also been awarded Age Positive champion status for its work in developing age neutral policies. It also subscribes to the Stonewall (the LGBT Charity) workplace equality index.

### **3.11 How we manage Health, Safety and Wellbeing**

Health and Safety has been a long-standing priority for the Council. The Council's policy on the issue stresses that literally everyone within the organisation has clear and critical responsibilities.

Managers are held to account for health and safety performance within their work area and the Council has developed (and been commended on) a health and safety matrix which provides an explicit indication as to whether or not a particular section or team has made sufficient progress on a range of core health and safety requirements (e.g. the existence of up-to-date risk assessments).

Each service has a Safety Committee in place, facilitating Trade Union discussion and feedback. At organisational level the Central Health and Safety Committee provides a necessary overview and co-ordinating role.

The Council's health and safety management system has received national recognition (and gold award status) from ROSPA for the past five years.

From 1st October 2012 the cost of Health and Safety Executive (HSE) interventions has been recovered from businesses found to be in a material breach of health and safety law. Under the "fee for intervention" costs will be recovered from the start of the HSE's intervention up to the point supporting businesses in putting matters right has been concluded. This cost will be borne by directorates and related services.

Clearly this is placing an added focus to our efforts to ensure that safe working practices are routinely adhered to and that 'health and safety' is factored into all operational and strategic decision making.

## **4.0 Forecasting**

### **4.1 Summary of each directorate's analysis of current and future trends and resourcing/development needs**

Each of the Council's directorates has considered the workforce issues and trends impacting on their service planning objectives and these have been incorporated into the workforce planning process. This has resulted in the interpretation of corporate workforce priorities according to individual service objectives and needs. Each directorate's contribution is appended to this report and the main themes identified are as follows:

#### **Education Culture and Sport (EC&S) – Summary**

The EC&S directorate is facing a period of potential significant change, driven by a number of external factors such as the Donaldson and McCormac reviews and the fact that education is at the heart of the Council's own 'Smarter Aberdeen' agenda. It is highly likely these and other factors will see a need for greater partnership working as well as changing the way in which education is delivered across the city. For example, the McCormac review recommends increased flexibility in terms of the working week.

There are also tangible impacts for staff. These include greater numbers of staff being required to undertake

qualifications or to have defined CPD requirements. This has clear implications for staff development.

In Education a key issue is succession planning. There is potential for a percentage of staff to leave the profession due to the removal of lifetime salary conservation for teachers in April 2016 as well as an issue around age distribution in senior teaching positions. Both issues will potentially involve the loss of skills, knowledge and experience and it is important that the directorate actively works to anticipate this.

The demography in Aberdeen will also have an impact upon the delivery of education services.

In terms of Culture and Sport, the City's bid to be UK City of Culture in 2017 will require those teams to respond to the requirements placed upon them in order to produce a winning bid. In addition there is the potential for Cultural services to be delivered by a Culture Trust in partnership with other organisations with staff transferring to the trust under TUPE regulations. This will clearly have implications for staff and the Council overall and these will be considered fully as the option is discussed.

Other changes across the directorate, such as proposed new ways of working in Library and Information Services, the City Campus project, national agreements on terms and conditions, restructures of support staff in schools and other partnership projects will also impact upon structures, methods of service delivery and hence the workforce either as development requirements or perhaps in terms of the deployment of the workforce.

## **Housing and Environment (H&E) – Summary**

The workforce plan for H&E picks up on a number of key themes that are the result of internal and external drivers such as legislation changes, demographic and economic issues as well as how this impacts upon ways of working within the directorate. Specifically the workforce plan highlights six key themes:

Empowerment – many of the working practices currently in progress are aimed at empowering individuals to take more responsibility whether on an individual or team basis. Devolved responsibility will be a major step forward and will ensure that individuals are committed to the organisation.

Performance – the introduction of the new PR&D scheme will link in very well with the empowerment element and will focus individuals on their own performance as well as that of their teams.

Commercial thinking – it will be increasingly important for staff to become commercially aware as this will be a major focus for the direction of travel of all the Services in the Directorate. Historically, the Council has not always presented itself as commercially focused and this now needs to be a critical area of development.

Supporting change – with all the major change which has been ongoing it is imperative that individuals are supported and communicated with through the continued changes.

Development – linking with supporting change, as roles change, the need for development increases and it will be crucial that training plans are in place for individuals and teams in order for them to reach their potential and deliver the outcomes which are required.

New ways of working – there will be an increasing requirement for remote working to support efficiencies in delivering services and also to improve the quality of services to citizens throughout the City. This has implications for technology, hot desking, office space etc.

## **Enterprise, Planning & Infrastructure (EP&I) – Summary**

The EP&I Workforce Plan is particularly sensitive to external drivers and pressures and these also align to large parts of the ‘Smarter Aberdeen’ agenda in terms of the Council’s role in the development and promotion of Aberdeen. This is mirrored in the partnership approach of the directorate which includes building new partnerships as well as continually evaluating those that currently exist.

In order to respond to the challenges faced by the directorate the Workforce Plan highlights the need to examine new ways of working both in terms of technology and skills. Soft market testing in the Asset Management and Operations service area highlighted that the prospective savings could be delivered more effectively in-house. However, this places significant pressures on the service to embrace new ways of working, additional revenue generation or re-skilling. Such transformation is a

theme that appears again and again throughout the Workforce Plan.

Another key theme is the need to optimise resources against a backdrop of PBB resource reductions. Whilst this is the same for all directorates some areas that have been reduced in EP&I now, through ‘Smarter Aberdeen’ may find themselves requiring further resource in order to achieve the efficiencies or project goals. Thus, optimising staffing resources will be crucial for EP&I going forward.

A final theme is that of the need for skills development across the directorate. As new ways of working or new partners, new partnerships or a new working emphasis is embraced so the skills required by EP&I staff may evolve and change throughout the lifetime of their Workforce Plan. Skills development will therefore be an important element in EP&I successfully meeting the challenges that are set out in its Plan.

### **Corporate Governance (CG) – Summary**

The Corporate Governance Workforce Plan is heavily influenced by the key themes contained within two complementary planning documents: The Corporate Governance Directorate Business Plan and the Corporate Governance Improvement Plan.

The vision for Corporate Governance (as set out in the Business Plan) identifies six service delivery principles; i.e.

- Customer services management
- Intelligence-led organisation

- Partnership working
- Workforce planning and development
- Financial management, and
- Business processes

The Workforce Plan aligns to these six principles, particularly the firm commitment to identify, develop and support high performing employees.

The CG Improvement paper outlined a number of cross-working themes which provide clear workforce planning considerations i.e.:

- Vision, values and staff development
- Improved management capability
- Business Intelligence
- Flexibility and changing needs
- Process re-engineering, and
- Benchmarking and good practice

The workforce planning challenge for the service is to ensure that the CG workforce has the capacity and capability to deliver on key outcomes linked to improvement themes.

The Plan further considers the drivers for change (both internal and external) to achieve the outcomes set out in the Improvement Paper. The paper identifies improvement options which will necessitate a holistic approach to the **people** we employ; the **processes** we develop; and the **technology** we use.

The Plan references the opportunities (and the potential workforce planning benefits) of Public Sector capacity



building. In order to capitalise on the opportunities associated with joint/partnership working and (or organisational integration) skills development within Corporate Governance and the Council generally might be necessary.

The Plan also highlights the significance of the PR&D process for employee development and recruitment purposes. In essence, ensuring that staff exhibit the right behaviours and demonstrate a positive attitude towards service delivery, will enhance the experience of customers – both internal and external.

Consideration is also given to future resourcing strategies which will ensure that the service has a sufficient supply of employees in the medium to long term. Strategies in this regard will include:

- improved succession planning
- continuing to 'grow our own' professional staff
- encouraging new entrants to public service and providing them with appropriate development opportunities and professional support

Finally, the Plan contemplates the new skills and behaviours which will be required within the service to enable the Council to compete and thrive in the twenty-first century e.g. commercial, negotiation and brokering skills.

## **Social Care & Wellbeing (SC&W) – Summary**

The SC&W directorate is working in a landscape of significant legislative change including the Shifting the Balance of Care and the Personalisation Agenda all meaning fundamental change to the way in which care services are to be delivered. This is clearly a significant challenge for the service and the directorate has been gearing up for this so that it can support the change in the best way possible whilst also meeting its PBB savings targets.

Another key challenge for the directorate is the changing demographics in the city. Aberdeen has an ageing population which will place increasingly significant demands upon the care services delivered by the Council. These challenges have required the directorate to be innovative and flexible in how it plans to deliver services on an ongoing basis. Partnership will become increasingly important for the directorate and the transfer of older people's care services to be delivered via an arms length trust, Bon Accord Care Limited; will change the landscape in terms of some aspects of service delivery.

There will also need to be a focus on skills within the directorate. The changes to the delivery of social care services will also potentially require different structures, new or amended jobs to those that currently exist in the directorate or a requirement for staff to develop different or additional skills in order to make many of these changes work.

## 4.2 Future workforce supply and demand

The individual workforce plans for each directorate give us some indication of specific resource issues but are, at this stage, not sophisticated enough to allow for a full numerical gap analysis and hence forecast. Much of the discussion around the workforce, as demonstrated by the summaries above, is around the themes of optimising current resources, development of staff for required new skills and the development of better jobs or structures or ways of working.

Once the decisions of the Council in relation to the Business Plan and the Priority Based Budget have been absorbed, all services will be in a position to provide more focussed commentary in relation to the staff numbers which will be required during the lifetime of the Workforce Plan and beyond. Once the figures have been compiled the information concerned will be brought back to the Council in the second iteration of the Workforce Plan.

It is clear, however, that the predicted budgetary shortfall during the course of the five year planning period will make it extremely challenging to maintain staffing levels at their current level and to arrest the downward trend in employee numbers highlighted by **Appendix A**.

A key benefit of the integrated budgetary business and workforce planning model is the opportunity to plan, consult and manage any required future reduction to the workforce.

The Council has been creative in mitigating the effects of resource shortfalls in the past and a similar degree of creativity will be required in the future (e.g. greater cross sector collaboration).

## 4.3 Critical jobs for which it is difficult to recruit and retain staff

In respect of the recruitment pressures we face, some vacancies are notably harder to fill than others, including:

- Engineering professionals
- Accountants
- Head Teachers
- Some teaching posts, particularly at Principal level
- Social Work Team Managers
- Carers
- Mechanical and Technical positions

The reason behind these recruitment difficulties may include a skills gap at national or local level, insufficient quality of supply or the high cost of housing in the area. Recruitment and retention strategies are being developed to address these difficulties.

## 5.0 Expected impacts on the workforce

### 5.1 The need for new skills to meet organisational goals

As technology, legislative and service requirements change the nature of jobs, there is an increasing need to update and develop employees' skills and knowledge in order to raise levels of performance. This includes retraining employees where their skills may have become outdated. We need to constantly look at ways of improving the skills of our workforce so that they meet the needs and expectations of our customers and changing requirements of the Council. We therefore need to create a learning organisation and develop employees to their fullest potential.

To achieve this, we have identified a series of employee development priorities for 2013/14 within the context of the Council's 5 year business plan. These are shown at **Appendix D** with the main focus being on:

- supporting the Council's vision and delivering the priorities in the 5 year Business Plan;
- promoting positive performance management and embedding the agreed organisational behaviours; and
- increasing employee engagement.

The skills identified for meeting these goals include developing skills and confidence in:

- the increased use of technology in our day-to-day business;
- managing performance, including embedding the new behaviours (see below);
- managing projects;
- facilitation;
- relationship management;
- negotiating and influencing;
- leading and managing change;
- financial management;
- commercial awareness; and
- creative thinking/ problem solving.

### 5.2 The need to focus on cultural fit (having the right behaviours/attitude) rather than only on technical skills

While ensuring that our workforce has the right level of 'technical' skills to enable us to achieve our organisational goals, it is even more crucial that we employ people with the right motivational and cultural fit (i.e. in tune with the organisation's values) as this will be an essential contributor to organisational success. This applies at the recruitment stage as well as of course to our existing workforce.

Our new PR&D scheme sets out the core behaviours and attitudes we expect from our workforce when performing their jobs and requires managers to review employees' performance against those behaviours. These behaviours emphasise the need for:

- **Effective communication** – communicating in a way which is clear, open, honest and constructive: sharing, listening and responding to information, options, ideas and instructions;
- **Strong customer focus** – taking a customer focused approach which places customers at the heart of how we perform our jobs;
- **High standards of professionalism** – maintaining at all times the standards expected by the service and the organisation;
- **Demonstrating respect** - for others and promoting equality through fairness and consistency of approach.

In addition to these core behaviours which apply to our entire workforce, there is a responsibility on all managers to:

- **Encourage creativity** – promoting innovation in how we deliver services and meet customer expectations;
- **Effectively engage** – creating a positive atmosphere which motivates people to perform at their best;
- **Be future focused** – looking at the future of the organisation and its contribution to the city;
- **Provide strong leadership** – offering clear direction to their teams and demonstrating organisational values at all times.

This requires us to nurture and develop our people and create an environment which encourages and promotes

such behaviours and where all of our employees are ambassadors for the Council's reputation and brand. Both senior and middle managers will set an example of how to fulfil this role.

## 6.0 Our workforce of the future – 2020 vision

To be successful in the next decade, our workforce will need to demonstrate foresight in navigating a rapidly shifting landscape of business transformation and skill requirements. We will need to be constantly alert to the changing environment and changing expectations of our customers and adapt our workforce planning and development strategies to ensure alignment with future skill requirements and resourcing needs. To achieve this, we must have a clear vision of what type of organisation we need to become, the type of employee we will need within that organisation and how we will do business in the future.

### 6.1 What the organisation of the future will look like

An organisation that:

- Both values and supports its staff who in turn are clear about what is expected of them in terms of how they contribute to achieving organisational goals;
- Has the skills and capacity to deliver a range of high quality services that meet the growing expectations of our customers;
- Has high expectations that its managers will manage in an effective and flexible way, being able to quickly respond to change;

- Has a 'high performance' culture supported by robust performance management systems and processes;
- Is increasingly using new technology as an enabler to providing modern and efficient services to its customers, to perform their job roles and to support flexible working and more effective communication;
- Effectively and productively engages with a wide range of stakeholders in the public and private sector;
- Is widely regarded as an 'employer of choice', supporting, motivating and engaging its workforce through periods of significant change.

### 6.2 What the manager/employee of the future will look like

In order to support such an organisation we will need managers and employees who:

- Are able to demonstrate more than job knowledge and technical expertise by excelling at creative problem solving and different ways of thinking in order to find effective solutions. This requires employees to be less mired in 'busywork' to allow them the ability to think about future, long term possibilities;

- Are able to meet unexpected situations with quick thinking and resourcefulness (increased agility);
- Are able to evolve their skills to meet the demands of an increasingly technology-driven workplace;
- Are able to use new technology tools to engage and persuade their audiences;
- Are able to develop strategies for engaging and motivating a dispersed group of employees, if leading a virtual team
- Are more resilient with a solution driven mind-set, coming up with solutions beyond those which are rule-based;
- Are adaptable/flexible
- Have well-developed team working/collaboration skills - more socially intelligent with the ability to assess the emotions of those around them and adapt their words, tone and gestures accordingly. This will be vital for building relationships of trust as they collaborate with larger groups of people in different settings;
- Continually reassess the skills they need (as well as those of their team if they're a team leader) and quickly identify the right resources to develop and update these skills. This is where the real value of

effective PR&D comes in and where HR has a key role to play in supporting the workforce.

### 6.3 How employees will work/do business

Employees of the future will increasingly be required to use mobile technologies to support flexible, new ways of working, including:

- smart phones, teleconferencing and video conferencing;
- accessing their office applications, files, emails, the intranet and internet when working from home or remotely; and
- online meeting facilities enabling remote meetings, allowing staff to share documents remotely and conduct video calls.

## **7.0 How we will achieve the vision**

To achieve the Council's vision and priorities, it is vital that our workforce is more diverse, flexible, skilled, engaged and motivated than ever before. We need to build on the strategies that we've already put in place to align our workforce requirements directly to the Council's, and each service's, strategic Business Plans, thereby enabling us to identify and address the gaps between the workforce we have today and the human resourcing needs of tomorrow.

Our plan will allow us to focus on the medium and long term but at the same time provide a framework for dealing with immediate challenges in a consistent way.

**Appendix F** provides detail as to how we propose to plan and manage our workforce in relation to the following key considerations.

1. How we will develop the skills and capacity of our workforce.
2. How we will develop the organisation.
3. How we will resource and attract 'top' talent to the organisation.
4. How we will pay and reward our workforce.
5. How we will engage with the workforce.
6. How we will further consolidate a pro-active Health, Safety and Wellbeing culture.

## 8.0 Our Strategic Priorities

The Council's existing Workforce Strategy, 'People-first', has been in place for the last five years. The priorities contained within 'People-first' and the associated action planning have successfully underpinned the current range of workforce initiatives illustrated in Section 3 of this plan.

In developing a vision of the Council's future workforce and considering actual or perceived gaps in workforce capacity and capability, the HR Strategy requires to be re-modelled accordingly.

A number of common themes have emerged from the Directorate and Corporate Business Plan and taking cognisance of these and with due regard to the financial landscape set out in the PBB document, the following Strategic Workforce Priorities are proposed for the period 2013/14 to 2017/18:

- 1. Strengthen and make increasingly explicit the linkage between business, financial and workforce planning.**
- 2. Further embed a culture of high performance across the authority.**
- 3. Maximise the effectiveness of our employee engagement strategy – striving for positive industrial and employee relations.**
- 4. Further encourage a proactive health, safety and wellbeing culture.**

- 5. Manage required changes to the workforce in a structured, planned and fully consulted basis.**
- 6. Ensure that the Council's status as an 'employer of choice' is enhanced and that the principles and spirit of equal opportunities are evident in all aspects of the Council's employment processes.**
- 7. Ensure attendance management levels equate to upper quartile performance standards.**
- 8. Ensure high level management performance across the Council through robust selection processes and tailored development programmes.**

There is little doubt that success in delivering on these priorities will go a significant way to ensuring that the Council fulfils its aspiration to have a 'flexible, skilled and motivated workforce'.

The achievement of these strategic priorities and realising the workforce vision as set out in Section 7 will become a major priority for the HR Service. Work is already underway in relation to a number of the themes and the HR element of Corporate Governance's Business Plan will contain the associated action planning and this will be presented to Members in early course.

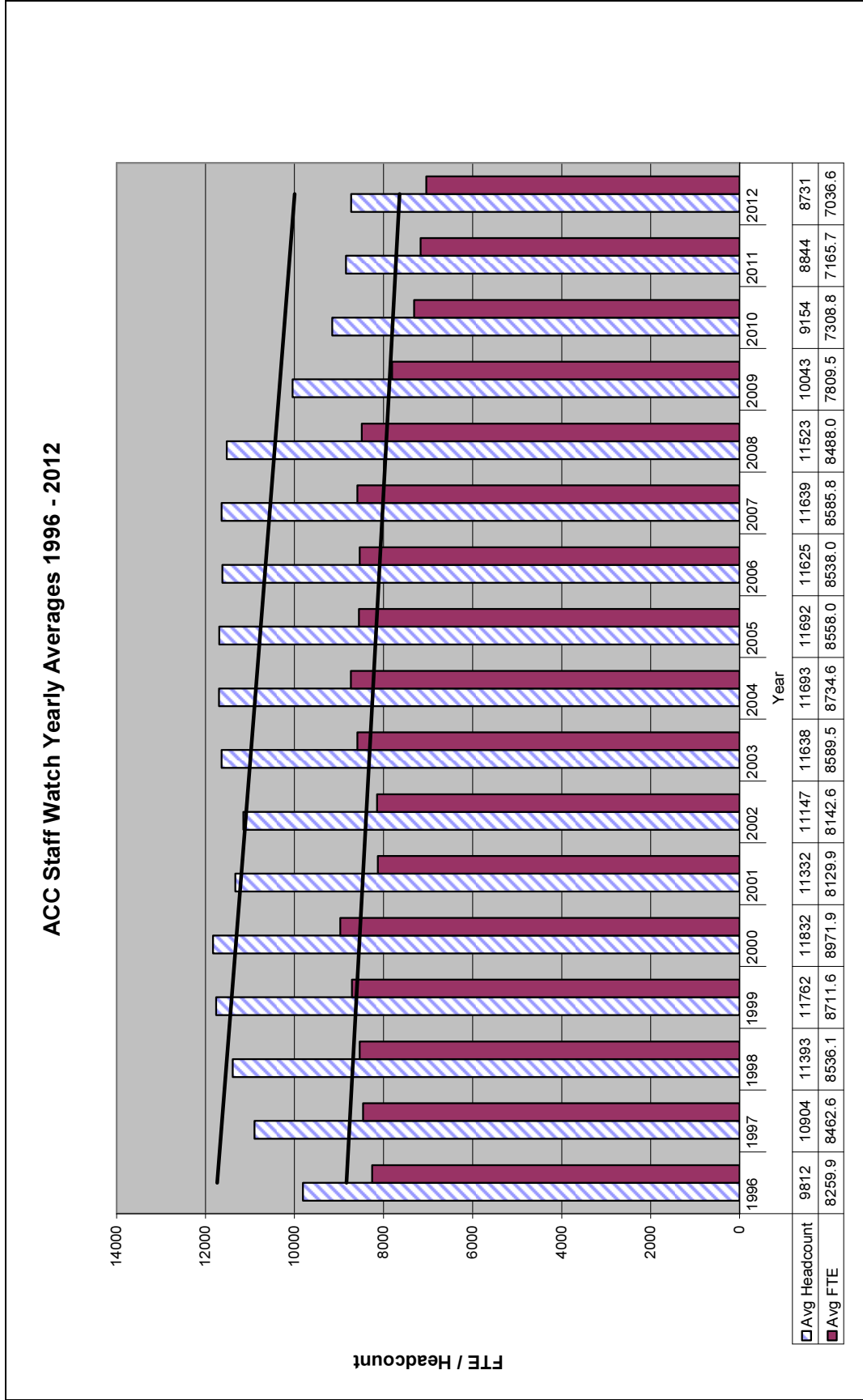
The next steps in the process will involve:



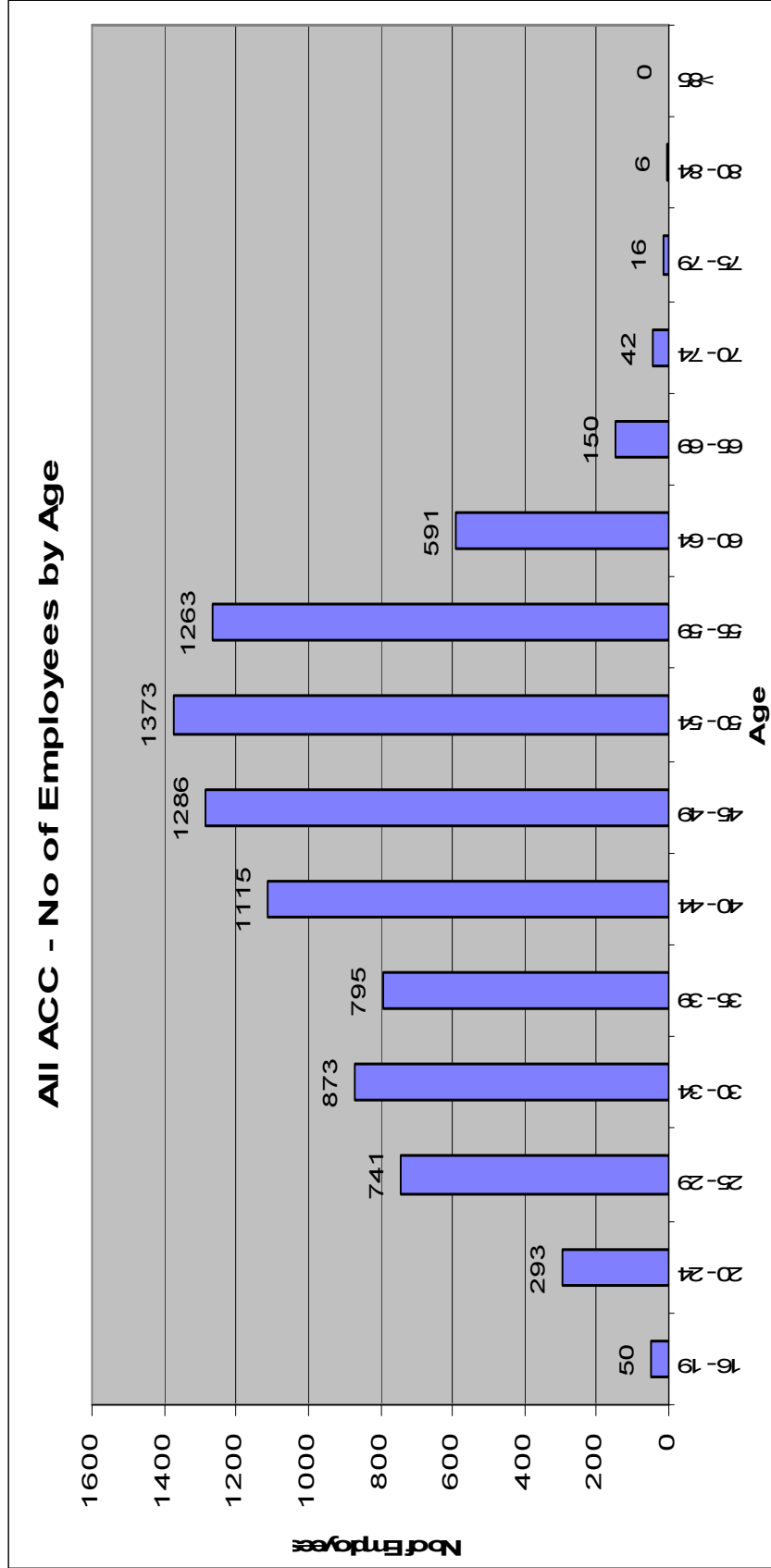
- HR Business Partners working with their client services to produce service focussed action plans
- The HR service continuing to review key HR policies, procedures and systems to ensure that they sufficiently enable organisational transformation
- Regular consultative dialogue with the trades unions in relation to the plan and its implementation
- Regular progress updates being provided to Members

It is proposed to conduct an appraisal of the Plan and the strategic priorities as part of the preparation of the 2014/15 budget to ensure that it captures any change to the organisation's objectives and priorities and to ensure that it remains fit for purpose.

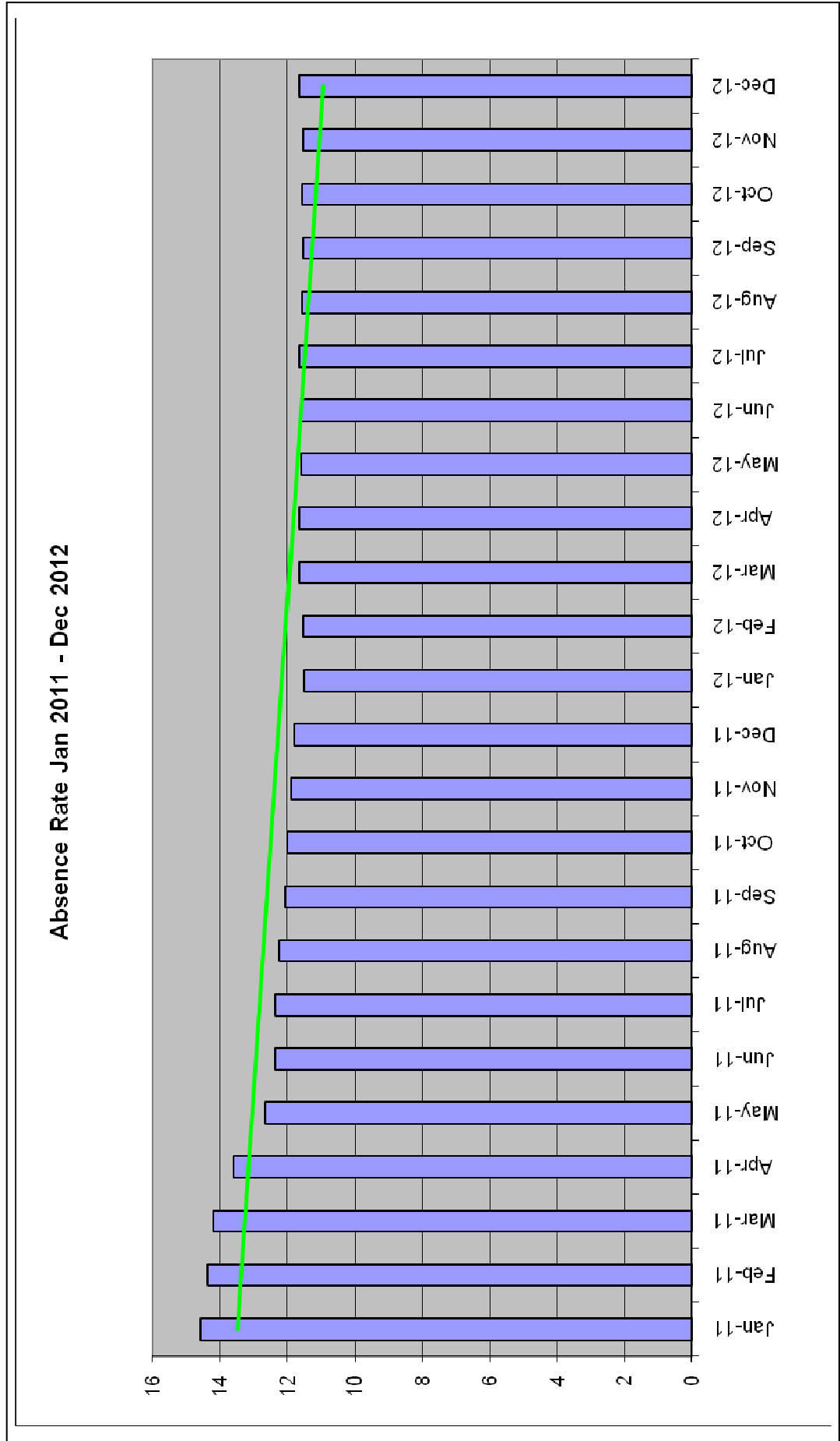
Staffing Numbers – Trend Analysis (1996 – 2012)



Workforce Age Profile (as at December 2012)



Average sickness days per employee (Jan 11 to Dec 12)



### **Employee Development Priorities**

The Council is now entering the third year of its 5 year Business Plan. As well as delivering a balanced budget for the coming year, this Plan has enabled a degree of stability in forward planning. This means that the employee development priorities and themes for 2013-14 remain consistent with those for 2012-13, taking account of progress made within that period and any slight changes in context, including:

- The need for an increased emphasis on the use of technology to support the Administration's Smarter City vision, the Nevis programme, the introduction of E-HR, new ways of working and the need to project ahead to what is required to support the manager/ employee of 2020;
- The further roll out of Performance Review and Development (PR&D) with its implications for performance management, outcomes focus and a shift of emphasis to behaviours;
- The impact of changes in legislation such as welfare reform;
- The impact of changes in organisational structure such as the introduction of the LATC in Social Care and Wellbeing, the LLP in Housing and Environment and the need for internal transformation in other services;
- The need to be seen as an employer of choice in order to attract and retain quality staff; and
- The outcomes of the 2012 Employee Opinion Survey.

Within this overall context the key development themes for 2013-14 are proposed as:

- Supporting the Council's vision and delivering the priorities in the 5 year Business Plan;
- Promoting positive performance management and embedding the agreed organisational behaviours; and
- Increasing employee engagement.

The remainder of this report outlines what the development priorities within each of these themes will be.

## **2 Supporting the Vision and Delivering the 5 year Business Plan**

The Council's vision is for a *'vibrant, dynamic and aspirational city'* supported by a *'flexible, skilled and motivated workforce'*.

Within this context the 5 year Business Plan challenges us to look at different and more efficient ways of delivering services including the redesign of services, whether through alternative delivery models or through internal transformation.

This has implications for the skills we need to employ and develop, requiring us to be more outward looking, more engaged with partners, the private sector and the third sector, more strategically focused, more creative in our solutions and more commercially aware.

With this mind the focus of development will be on the following areas:

## Technology Skills

In early 2013 the Council will move from Groupwise to Outlook and from Office 2003 to Office 2010. This is a positive move which provides the opportunity for us to match with the best of the private sector, however, it will require sufficient internal support to ensure a smooth transition for employees and for the business. The priority in early 2013 will be on achieving this transition. Following this the priority will be to develop skills in using the additional features of these packages, such as Lync instant messaging and Sharepoint, to ensure the organisation is reaping the business benefits of this major change.

At the same time the channel shift to self-service for customers is being complimented internally by the introduction of E-HR and the further roll out of new ways of working. As well as providing general support in these areas, it will be important to ensure that this is an inclusive process with adequate support provided for those who are not pc literate. We will be working on plans to tackle this aspect in the short term and in the longer term on developing skills in the use of smart phones and other devices which can be used to promote efficiency at work.

### 2.1 Technical Skills

- a) **Managing Projects** – A key priority will be to increase skills in project management, option appraisal, process mapping and design. We will work with the Programme Management Office to identify and meet specific needs in these areas.
- b) **Facilitation skills** - In becoming more outward looking, it is anticipated there will be a greater need for skills to better manage stakeholder events and multi-partner meetings as well as for managers to work with their own teams to develop creative service solutions.

### 2.2 Relationship Management Skills

The development of Service Level Agreements, re-contracting between services and alternative delivery models will inevitably result in more complex relationships and partnerships with the need to manage these relationships constructively. In this respect the priorities will be:

#### a) Negotiating and Influencing Skills

Momentum Consultants have been successful in the re-tender for this work which will result in an additional 12-18 month contract. This will allow us to complete the roll out to our target audience as well enabling us to provide a series of shorter workshops to refresh the skills of managers who have already attended the programme. Evidence shows that this training continues to deliver tangible benefits for the organisation.

#### b) Leading and Managing Change

As the shape of the organisation changes it will be increasingly important to ensure managers have the skills necessary to lead their teams constructively through change, particularly where that change is perceived as radical or unwelcome. Our experience suggests that this training is particularly effective when tailored to specific teams and we will continue to offer this service throughout 2013/14.

## **2.4 Future Focus**

The new organisational behaviours place a clear responsibility on managers to adopt a business focus in order to ensure a sustainable future. Development priorities in this area will include:

### **a) Financial Management Skills**

Finance teams are currently developing a comprehensive package of financial skills and we will provide whatever assistance is necessary in rolling this out.

### **b) Commercial Skills**

In this respect we will continue to provide the 'Identifying and Developing Customer Opportunities' workshop, providing delegates with the skills to engage with customers in a more business-like and creative fashion, potentially leading to the development of revenue raising opportunities. In addition we will liaise with the Central Procurement Unit to provide any necessary support in terms of contract management skills.

### **c) Creative thinking/ problem solving**

The need to think innovatively about service solutions will be essential for all services and is a key management responsibility under the new behaviours. A focus will therefore be placed on ensuring managers have the tools/ techniques in order to encourage a customer-centred approach to service design and delivery.

## **3 Promoting Positive Performance Management**

The first review meetings under PR&D will take place in early 2013. 2013-14 will be the first full review year under this scheme. PR&D represents a significant change in how people are managed involving greater emphasis on performance, more clarity in standards and expectations and an increased focus on behaviours. In addition it sets the foundations for a cohesive performance management framework by linking directly to recruitment, induction, development, managing underperformance and talent management. As such it has the potential to effect real change in this organisation and will need to be carefully supported within its first year to ensure that this change is realised. Development priorities within this area will include:

### **a) Process Training**

We will continue to support managers in using the new process – including support in the use of the online form, the 360 tool (once available) and making best use of the business intelligence coming out of the 360 reporting tool.

### **b) Managing Performance Conversations**

We will provide a range of options to develop the softer skills of managing performance discussions, whether at the PR&D meeting itself, through 1-2-1s or through other performance conversations. This will include workshops, short seminars, online learning/ videos as well as using the existing Managing Performance workshops to place greater emphasis on managing and motivating good performance, empowerment and outcomes focus. In addition we will build

our bank of eLearning policy bytes, based on common queries received at the HR Service Centre, to further support managers.

### **c) Embedding the New Behaviours**

If, as an organisation, we are saying these are the behaviours we expect, we need to ensure we are supporting people to develop them and that our managers are creating an environment which encourages and promotes them. We will support this through a variety of means including:

- Reviewing and updating existing workshops and eLearning modules to ensure they reflect the behaviours;
- Identifying and filling any gaps in existing provision to support the behaviours, such as current gaps in the area of promoting excellence in customer service and customer centred service design;
- Developing tools which managers can use with their teams to discuss the behaviours and agree what this means within their own work context; and
- Continuing with the programme of Hot Topic seminars themed around the behaviours involving a range of experts who can bring fresh perspectives on each for our managers.

### **d) Rewarding High Performers**

We will work with services to develop suitable packages of support for those identified as high performers under PR&D in order to encourage retention and to assist with succession planning. This could include the use of development centres, attendance at appropriate programmes and support to undertake additional qualifications.

## **4 Increasing Employee Engagement**

The link between employee engagement and higher performance is well documented. In recognition of this 'engagement' is one of the 4 agreed management behaviours. While there is a separate engagement strategy which comes under the remit of the Communications and Engagement Manager, there are areas which are recognised as contributing to engagement but which are specific to development. These include the 'availability of training, development and career opportunities' and the 'quality of our leadership and management'.

### **4.1 Availability of Training, Development and Career Progression**

Two significant advances have been made this year in terms of our ability to identify and plan required development. These include tying occupation specific development to jobs as part of the new job profiles and the online reporting available through PR&D. These should be of great assistance for individual services and will provide further intelligence corporately about service and organisational needs which will assist with forward planning.

In addition, the ability under PR&D to identify high performance should assist with retention, career progression and succession planning. Job profiles should also make it easier for employees to see what is required in posts in order to plan their own career development.



## **4.2 Quality of Leadership and Management**

The relationship employees have with their line manager has been shown to be key to morale and job satisfaction. By introducing standard indicators for managers PR&D clearly spells out what we expect of our managers at all levels thus helping provide more consistent management across the organisation.

The use of assessment centres and behavioural interview techniques should help recruit managers with the qualities we seek. At the same time tailoring our development programmes to support the organisational behaviours will further assist.

Another important element of our leadership is, of course, our Elected Members and a full development programme for Members for the period 2013-14 is planned. This programme comprises a number of dedicated development days throughout the year based on local and national priorities. Our work with Elected Members also includes the roll out of the Improvement Service's CPD Framework for Members, assistance with personal development planning and a quarterly development newsletter.

## **4.3 Supporting the Communication and Engagement Strategy**

Priority will be given to supporting the work of the Communications and Engagement Manager where a development element is involved. This includes, but is not limited to:

- Assisting with the STAR awards as part of embedding the organisational behaviours;
- Assisting in action planning in response to the Employee Opinion Survey 2012;
- Promoting the Council as an employer, through a range of means including the potential introduction of a graduate recruitment programme; and
- Providing opportunities for employees to stretch their capabilities through leadership of projects, employee forums, taking on mentoring/ coaching/ champion roles, introducing a volunteering programme and, in the longer term, exploring the potential of Sharepoint to identify internal expertise which can be tapped into.

## **5 Funding the Development Priorities**

The Corporate Training Budget for 2013-14 is estimated at £657,992. As well as the specific priorities outlined above, the need to improve ICT use and PR&D are likely to place increased demands on this. In addition it has been agreed that a proportion of this budget will be set aside to fund any additional investment in development required to support high performers.

These demands are unknown as yet. There is therefore a balance to be struck between ensuring PR&D is seen to deliver what it promises while at the same time managing expectations realistically. A key element in achieving that balance will be ensuring we continue to make best use of our resources throughout 2013-14 and that we seek savings and efficiencies in how development is delivered wherever possible.

In this respect we will:

- Continue, where relevant, to move training provision from face to face to eLearning;

- Increase the emphasis on tailored development delivered inhouse, increase our inhouse capacity as assessors and use inhouse presenters to co-present the Momentum programme, and to coach others in Momentum style techniques;
- Identify and use inhouse expertise across the Council to assist in development initiatives where possible;
- Increase the number of joint programmes run with our North East partners, such as the Collaborating for Outcomes programme, the joint supervisory programme, the joint mentoring scheme and the joint public sector management programme currently being developed; and
- Achieve administrative savings through the use of eForms.

<b>Education, Culture and Sport</b>
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**External Drivers**

There are a number of significant external drivers which will impact on the workforce plan for the ECS Directorate over the next year.

The Reports of the Donaldson Review and McCormac Review will be progressed through national discussions and the Scottish Negotiating Council for Teachers (SNCT). Both are likely to see an increase in partnership working, particularly around teacher initial education and career long Continuing Professional Development (CPD). The Directorate is currently in discussion with the School of Education at Aberdeen University regarding closer collaboration around initial teacher education. Currently ACC has one teacher seconded to the University to support teacher education, and there is the potential for further secondments, or joint appointments, in the future.

The McCormac Review recommends increased flexibility in terms of the working week. This is currently under discussion through the SNCT, however no firm proposals have yet been made. Both reviews focus strongly on development of the profession at all levels.

The Christie Commission on the Future Delivery of Public Services contains recommendations around community engagement and empowerment in terms of service design and delivery. Encouraging citizens to participate in the development, design and decision making of services is also a key priority identified in the ACC five year business plan 2013/14 – 2017/18.

Although no specific proposals have been made as yet, there is a suggestion that the Government may introduce an element of statutory provision in terms of Community Learning and Development (CL&D) in order to implement this recommendation. As CL&D staffing has been reduced significantly through the budget process, such a statutory requirement might lead to additional staff being required in this part of the service. Currently the staff in this area have more experience in service delivery than in service planning, and the move towards the provision of a service planned according to the needs of communities will lead to a requirement for staff development in this area.

As part of the SNCT Terms and Conditions Agreement 2011, lifetime salary conservation for teaching staff will be removed with effect from April 2016. It is likely that those teachers in receipt of lifetime salary conservation (in particular former subject Principal Teachers (PTs)) will leave the profession prior to April 2016. This potential loss of experienced teachers will have to be considered in terms of school staffing and school level succession planning.

The requirement for all staff working in Early Years and Child Care to register with the Scottish Social Services Council (SSSC) will lead to a requirement for some staff to achieve the qualification threshold within 3 years. Out of the 94 childcare staff within the staffing establishment, it is estimated that approximately 80-90% will require up-to-date qualifications.

The CL&D Standards Council has undertaken a consultation around the registration for CL&D staff. As with the SSSC registration, some staff will potentially require to upgrade their qualifications to meet the threshold.

There is a risk in both the Early Years/Child Care teams and the Community Learning and Development teams that some staff will either not succeed in updating their qualifications, or will choose not to do so, resulting in the loss of staff in these areas.

It is also likely that a requirement for ongoing CPD will result in a requirement for a CPD programme similar to that provided for teachers. The Directorate Workforce Development Procedure has been revised to reflect this requirement, and will be taken to ECS Committee for discussion and agreement.

## **Business Plan**

The ACC 5 year Business Plan 2013/2014 – 2017/2018 outlines the Council's vision for Aberdeen to be an ambitious, achieving, smart city.

The plan contains a number of key priorities for the ECS Directorate, including:

- Improving access to and increase participation in arts and culture
- Aspiring to be recognised as a City of Culture
- Promoting and improving opportunities for physical activity and sport
- Providing a high quality education service within our schools and communities which will improve attainment and life chances
- Providing opportunities for lifelong learning
- Creating a city of learning which will empower citizens to achieve their full potential
- Aiming to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the city
- Designing all new infrastructure (schools) to be energy efficient by maximising the use of low carbon technology and materials.

Over the past 2 years, options taken forward under priority based budgeting have had a major impact on staffing levels within the Directorate, with large reductions in Pupil Support Assistants (reduced by 90.5 full time equivalent), Communities Teams (reduced by 58.19 full time equivalent ) and School Admin Support Staff (reduced by 19.75 full time equivalent).

The PBB proposals for the next 3 years will see fewer reductions in the number of staff employed, but there will be a requirement for a change in ways of working in some areas.

A review of the future delivery of culture and sports services is underway to improve access to and participation in arts, culture and sport for visitors and citizens.

The council is exploring the potential to deliver services in partnership with other organisations, specifically with the University of Aberdeen. This may result in a change in the delivery of Cultural Services, by a Cultural Trust or joint venture taking over the delivery of art gallery, museum, library, arts and cultural services. This could result in staff in these services transferring under TUPE regulations. The number and categories of staff affected will be determined once the scope of the Trust is confirmed. As the development of an arms length Cultural Trust would change the ACC role from being a

provider of services to that of commissioning services from the trust, there would be a requirement for any staff remaining in the employment of the Council to develop skills around partnership working, business partnering and contract management. Similar skills will also be required by staff in the Communities team who are working with, and supporting, the new Management Committees in Community Centres.

The preparation of the bid to become UK City of Culture 2017 will require the cultural services team to respond to the requirements to develop a successful bid and thereafter to build capacity in the cultural sector to develop and deliver the programme if successful. This will require flexibility, with periods of growth and shrinkage and will include employment of staff on short term and on a consultancy basis.

Proposed new ways of working in Library and Information Services, which would include use of new technology, 24/7 on line services, reconfiguring opening hours and reviewing the library estate and staffing structures could result in a reduction of 22 fte in library staffing, (as detailed in PBB option ECS C27) and a requirement for training and development in the use of new technology. Redeployment opportunities will be sought for staff affected. The increased accessibility of the services will assist with the creation of a city of learning and improved opportunities for life long learning.

Within the Schools sector, there are a number of proposals which could impact on the number of teachers employed within the City, however, there is a risk associated with these proposals in that the current position of the Scottish Government is that teacher numbers should be maintained; therefore, unless this policy changes, it will not be possible to realise savings by cutting teacher numbers unless this is in relation to a reduction in school rolls.

The City Campus Senior Phase is a change to the way in which the senior phase of secondary education is delivered, and will play an important role in achieving the priorities for improving attainment and life chances of our children and young people to achieve their full potential, and also in creating a city of learning. This will require school staff to work closely in partnership with other schools, universities, colleges and other education providers.

The Local Development Plan and the City and 'Shire Strategic Development Plan suggest that the existing schools in the city are not in correct locations, as more residents move away from the city centre.

A recent review of the primary estate carried out by the Directorate and reported to Education, Culture and Sport Committee in February 2012, identified that over the next 4 years a total of 20 primaries will go over capacity; at the same time, there are 1,400 surplus primary places forecast for the same period, but these are not in the right place to address the projected demand.

The report also identified that approximately one quarter of current primary buildings do not meet the standards required for modern education. All of the above suggests the possibility of the development of new schools and/or merging of existing schools.

This would result in a small reduction in staff required, mainly in terms of Senior Management Team, promoted teaching posts and support staff posts (in particular in the admin area). The increase in pupil rolls in other schools resulting from the closures may lead to a small increase in the amount of admin and management time allocated to these schools; however it is unlikely that this will match the admin/management time in the closing schools. The number of teachers required will not change significantly, as teacher numbers are governed by school roll figures and the same number of children will require to be taught, albeit in different schools. The Job Matching in Schools Procedure will be applied to move staff into other schools.

Other proposals for schools would require a change in nationally negotiated terms and conditions of employment and cannot be implemented unless the required changes occur. Again, the existing agreement with the Scottish Government to maintain teacher numbers will impact on these proposals. Increasing class sizes in early years (to 25 in primary 1 and 30/33 in composites and single age classes in p2/3) would result in a reduction of around 14 fte teaching posts (ECS E8d and ECS E8c).

Currently, teachers have a maximum weekly class contact of 22.5 hours, whilst pupils attend for 25 hours per week (primary) or 27.5 hours per week (secondary). In the primary sector in particular, this results in inflation in the teaching staff required (by 10% in primary). The proposal to cover teacher non-contact time with para-professional staff would result in replacing approximately 150 fte teaching staff with para-professional staff. This proposal is linked to one of the recommendations contained within the McCormac Report (external experts in schools), and has been referred to the General Teaching Council of Scotland (GTCS) for consideration. The timescales for a decision are not yet clear and there is no guarantee that the recommendation will be adopted, which would put this proposed saving at risk.

The Authority is currently facing challenges in securing sufficient supply teachers to provide cover in schools, particularly in the primary sector, and discussions are ongoing to identify solutions.

## **Service Plan**

The re-design of the Early Years Service, to ensure more effective delivery within both ACC services and the services offered by our partner providers, is unlikely to reduce the number of posts, although it is likely that the scope and duties of some of the existing posts will change due to the increasing requirement (through Curriculum for Excellence) for partner providers to have access to a qualified teacher. Part of the re-design has, therefore, introduced an Education Support Officer post into the structure. The Service will require support around job design, evaluation of posts and job matching. This process has begun and is on going.

The ongoing implementation of Curriculum for Excellence will lead to changes in working practices within schools and Community Learning & Development (CL&D) staff. Ongoing development will be required for staff, particularly around areas such as assessment, reporting and moderation. This development is already underway and will continue throughout the introduction of the new examinations.

## **Service Development/Redesign**

A recent review of the management structure within Additional Support Needs has led to the establishment of 1 Quality Improvement Officer post, 3 Education Support Officer posts and a Clerical post. This reflects the increase in demands on this part of the Service, particularly in relation to placing requests, tribunals and reducing the number of out of authority placements. The new posts have been advertised.

The Service Manager (Primary & ASN) has recently left the service of the Authority, giving an opportunity for the remit of the Service Manager to be reviewed and revised if it is felt this is appropriate.

A restructure of support staff in schools is under consideration, covering Pupil Support Assistants, Technical staff and possibly also Admin staff. The proposal is to introduce different levels of support, allowing career progression for staff and allowing schools to design the appropriate support package for their circumstances/pupil cohort.

This proposal is unlikely to result in an overall staffing reduction as the amount of work has not changed but the composition of the workforce will change, with existing staff being matched into the new structure. The benefits will be a more flexible staffing model for schools, allowing targeted skilled support where it is most needed. This proposal will be reviewed once the outcome of discussions nationally on the McCormac recommendation around “external experts in schools” is known.

There is a potential for joint working with NHS Grampian, in terms of developing a shared development programme, up to SVQ 2/3, with Aberdeen College and potentially the universities.

## **Other Internal Drivers**

Succession planning will be crucial for the Directorate, as 27 Head Teachers, 19 Depute Head Teachers, 3 out of the 9 Service Managers and 2 of the 4 substantive Quality Improvement Officers will reach their normal retirement age within the next 5 years.

Over the past 24 months, promoted posts within the schools part of the Directorate have been identified as difficult to fill posts (in particular some Head Teacher posts and Quality Improvement Officer posts). Leadership development programmes have been developed within the Directorate, initially targeted at aspiring Head Teachers and Depute Head Teachers. At the start of the programme 12 months ago, only 1 individual identified that s/he would be likely to apply to a promoted post within the next 12 months. Following a year of leadership development, a total of 18 individuals have identified that they now feel confident to apply for promotion within a 12 month period. The programme will now also be rolled out to aspiring Faculty Principal Teachers, and more widely across the Directorate to assist with succession planning.

In addition to the Leadership Development programme, the Service is in discussion with HR around a more pro active approach to applicant search for hard to fill posts, in particular with regard to applicants currently located outwith the local area.

An annual school staffing exercise is undertaken to ensure that schools are appropriately staffed with regard to teaching staff. A Staffing Timetable has been circulated to schools to ensure that Head Teachers are aware of key dates in the process.

Support is required in terms of compulsory transfer of teachers, placing of probationers, placing of temporary to permanent transfers and teacher recruitment.

The modelling undertaken by the Scottish Government suggests that initial teacher education recruitment will increase over the next few years, resulting in more probationers to be placed in vacant posts.

### **Legislation**

There is a raft of new legislation (National Parenting Strategy; Early Years Change Fund; Rights of Children and Young People Bill; Children's Services Bill and Education (ASL)(Scotland) Act 2009) which will impact on the work of the Directorate and require changes to work practices, in particular for school based staff, Communities staff and the Families and Vulnerable Learners Team. Development will be required for all staff to ensure that the requirements of the legislation are met.

### **Demographic Considerations**

The staffing entitlements for schools, for both teaching and support staff, are formulae driven, based largely on the pupil roll. For the period 2012-2016 the number of primary school aged children in the City is predicted to increase, with a small decrease in the number of secondary aged children. This would result in an increase in staffing required in primaries and a small decrease in the secondary sector.

An increase in the number of elderly people in the City will impact on the Lifelong Learning and Partnership Team, and will potentially lead to a requirement for re-skilling of some staff to ensure that they can meet the needs of an aging population. The nature of this development has not yet been determined, but the needs of the community will be monitored and development programmes organised according to requirements.

### **Partnership Working**

A number of areas are being considered as potentially appropriate for partnership working/shared services.

There is potential for Education Psychology Services and Library Services to be shared with Aberdeenshire Council. This would impact on the number of



management posts required as currently both Authorities have management teams in these Services.

As previously highlighted, partnership working in the area of Initial Teacher Education is being explored with Aberdeen University; there may also be partnership opportunities with the University around the development of Curriculum for Excellence. With discussion ongoing nationally regarding the aspiration that teaching should move towards Masters qualifications, further partnership with both Aberdeen and Robert Gordon's Universities is possible.

Getting It Right for Every Child (GIRFEC) involves staff from the Directorate working closely with other professionals from both within the Council (Social Care and Well Being staff) and outwith the Council (NHS Grampian and Grampian Police).

As the national introduction of the Early Years Collaborative is developed, ECS will need to respond to the integration of services for children and families to better meet the needs of children and families.

The implementation of Curriculum for Excellence (CfE) also demands closer partnership working across different services within the Directorate and with partner providers, as CfE embraces lifelong learning, not solely school provision.

## **Enterprise, Planning and Infrastructure**

### **Internal Drivers:**

#### **Business Plan and Smarter Aberdeen Vision**

EP&I's business plan is one focussed on building the profile of Aberdeen City through the various projects which are ongoing and which feature across its 3 services- Asset Management and Operations (AM&O), Planning and Sustainable Development (P&SD) and Economic and Business Development (E&BD). These services will feed into initiatives such as the City Centre Framework as well as having technical and professional input into the Local Development Plan and the Masterplan for the Harbour area, with cross sector teams to be established to look at this. The directorate delivers a range of services which support the physical character, operation and future of the City. Forward planning and strategic functions cut across all services, with operational functions undertaken by around 80% of the workforce across the whole of the city.

As laid out at the centre of the City Council's Smarter Aberdeen Vision, the concept is 21<sup>st</sup> century sustainable living with a green, carbon neutral city working towards renewable energy with associated projects such as the plan for a fleet of hydrogen buses. The Vision also states a requirement for smarter connections both within Aberdeen and to the world beyond, in terms of taking a European lead in adapting new transport technologies to make this possible. The business plan also ties into the Seven Cities shared vision for Scotland.

A central driver in terms of achieving these projects will be to encourage future economic and business development in the city and to attract and retain funding at a European level e.g. Aberdeen currently has a lead role in the EU/North Sea Commission, tying in with another concept within the Smarter Aberdeen vision in terms of promoting Aberdeen as a great place to live, bring up a family, do business and visit. An example of this requirement from within the Smarter People part of the Vision is EP&I's responsibilities for "creating a city of learning which will empower individuals and contribute towards the social, economic and cultural well-being of communities" as well as "sustaining and diversifying the city/region economy". This will require teams within E&BD in particular to continue to focus on supporting new businesses as well as expansion of business to create new employment; and the associated promotion of the city which will be required in order to achieve this. The Council has a responsibility to initiate transformational projects to assist the economy and these would include those currently underway such as the superfast broadband initiative and the Hydrogen Buses. One of the workforce planning challenges associated with this is that, while some budgets have reduced, the staffing numbers within these teams have remained the same. There is a need therefore for these key employees to have the skill set to seek and facilitate funding agreements and sponsorship elsewhere through a number of strategic partners. The peripheral work around forming these groups and keeping them engaged and involved may prove more labour intensive than being in the position of running and funding these from in-house.

Aspirations to further promote business tourism, attract new events and generate funding may pose pressure points for the Directorate's workforce planning as can be seen below in the options for these areas under priority based budgeting (PBB). These aspirations are echoed within the "Smarter Economy" vision of Smarter Aberdeen in terms of *We will work with partners to promote the city as a place to invest, live, work and export from.*

Specifically for EB&D, the business plan focuses on the elements of International Trade and Development such as trade missions, export surveys and twinning agreements but maintains the emphasis also on the traditional requirements under P&SD such as enhancing the built environment, addressing issues surrounding the transport network and fulfilling our statutory responsibilities in P&SD.

### **PBB Options**

Under priority based budgeting (PBB) for AM&O there is a need for more **mobile/remote working** across all teams and this will be looking particularly at jobs with high mileage. The frameworks for flexible working will be needed, to consider how best this could be achieved e.g. by working fully remotely and using the current trackers on vehicles for Health and Safety reasons. AM&O have also undertaken to look at **shared Facilities Management** functions with public sector partners as a potential for income generation via delivering their services to other public sector bodies e.g. NHS. If this proposal were to proceed fully, there may be the potential for TUPE to apply.

The service has recently undertaken **soft market testing for a range of AM&O services** which enabled them to determine that savings originally calculated for delivery through external partnering arrangements can be delivered through in-house transformation. As recently approved by the PMO Sponsoring Group, the service is now focussing on service efficiencies and possibilities for more commercial activities which can generate additional revenues for the Council. Within this would be the need to consider the implications of a client - contractor arrangement i.e. what the constraints might be in terms of income generation to the Council. Additionally there would need to be a consideration as to whether agency usage would remain in place within this arrangement as a cost effective way of covering peaks and troughs in staffing requirements.

The original AM&O option has now been split into five focus areas for delivery of savings; Asset Management and Property, Fleet, Parking, Roads and Soft FM. Savings in Roads and Soft FM are likely to lead to the reassessment of large numbers of staff roles and responsibilities, and HR will work alongside the service to cover job evaluation implications to this. Fleet have already begun to implement changes (and therefore savings) within their team by changes to shift patterns to provide flexibility within the peaks and troughs of demand.

The PMO Sponsoring Group has also approved an expansion of the scope of E&BD's PBB options for future years. To avoid redundancy risk, savings have been re-focussed towards income generation through corporate sponsorship

and attracting external funding for the Council, and continual review of partnership funding e.g. AECC. This will be challenging for the service to achieve and there is also a need to consider how the workforce may be expanded, or new skills brought into the team, to manage complex contracts that need close attention to mitigate risks and achieve their full potential.

Also, in the current economic climate, few income streams can be considered reliable or stable in the medium to long term. The E&BD service will therefore need to continually review the external environment for new funding sources, and staff will need the flexibility to pursue opportunities as they arise. More staff resources are likely to be required to secure the significant amount of external income needed to offset required E&BD revenue budget savings for 2013/14, and mitigate against the need for staff redundancies. Given the fact that more than 35% of E&BD's budget is already met from external income sources, securing more external income will be a continual challenge for the foreseeable future; if planned budget savings are to be realised.

An additional challenge exists in respect of the Project Director's role within EP7I. The role is focussed on the delivery major economic development projects, and requirement for overall management of E&BD continues alongside this. The Project Director's remit therefore requires review in the context of a continuing need to achieve planned budget savings whilst, at the same time, maintain continued leadership of, and management control over, E&BD.

P&SD has only one "live" PBB savings remaining for 2013/14, though the service's budget has undergone a detailed review during this year's PBB cycle to confirm that staffing resources and income streams are budgeted for accurately. The service's key workforce challenge for 2013/14 will be to sustain income streams in one of the country's best performing economies with the existing staff resources. Partnering arrangements such as with the **Strategic Planning Development Authority** will also be reviewed to ensure continued best value for the Council. There may be TUPE issues if it is determined that any of these arrangements needs to be taken back in-house.

The size and number of the Council's Non-Housing Capital Projects has a significant impact on staffing within the EP&I service. The conclusion of the legal challenge on the AWPR process means the project is moving ahead (see section below). Associated projects such as the 3<sup>rd</sup> Don Crossing also need to be supported. Planned growth in the Roads and Property maintenance budgets may lead to additional staffing requirements to manage or undertake additional work.

All Directorates continue to be charged with delivering increased vacancy factor savings in 2013/14, equivalent to 6.5% of the gross staffing budget. Vacancy management therefore becomes a key issue in delivering the budget as well as the knock-on effect that this will have on recruitment. For EP&I this is equivalent to £1.3 million and based on the final financial position of 2012/13, this appears to be deliverable.

## External Drivers

### Legislation changes

For AM&O there is a skill issue surrounding asbestos management requirements and around Health and Safety generally. This is being addressed via job evaluation and covered by Higher Graded duties in the interim. There are implications within this for the LLP proposal within Housing and Environment as all non-housing asbestos checks would remain within the Council remit. The Council has traditionally been unable to retain an Asbestos Surveyor so the position of asbestos officer has been explored and recruited for successfully from outwith Aberdeen.

There will also be a requirement for the upskilling of staff in response to the required enforcement of the bus lane legislation with cameras being put in place.

Within Building Standards, the role of processing Building Warrants and Completion Certificate applications must be completed by “verifiers”- who, at a minimum, operate as a cost recovery service and traditionally bring important additional income. Verifier status has currently only been awarded (by the Scottish Government) to local authorities and not to the private sector. However, groups such as NHBC continue to apply pressure regarding this as they seek to gain verifier status. In line with gaining the verifier status, a new performance framework has been introduced with special emphasis regarding compliance levels on site. This is resulting in a requirement to run more inspections which, in turn, has implications for the workforce levels. The cost for this increased resource requirement, could potentially be met by fee income or further income from the Scottish Government following consultation. It is difficult to predict the external economic environment that generates the building warrant income and the level of income achievable from external developments. The service is therefore addressing whether this resource will necessarily come from increased number of posts; or, alternatively, at different levels- in terms of Inspectors v Senior Building Standards Officers. There are a number of statutory backstops which the team seek to exceed and which have an impact on resource, e.g. the deadline that Building Standards must make inspection by 15 days of receipt of the completion submission.

A gauge has been attempted by the service in terms of assessing whether the Planning applications level is to reduce in the climate of austerity. Technician posts have therefore been put on-hold in line with the expectation that householder applications *are* to go down; however new requirements for initial checks will actually increase in terms of window applications etc in line with changes to the legislation. The service will therefore be conducting these strategic reviews on an ongoing basis to ensure the stabilisation of the staff resources to deliver. P&SD are also putting themselves forward for customer service excellence award- North Lanarkshire and Angus Councils have achieved this standard-and it is very useful in terms of the verifier status.

Further statutory duties that have been placed on EP&I within the last two years include:

The responsibility for disability blue badge assessments - the funding for this has been moved to Social Care and Wellbeing for an additional Occupational Therapist in their team to cover this requirement.

Flood risk management. Changes to the demands on the service with particular reference to the implementation of the Flood Risk Management Act require specialist technical skills, for example engineering experience in the field of hydrology and flood management. An additional engineer's post was recruited to at the close of 2011 relating to this; however the funding relating to this is coming from the revenue budget and as such will form a pressure going forward.

### **Demographic Considerations and Recruitment**

EP&I's overall workforce is as follows:

- Predominantly Part Time Staff – 59% - indicating a high degree of flexibility
- Mostly permanent contracts – 98%
- 62% Female 38% Male – reflective of ACC's overall demographic
- 53% over 50 – indicating that succession planning may become an issue in next few years
- 75% have more than 5 years experience with the council.
- 49% have over 10 years experience with the council
- 14% have less than 3 years experience with the council – indicative of low churn.
- 35% have more than 11 years in the same appointment.
- G4 and G6 are the most common grades and take up 50%

For Economic and Business Development, wider demographic considerations are particularly important as the City looks to the new technologies to replace oil and gas. It is important to address - *what are the new industries and what do we need for them?* The service highlight the need to make sure that the plan for growth is in place before residents drift away from the city in the anticipated 10-15 years that it will take for investment in oil and gas to start to subside. In addressing these needs, the Council is looking to retain the key element of the economic development function and the expertise within it.

The Aberdeen Western Peripheral Route was given the go-ahead by the Supreme Court in October 2012 and the service have moved quickly on Transport Scotland's indication regarding the team size required for the project, in terms of both recruiting to technical posts previously on hold and also the establishment of new posts such as Managing Agents for Procurement and Governance. The existing workforce can be flexible and mobile in this regard so that employees from other parts of EP&I can become involved as the project develops. In particular, the trainee posts in the Directorate are hoped to be incremental in this, as well as a streamlined recruitment process, on a fixed-

term basis for additional resource to the current seconded posts which could be made permanent. This project ties in effectively with the “Smarter Mobility” in the Smarter Vision, specifically: *We will develop, maintain and promote road, rail, ferry and air links from the city to the UK and the rest of the world.*

Recruitment has traditionally been a challenge area for P&SD and as such they have to established trainee roles for planning, technical officers and building standards. This continues to be a successful and appropriate approach for them as recruitment undertaken within the last year showed the difficulty with recruiting at Officer level; for the post of Building Standards Officer there were 7 applications made versus Building Standards Trainee which received 117 applications, despite the salary level for Officer being highly competitive in terms of the qualifications sought.

Within AM&O there continues to be scarcity when recruiting for mechanics and electricians, largely due to competition from the energy sector in Aberdeen. Going forward, HR will work with the service to look at more creative advertising and ways in which candidates may be attracted to relocate from the central belt. These posts will also be required in order to support the commitments made under income generation.

### **Partnership Proposals/Arrangements**

Partnerships are key to much of the work ongoing within E&BD and the projects, partnership and funding team handle arrangements for example with Aberdeen Renewable Energy Group (AREG), AECC, ACSEF, and the Hydrogen Buses Project to create an environment for businesses to flourish. New markets are developed within the trade and development team which requires a core staff focussed on projects and business growth going forward. This team works with contacts in various countries, such as Brazil, USA, Norway and Iran, to win export contracts and attract companies to Aberdeen.

(ENET - Enterprise North East Trust) is also a key Economic and Business Development partner, as it delivers the Business Gateway service which is jointly funded by ACC and Aberdeenshire Council. This type of contract/partnership arrangement could be extended in the future to encompass a possible TUPE arrangement for some elements that ACC currently deliver. Similarly, there may be the potential for Enterprise and Skills services to be provided by either extending the ENET contract or an additional contract with another suitable external contract - possibly a third sector company. This could equally be the case for the City Promotions team, where they may be encouraged to work more closely with Visit Aberdeen, whilst business growth would be retained to encourage market diversity through exporting, attract investment to the city, alongside partners such as ACSEF, Oil & Gas UK etc, and continue to maximise investment in the North Sea, maintaining Aberdeen’s stance as an International Energy Hub. New governance proposals for the Common Good fund to be approved at Council in February may provide access to new funding streams in support of new partnering arrangements. Managing these types of complex relationships, however, requires employees to possess well developed skills associated with project management, procurement,

contract management and managing external partnerships. This would therefore create a skills development issue that would need to be addressed.

Finally, it should be noted that E&BD currently has staff on long term secondment to ACSEF, BID and AREG which require review in budgets going forward.

As above, the soft market testing process within AM&O has been completed, with services remaining inhouse. The service is furthermore looking at ways in which they can work alongside the Environment Service's Streetscene team more efficiently in similar ways to those used by Authorities such as Flintshire in North Wales e.g. through multiskilling within specific teams, having "super-depots" and branding the service, e.g. with a staff uniform, logo etc that is easily recognisable by the public. The effect of a super-depot would be to potentially remove 1 of the management roles. Improved asset utilisation and a more efficient workforce avoids the need to seek staff reductions and overall works towards one of the high level priorities in Smarter Aberdeen ; *"We will provide a clean, safe and attractive streetscape and promote bio-diversity and nature conservation. We will encourage wider access to green space in our streets, parks and countryside"*.

### **Christie Commission**

EP&I is very focussed towards increased working with Partner authorities and there is the expectation that the Council generally will be increasingly working towards that goal going forward. Services within the Directorate are striving to meet the needs of communities at the same time as increasing their focus on long term strategic planning such as PBB in terms of managing the workforce implications. This also links to the Christie Key Objective to improve performance and reduce cost. AM&O have applied this particularly in terms of their soft market testing exercise and in their creative approach towards efficiencies between their own teams and the Environment Team. Workshops within their service have highlighted the need to optimising staff skills by empowering them to make decisions at a lower level. This is with a particular emphasis on increased responsibility in budgets and resourcing as well as a review of bureaucracy generally.

### **Service Development/ Redesign**

Teams in AM&O under particular focus are those of Soft Facilities management and Roads, both of whom have a project board dedicated to their transformation, required to have a plan to achieve the savings set out via PBB by March 2013. The delivery will therefore follow in financial year 2013/2014. These project boards are designed to be a platform to allow change to be developed from both staff and managers. As such, there is an email address specifically designated to this and a staff newsletter to update stakeholders. For Soft FM, the direction for change looks to be very much led by the option appraisal process which has been undertaken with staff, trade unions and key stakeholders. This will include consolidation amongst some of the roles e.g. to look for more generic supervision as well as greater use of IT across the board.



Within Roads, the project team are reviewing the majority of roles as well as existing processes to address structural issues and reporting lines.

Development is identified across the services as an ongoing need. The model of a career development scheme which rises in grade from entry level to fully trained, according to pre-agreed outcomes (achievements, experience, competence), looks to be one that would work well to fulfil these needs. This would also enable the Service to budget for a role at the top grade but recruit across the grades and potentially make a saving in the meantime if appointing at the lower level.

Against the context of the Council's strategic direction, there has also been identified at service level the need to develop managers in project management skills, brokering and negotiating with contractors as well as the need for skills related to conducting option appraisals.

### **Business as Usual Delivery Responsibilities**

All statutory roles within P&SD will come under the BAU category and Architectural, Property and Estates Services within the directorate look set to remain as is; with Investment Estate to stay in-house. However, even within the architectural team there will be structural amendments to recruit more at technician level as a "spend to deliver" from the capital programme. The slightly lower level post Senior Architectural Technicians have the skill level to take forward the capital programme, and will be appointed on a fixed term basis. These posts would need to potentially be permanent if there was a confirmed longer term view of capital investment priorities – i.e. beyond 3 years. The Council has been asked for its long term capital investment priorities by Audit Scotland and COSLA's strategic infrastructure group and work is ongoing by the Corporate Asset Group to identify these.

## Corporate Governance

### Context

This workforce plan recognises that Aberdeen City Council is a major employer in the city and that Aberdeen is highly placed in Europe for quality of living and continued economic success.

The downturn in the national UK economy since 2008, had a limited impact on the Aberdeen economy with the energy sector continuing to flourish.

Looking forward, the economic outlook for the UK remains difficult whilst locally the economic outlook is positive.

The council's five- year business plan vision is for "Aberdeen to be an ambitious, achieving, smart city". One of the eight smarter priorities is 'Smarter People' and this means we will employ and develop our staff with the aim of having a workforce across the city which has the skills and knowledge to sustain, grow and diversity the city/region economy.

### Corporate Governance Business and Improvement Plans

As set out in the Corporate Governance Directorate Business Plan 2013/14 – 2017/18, the directorate employs over 600 staff working across the city delivering services across five key services. It has an annual net budget of more than £28M which represents 6.7% of the council's total expenditure. The services delivered by the directorate are:

- **Legal and Democratic Services**
- **Human Resources and Organisational Development**
- **Procurement** (shared with Aberdeenshire)
- **Finance**
- **Customer Services and Performance**

The directorate contributes to the council's vision of being "...an ambitious, achieving, smart city" as set out in the council's five-year business plan 2013/14 – 2017/18. In addition, the Corporate Governance Improvement Discussion Paper which was the subject of extensive engagement with staff, services, trade unions, elected members and other stakeholders has contributed to the future shape of the directorate. The outcome of this extensive and comprehensive engagement exercise will form the basis of a business case, that will identify the future direction for the service and it is anticipated being reported to council in spring 2013.

Moreover, it is worth noting the progress to date which has focussed on improving the services delivered by the directorate and has involved significant levels of engagement of staff in the design of solutions. These include:

- introduction of Business Partners in Finance and HR
- integration of the Registrar's Service into Democratic Services
- introduction of the Programme Management Office
- bringing together of all staffing functions into the HR Service Centre
- centralisation of all financial processing operations.

Not only have these, and many other changes resulted in improvements in the services delivered to customers, they have also resulted in significant financial savings.

### **Vision for Corporate Governance**

The vision statement for the directorate as set out in the Corporate Governance five-year business plan 2013/14 – 2017/18 is to provide high quality, cost effective services which put the customer at the centre.

In order to achieve this, a highly skilled and motivated workforce will be required, committed to a clear set of values:-

- Excellence
- Customer focused
- Teamwork
- Respecting others
- Openness and honesty
- Upholding the reputation of Aberdeen City Council

In aligning the workforce plan to the five-year business plan the directorate has identified six principles for service delivery:

- **Customer services management** - Consistent, high quality customer experience whether it is our internal customers or citizens, using a range of different ways to communicate that are tailored to the needs of different customer groups in order to embrace a council-wide customer service culture.
- **Intelligence-led organisation** - Efficient and consistent gathering and sharing of knowledge and information across the organisation to inform strategic decision making.
- **Partnership working** - Working with our partners to deliver a range of corporate and transactional services.
- **Workforce planning and development** - Developing high performing employees through a joint commitment to development between employees and employer.
- **Financial management** - Challenge our ways of working to ensure we deliver value for money by exploring ways in which new methods of working and organisational arrangements will further improve services and reduce costs.
- **Business processes** - Streamline and standardise high volume processes in order to fully integrate back-office functions and to increase efficiency and effectiveness in the way the council

The CG Improvement Discussion Paper outlined a number of cross-cutting themes and options which will form the basis for the directorate's improvement in service delivery in the year ahead. These are:

Improvement Theme	Key Outcome
<p><b>Vision, values and staff development</b></p> <p>Enhance the clarity and importance of vision and values to the directorate. Review and develop the operating model for Corporate Governance further developing roles such as business partners and account managers to provide an enhanced service to customers.</p> <p>Development of staff capability and skills plays a crucial role in ensuring that the council can run effectively.</p>	<p>A highly skilled, knowledgeable and motivated workforce which takes responsibility. Provision of high quality services to customers using, appropriately skilled, well trained, competent staff to deliver a consistent service.</p>
<p><b>Improving management capability</b></p> <p>Managers are critical to all aspects of council service delivery. It is important that they are competent, capable and confident in delivering their management responsibilities.</p>	<p>Capable managers able to deliver management responsibilities.</p>
<p><b>Business intelligence</b></p> <p>In general terms, the council would benefit from improved management information on all aspects of Corporate Governance. This enhanced customer intelligence would support effective decision making across the council. Having accurate, reliable and easy-to access management information available in real time is critical for effective and efficient decision making. In a complex environment, streamlined business intelligence tools are needed to enhance and automate reporting and forecasting activity through the development of a manager's portal that will enhance their ability to manage their services successfully by access to better information.</p> <p>Interoperability of all systems and adoption and adherence to standards are key to the success of better clean data management. Ensure an approach and</p>	<p>The right decisions can be made backed by good quality and timely data so that management information drives improvement across the council. Enable the organisation to maximise return on investment in systems by exploiting data about our customers, service users, employees and business functions to fuel business intelligence and drive service improvements.</p>

<p>plan to adopt a common set of data and system interoperability standards for the organisation, linked to the Enterprise Architecture framework.</p>	
<p><b>Flexibility and changing needs</b></p> <p>The shape and structure of the council is set to change, potentially leading to the creation of different service entities. This is likely to offer opportunities and challenges for Corporate Governance to operate differently and be more receptive to the changing needs of the organisation.</p> <p>Better understanding of our customers needs, using this insight to change the way existing services are delivered opens up opportunities for delivery of other services.</p>	<p>Customers (both internal and external) receive services tailored to their needs based on the appropriately skilled staff, technology and workflow. Enhanced position to support changing customer requirements such as those required by arm's-length arrangements and welfare reform.</p>
<p><b>Process re-engineering</b></p> <p>Processes and workflows need to be consistently reviewed and refined to ensure they are fit for purpose and are efficient and effective and standardised as far as possible.</p>	<p>Automated and standard processes reducing dependence on manual intervention. Process should be compliant with the appropriate regulations and clearly understood by all users.</p>
<p><b>Benchmarking and good practice</b></p> <p>Harness and extend good practice and innovation to raise good standards of customer service as a core organisational behaviour and expectation.</p>	<p>Greater consistency and level of service delivery.</p>

In addition, the CG Improvement Discussion Paper outlined the key areas for individual service improvement, all of which have been subject to engagement.

This position represents the future direction over the next five years and the workforce plan needs to assess how the workforce will need to change to achieve the key outcomes. Outlined below are some of the key drivers both internal (which we can influence and affect) and external (which we probably cannot influence or affect) which the council needs to be aware of in making the necessary changes to the workforce.

## **Drivers for the Workforce Plan**

This section of the workforce plan details the drivers for change to achieve the outcomes set out in the CG Improvement Discussion Paper. The paper also identified options for improvement which will require a holistic approach to the **people** we employ, the **processes** we develop and apply and the **technology** we use.

### **Internal Drivers**

#### **People (Current Position)**

The outcome of the Performance, Review and Development (PR&D) Scheme currently being rolled out across the directorate (and council) will identify individual training needs to equip them with the skills and behaviours to do their job. The PR&D Scheme specifies behaviours against which those with management responsibility will also be assessed. The behaviours set out in PR&D are:

- Communication
- Customer focus
- Professionalism
- Respect

It is an option to supplement this by undertaking a skills audit of the directorate.

A focus on behaviours and skills will be backed up by a needs-led approach to personal development. The behaviours also underpin a set of values which are clearly outlined in the CG Improvement Discussion Paper.

#### **Technology**

Investment in technology and understanding how technology can be used as an enabler for a more efficient and a high performing organisation is vital to move the directorate and organisation forward. It may be necessary to replace existing systems as a means to support the step-change to customer focussed services delivered through direct access (self-service) where possible. The new technology must also integrate with existing legacy systems and by doing so will provide the required business intelligence through robust and up-to-date management information.

This investment in technology and move to direct service will require technology to be developed and maintained. Hence the technical support capacity for these arrangements will need to be enhanced. In addition an appreciation of emerging technologies, e.g. Cloud, should be swiftly evaluated and applied where it realises customer service benefit.

## **Processes**

Currently the council offers a number of flexible working opportunities for people which are provided for in terms and conditions of service. The Equal Pay and Modernisation employment contract allows for flexible working opportunities and frameworks have been developed for these to be applied. Across the directorate there are many arrangements where staff work flexibly with many staff enjoying the benefits of flexitime, compressed working arrangements, part-time working, term-time working, career breaks, granting of unpaid leave to name just a few.

The New Ways of Working programme is looking to support more home, remote or satellite working arrangements and this will require a review of existing processes.

The council has a number of approaches to customer service e.g. customer contact centre and customer service centre. Behind the customer service centre there are specialised services to deal with specific queries e.g. Social Work Duty Team, Revenues and Benefits, Homelessness, Environmental Health, Trading Standards etc. This provides an opportunity to review processes, end-to-end, across a range of services, ensuring that this is linked to any work on technology and people.

The council is also exploring options to set up a variety of arms-length arrangements to undertake work currently done by the council. One proposal is the establishment of the local authority trading company, which has been agreed in principle by the council. In the short term, whilst these organisations are in their infancy and finding their commercial feet, the current service provision arrangements will continue and will be managed through an SLA. However, it is envisaged that such organisations will quickly need to determine their own strategic approach to these functions. Therefore, whilst still continuing to use council services, their plans may develop to either move away from the council by buying such services elsewhere from the market or negotiating with the council to continue to provide services.

## **External Drivers**

The directorate must also be aware of the state of the local and national labour market for key occupations within areas of Corporate Governance. When the national and local economy was booming there were posts for which it was difficult to recruit and compete in the market. However, the downturn in the national UK economy since 2008 has meant that previously difficult-to-fill occupations e.g. solicitors, have eased. Looking forward, the directorate is projecting a stable workforce and in general the ability to recruit is favourable. It is recognised that there will be specialised, particularly professionally qualified posts where there is a need to compete in the market. This presents the directorate with options which include a “growing our own” initiative through offering traineeships, internships and succession planning. Human Resources and more recently Finance have supported trainees

through professional qualifications. This approach needs to be rolled out further and areas where this could be successful scoped.

There is also the potential that the council could potentially lose business critical people. In some cases staff could choose to go elsewhere for higher salaries irrespective of the work being done to promote the council as an employer of choice and a great place to work. Therefore, the council needs to keep its pay and grading structure positioned correctly supplemented by an excellent reward package.

The directorate keeps an external perspective by establishing and building networks with other companies where there are opportunities to look to second people to/from these companies and give employees and the private sector a wider perspective on how things are or could be done.

One key initiative that will directly affect the Revenues and Benefits section as well as other services across the council is that of welfare reform. The changes to the benefits system, the first of which are planned to take place in April 2013 (but may be pushed back by Government) will involve the council losing responsibility for administering housing benefit, which will move to the Department of Work and Pensions (DWP), who will be responsible for administering the new Universal Credit. However, it would appear work will be coming the other way from the DWP for the council to administer emergency crisis loans.

The welfare reform agenda will have significant implications for the council across a number of services (Social Work, Homelessness and Customer Services). Corporate Governance will need to support this through understanding what impact this will have on frontline customer delivery and support operations will be required. The retraining / upskilling of staff to support customers who will no doubt struggle with the changes to their benefits.

### **Partnership Working**

There is a strong emphasis on building public sector capacity through partnership working which could potentially permeate all services. This is being seen by the prominence given to community planning. Indeed, in forward planning for partnership working both Corporate Governance and the wider council could seek to position itself by developing skills required for managing joint/partnership working and/or organisational integration. Alternatively it may identify areas of activity where it is strong and ensure the business case for retaining such services are irrefutable in the face of potential competition from other partners with similar areas of work. It also may consider competing with other partners to deliver services outside of the council.



## **Next steps skills audit and training needs analysis**

The PR&D Scheme will determine future development requirements. The change already seen in the recruitment process to ensure people with the right behaviours is a good start to move to a better experience for our customers. This needs to be aligned with training programmes that are designed appropriately. There should also be joint arrangements with other directorates to ensure the skills of the people across the council are flexible.

To ensure there is a suitable skill-mix across the directorate the structure will recognise roles for professional, para-professional, technical and support roles where the people occupying these posts will be highly trained and appropriately qualified. We should not and cannot rely on the future supply of professional and or highly specialised people from the market. In order to mitigate the loss of key staff we need better succession planning, ensuring appropriate knowledge transfer. Furthermore, we should be looking to “grow our own” professional staff through the offering of traineeships, internships, modern apprenticeships with a view to supporting new entrants to public service identify a career path and support them. It is recognised many may leave for the private sector as we are unable to compete on salary but as long as the council gets “pay-back” for its investment in training and support, those who remain will make the schemes worthwhile.

In recognising the direction of travel for the directorate there may be a requirement for staff to adopt a more commercial edge and develop new skills and behaviours, This means looking at opportunities for identifying and maximising streams of income. This is also recognised by the opportunity for providing services to the emerging arms-length companies being set up by the council. It is envisaged that different types of skills will need to be developed such as brokering, commercial negotiation, facilitation and commercial awareness.

The move of the council to more arms-length arrangements will require the directorate to develop new skills and behaviours in dealing with such commercial arrangements. It is envisaged a different types of skills will need to be developed such as brokering, commercial negotiation, facilitation and commercial awareness.

It is envisaged that over the next few years that programme management to co-ordinate the many projects that will be required to deliver the business plan. As a result there is a need to identify staff with latent project management skills and develop these.

## **Social Care and Wellbeing**

The Social Care and Wellbeing service delivers social work and social care services across the areas of children's services, adult's services and older people and rehabilitation.

Currently, the Social Care and Wellbeing Service has a total staffing establishment of 1401 fte or 1632 in headcount terms (December 2012) with 91 vacant posts (December 2012).

Since the adoption of Priority Based Budgeting in all Services was approved by Council in February 2010, options for Social Care and Wellbeing have reduced the base budget for 2013/14 by £7.6M. Additional savings are also due for 2014/15 (£2.2M) and 2015/16 (£2.1M).

### **Workforce Planning Data Analysis**

#### **Number of employees by gender:**

87% of SC&W employees are female which is not unexpected as the care sector tends to be female dominated. In itself this poses no significant issues other than ensuring that equality is maintained and that proportionate numbers of women feature in the more senior positions in the directorate. If we examine posts in the directorate at grade G16 and above we see that 76% of these posts are filled by women and 24% by men. Thus, although showing a difference in distribution of about 10%, the gender split is replicated at the senior level in the directorate.

The real value of this indicator is its use as a cross reference with other indicators as described below. However, this indicator may suggest that working with universities and colleges to encourage more men into the profession could be worthwhile considering, particularly as, historically, there have been difficulties in recruitment to social care and social work vacancies.

#### **Number of employees by FTE:**

The number of full time vs. part time staff is quite a close statistic with 55% of staff working full time and 45% working part time. The numbers of part time workers might have been expected to be higher given the gender split of the directorate but this perhaps reflects the impact of the age profile which is described elsewhere.

This indicator can be important from a workforce planning perspective as it provides a framework of deployment for resources. Clearly when working with large numbers of part time staff it is crucial to ensure that their deployment is carefully structured and understood so as to ensure service delivery is maintained at appropriate levels at all times. It can also make it more difficult to make staff based savings as more staff numbers have to be taken into account to achieve an FTE saving.

### **Number of employees by contract type:**

The Social Care & Wellbeing service is staffed predominantly by permanent staff (97%) with only a small percentage of temporary (fixed term). This provides a degree of stability in the workforce although it is necessary to also include an analysis of the use of agency workers within the service to cover vacancies and sickness absence, as agency usage is costly and unsettling from a planning and risk point of view. This exercise will be undertaken and outcomes reported separately. The service would also need to consider that with such a large percentage of permanent staff the options to reduce costs through the ceasing of fixed term arrangements are limited.

### **Number of employees by grade:**

The grade distribution across the directorate shows three distinct spikes:

G9 – 33% of total staff

G11 – 18% of total staff

G13 – 22% of total staff

There are concentrations of staff both below G9 down to G4 as well as above G13 to 16. The distribution of staff across the 3 main spikes appears to demonstrate a service where the focus is on the delivery of a service with qualified professional staff with the 3 spikes indicating progression from para-professional through newly qualified to experienced professional which is not unexpected. The data shows that it would be possible to reduce service costs by altering the balance of para- professional and professional staff, but this must be counterbalanced by the requirements of service delivery that are required. This indicator would be best utilised in future planning when set against the forecasts for service demand and the mechanism for delivering on that service demand.

### **Number of employees by age:**

The data shows that the Social Care & Wellbeing directorate is an ageing one with a significant population of staff over 40 years of age. However, the spread of data across the age ranges demonstrates only a moderate ageing trend. There are significant distributions of staff in the lower age ranges to counterbalance those at the higher ranges. The overall distribution therefore is actually relatively flat.

The data itself shows two concentrations of staff. The first peaks at the age of 31 with 41 staff. This is the highest point in a range that runs approximately from the ages of 24 to 35 and incorporates 24% of the directorate. The second concentration of staff peaks at the age of 52 which has 60 members of staff at that age. This is the highest point in a range that runs approximately from the ages of 39 to 58 and incorporates 58% of the directorate.

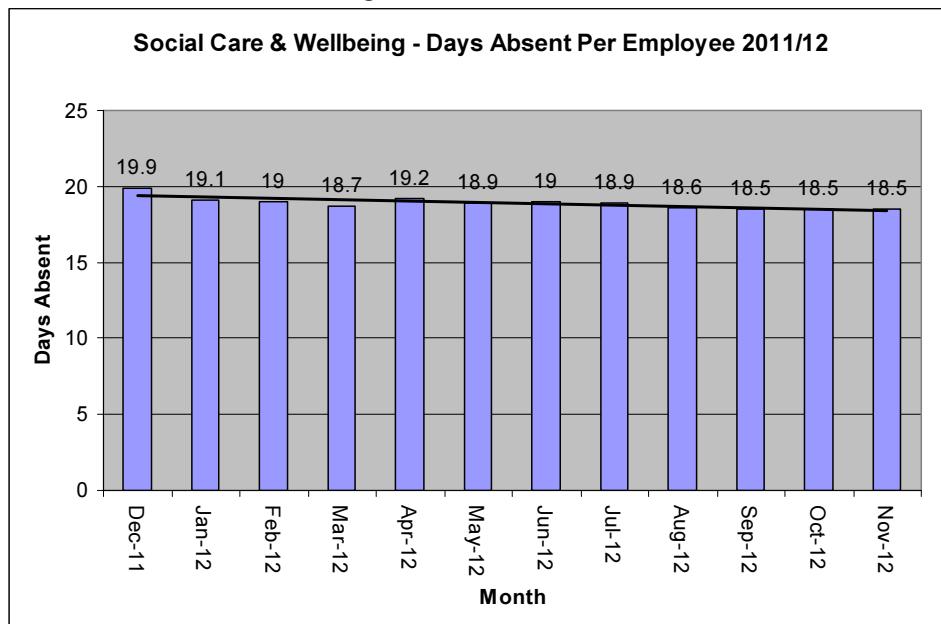
Clearly with a range of almost 20 years covering the second concentration compared to the 11 years covering the first this re-enforces both the notion of an ageing workforce but also demonstrates the concentration of younger staff

which provides opportunities in terms of succession planning routes for them into posts currently occupied by older and experienced members of staff. Such a process combined with active knowledge management is vital for service continuity. It will also be important to continue to ensure that there remains this group of younger staff in the organisation bringing new ideas, energy and skills into the directorate and so this needs to be one focus of the directorate's recruitment strategy, possibly requiring continued engagement with schools, colleges and universities to ensure that young people still continue to enter the profession.

This type of process means the service can negate the large number of experienced staff that are within ten to fifteen years of retirement (assuming approximate age 65).

**Absence:**

The graph below shows the number of days absent per employee for the Social Care and Wellbeing service from Dec 2011 to Nov 2012:



The graph demonstrates an overall decreasing trend although in keeping with the overall ACC figures there is a more recent increase seen in April 2012 and the trend has stagnated into a no change state from September 2012 onwards. Regardless of an overall decreasing trend which represents progress, the actual number of days absent remains high and represents significant cost as there will be a requirement to cover some of this absence with relief or agency workers, thus the cost of the absence is not just calculated in lost productivity. Reducing absence should be a key workforce planning objective for the service. Further information on this would be required to understand the split between short vs. long term sickness and to highlight further trends in sickness, reasons for sickness or locations where sickness absence remains an issue thus allowing the service to target proactive management in key areas to reduce the rate again.

The table below shows the numbers of leavers for SC&W for the year April 2011 to April 2012 and includes both voluntary and involuntary leavers:

<b>Reason</b>	<b>Number of Leavers</b>
Death	4
Did Not Start	1
Dismissal	20
End of Temporary Contract	93
Ill Health Retiral	9
Leaving the Area	10
Maternity Non Return	6
Max Attendance Capability	-
New Job Outwith ACC	4
None/Resigned	25
Redundancy	66
Retiral	1
Severance	17
Termination of Contract	20
Grand Total	15
	291

The number of voluntary leavers is: 107 (6.74% turnover)

The number of compulsory leavers is: 184 (11.59% turnover)

The fact that the greatest number of leavers comes into the 'end of temporary contract' category could be of concern. This demonstrates a significant transient element to the workforce, largely made up of fixed term workers. This has potential implications on service quality, risk assurance and costs as well as impacting on team morale and cohesiveness. It has been recognised by Social Care and Wellbeing SMT that in recent years, the underlying reason for larger numbers of fixed term / relief workers has been budget driven. Recruitment has been restricted to fixed term rather than permanent contracts and it is not expected to be an ongoing issue due to transformational change in the service.

A relatively high percentage (7%) of leavers were by reason of dismissal which may reflect a positive move towards a performance culture where poor performers and conduct issues are managed effectively. Further analysis of these dismissals would be required to identify patterns or trends that can be acted on. More details would also be required to better understand the reasons for the 66 people that left in the 'none/resigned' category as there may be useful workforce intelligence in that group.

### **The Social Care & Wellbeing Agenda**

The 5 Year Business Plan and the Priority Based Budgeting (PBB) approach coupled with a vast and complex national strategic agenda has resulted in

proposals for huge transformational change in the way the Social Care and Wellbeing delivers its services and will deliver its services in the future. As a result there are very significant demands on the current and future workforce. To be in a position to deliver these agendas both now and in the future, it is essential to consider the workforce implications associated with these proposed changes.

### **Internal Drivers: Business Plan**

The ACC 5 year Business Plan 2013/14 - 2017/18 outlines the Council's vision for Aberdeen to be an ambitious, achieving, smart city. The plan contains a number of key priorities for the SCWB directorate including:

Smarter Living – this is a commitment to enhance the physical and emotional wellbeing of all our citizens by offering support and activities which promote independence, resilience, confidence and self-esteem.

### **PBB Options**

#### **Review workforce skills mix to consider the number of professional staff and replace with para-professional staff. (SCW6)**

This option comes from the Changing Lives: 21<sup>st</sup> Century Social Work review. There are a number of considerations:

- determination / clarification on the term para- professional.
- the criteria for allocation of work responsibilities needs to be determined;
- the qualification level needs to be determined. e.g. will a para-professional require SVQ Level 3 or Level 3 and HNC;
- need to consider job profiles for professional roles and determine what duties / support could be undertaken by para-professionals;
- Potential opportunity to rationalise job titles, job profiles, qualification levels and grades.

In the Older People & Rehabilitation section, para-professionals already exist and the model works well. For example, Care Managers undertake the full professional role, assessing and developing care packages. Care Co-ordinators are the para-professionals and undertake the maintenance of care packages and carry out reviews.

In Children's Services there are para-professionals in the form of Family Support Workers and Family Aides. This may well be an increasing area of the workforce – using para-professionals and other support staff to carry out support and practical tasks ensure that social workers are used to carry out the core function of their regulated post. The use of para-professional staff needs to be overseen closely to ensure that when work or a task meets a certain threshold that a social worker is allocated, for example, assessment and statutory work. It should be noted that para-professionals are not a substitute for social workers.

For other parts of the service, there is an option to consider the use of para-professionals as Social Work Assistants to undertake non-statutory social work or other duties. It is not clear at this stage what the workforce implications of this option are. Further work will need to be undertaken to determine the business case.

#### **Reduce the number of specialist care placements for children and young people by redesign and small addition to existing local services (SCW14)**

The build of the new children's unit at Marchburn Road is part of this option. This means additional capacity and an increase in the residential staffing establishment. The recruitment of residential childcare staff is difficult both in terms of the quantity and quality of applications. There is also a link to the review and redesign of the residential service within children's services, which will consider staffing models and possible changes to existing terms and conditions, all of which will have workforce planning implications.

#### **Redesign of family and community support services (SCW15)**

The service has been developing a range of community based services including redesigning the family and community support service to ensure a proactive, flexible approach. This is part of the strategy to build capacity in the city as alternatives to residential or secure accommodation. One of the major challenges in workforce planning terms is that this change to service delivery requires a much more flexible workforce providing a service 7 days per week outwith normal core hours.

#### **Investment in local fostering and adoption capacity (SCW16)**

This is likely to be an increasing area of service with the development of a SVQ Level 4 or 'professional' scheme. There will be increased training, development and qualification requirements.

#### **Jointly commission service with other organisations (SCW13)**

There are potential efficiencies and economies of scale to be made from this approach. Examples could be having a single prison social work service which covers all three of the Grampian area local authorities and hosted by one employer, which reduces duplication of services. There may be other social work services which can potentially work on a similar model. There may be implications for reduced workforce in these areas but these will not become clear until the business case is drawn up and costed.

#### **Establish a LA trading company to provided direct social care services for older people (SCW21)**

The business case to create and establish a local authority trading company has been approved and the implementation stage commenced. The

implementation plan involves creating an organisational structure for the company, developing the governance arrangements for operation of the company and developing the TUPE arrangements for all relevant staff. The target 'go live' date for the LATC is April 2013.

In workforce planning terms, the move of all older people's services, occupational therapy and rehabilitation services and learning and development to Bon Accord Care Limited will result in a significant reduction in the Social Care and Wellbeing workforce. Approximately 600fte employees are in scope to transfer to the LATC under the TUPE regulations.

Ongoing workforce implications of the LATC workforce will need to be determined in conjunction with the Board of the LATC. In addition, there are implications for the employees and services not transferring to the trading company which need to be considered.

### **Redesign of learning disability services (SCW1)**

This redesign, now completed, represents significant change and has rationalised the management structure across the four residential learning disability units and one day care unit within the Council.

In terms of workforce implications, it is likely that the personalisation agenda is likely to result in a radically different workforce to that which is currently in place.

With service users being able to choose the type and level of care they require, establishment day care is likely to reduce. It may be that what is required is a pool of employees which service users can tap into on a spot purchase basis.

Another option might be that rather than being employees of the Council that our existing employees become 'employed' by the individual service user on a personal support assistant basis and this clearly has significant workforce implications which have yet to be determined.

### **External Drivers: Legislative Changes**

The major piece of legislation on the radar with huge implications for the Social Care and Wellbeing Service over the next few years is the *Self Directed Support (Scotland) Bill* – which if approved will become the Self Directed Support Act later this year. This legislation empowers people to direct their care - to have informed choice and control about how their support is provided. There are several options to enable service users to take more control.

One way is taking a direct payment. This is where a local authority makes a payment direct to the citizen in place of services that otherwise would have been arranged by the authority. As an alternative, people can direct the



available resources. They can take and manage a direct payment as part of this but they do not have to - an individual budget or individual service fund.

If this legislation is approved it will require the Council to provide the various options available to citizens - making it clear that it is the citizen's choice as to how much choice and control *they* want to have. As a result, it will have a fundamental effect on how local authority social work services are delivered, predominantly in adult services, but will have an effect across the board. It will completely shift the relationship between service users and funding bodies.

Workforce implications are significant in that currently the Council provides a range of day and residential care services which are establishment based and a range of staff are employed to operate these facilities. If service users choose to purchase alternative care services or from other providers, there may be issues in terms of workforce requirements.

### **External Drivers: Demographic Considerations**

The population in the 65+ age group is predicted to rise in Scotland by 10.5% in the period from 2012 to 2017. In Aberdeen, the increase is projected to be slightly lower at 10%. This has a significant impact on the Council's future planning for care of the elderly, which is a major driver of demand for social care and wellbeing services. The increase in the 65+ age group will also have an impact on housing, which whilst not a general fund service, will be key in supporting the balance of care agenda.

Although a national issue, the ageing population in the Aberdeen area and an ageing workforce within Social Care and Wellbeing is a considerable challenge in workforce planning terms.

Existing care staff are predominantly female and within an older age group and it is an ongoing concern about how to recruit and retain new talent when the current workforce retires or exits the organisation.

At present it is not possible to recruit sufficient direct care staff to fill jobs on the Social Care and Wellbeing establishment. The core staffing is supplemented by relief staff or in the majority of cases by external agency workers, for which the organisation is paying higher rates than the established pay rate for the job. There are implications in terms of the (sometimes poor) level of training of agency workers, the impact there is for service users in terms of continuity of care and the loyalty and commitment they have to the organisation.

The 'Aberdeen' factor - the low unemployment rates coupled with the cost of living in Aberdeen has meant that it is increasingly difficult to recruit social work and social care staff from outwith the Aberdeen area. There is anecdotal evidence that providers are unable to source staff within the locality to fulfil some social care contracts, and are sourcing staff from the central belt (and paying for the associated costs).

Workforce planning issues for consideration:

- Potentially redesigning roles to make them more attractive and jobs more fulfilling;
- Providing career paths – ‘care’ as a career choice - providing career progression from unqualified carer to qualified carers and / or management.
- ‘Growing our own’ scheme – both for Social Workers and for Carers. There are cost implications of seconding staff to BA courses across the service – but this could be a ‘spend to save’ initiative. Also there is a need to consider alternatives to the academic qualification route, such as vocational training. Trainee Carers could be offered development opportunities / further responsibility and could be rotated around different parts of service in order to gain further experience?
- Market the ‘Carer’ role to different segments of the recruitment market such as school leavers / female returners / men. Such initiatives focus on selling the positives of the roles; a rewarding job, flexible hours, good benefits package and career path.
- Consideration will need to be given to modern apprenticeships / apprenticeships and developing improved links between schools and colleges to market the job / career options. These are issues currently being considered within the HR Service.

### **External Drivers: National Policy / Strategic Initiatives**

#### **Changing Lives: 21<sup>st</sup> Century Social Work Review**

This strategic initiative has a number of recommendations relevant to workforce planning which need to be considered:

- to enable and support social workers to practice accountably and exercise their professional autonomy;
- to develop a learning culture that commits all individuals and organisations to lifelong learning and development;
- to deliver services by effective teams designed to include the appropriate mix of skills and expertise and operating with delegated authority and responsibilities;
- to develop enabling leadership and effective management at all levels and across the system.

#### **The Personalisation agenda**

This links to the Self Directed Support (Scotland) Bill (see above). The definition of personalisation is to ‘enable the individual alone, or in groups, to find the right solutions for them and to participate in the delivery of a service. From being a recipient of services, citizens can become actively involved in selecting and shaping the services they receive’. (Scottish Government website)

Personalisation will have implications for the roles, tasks, skills and development of the workforce overall. There is a need to look at the current and future requirements of those working in the areas covered by the personalisation agenda and to establish whether there are any skills gaps or training and development requirements to equip people for a changing environment and requirements.

### **Shifting the balance of care (SBC)**

This is a nationally led agenda that requires a partnership approach between the NHS, Local Authorities and the voluntary and independent sectors. By Shifting the Balance of Care (SBC) the aim is to improve the health and wellbeing of people by increasing the emphasis on health improvement and anticipatory care, providing more continuous care and more support closer to home. In essence it's about moving resources from 'institutional' hospital or residential care to enabling people to be cared for at home.

In workforce planning terms this agenda requires professionals and staff to develop their skills, expertise and roles. It requires real partnership working between staff in the NHS, and Local Authorities, and agreement on outcomes and care pathways delivered by community based multi agency teams. It means shifting our view of individuals as passive recipients of care towards full partners in improving their health and managing their conditions.

All of these strategic agendas have huge workforce implications as it may result in a reduced need for staff within 'institutional' care such as residential establishments, but a much higher need for staff working in service users' own homes or in other service provision. This may require changes in skillsets, working hours, how employees are contracted and terms and conditions.

The social care and wellbeing workforce has already begun to reflect these changes through utilising the Scottish Government Change Fund (funds set aside for initiatives for reshaping care for older people to enable people to live at home and avoid admission to hospital).

As part of the preventative agenda, much progress has already been made. A re-ablement team has been created which sees a team of Occupational Therapists and Carers working together with service users to enable them to remain in their homes and to live as independently as possible. The aim is to use intensive occupational therapy to enable service users to re-learn skills that may have been lost, to gain confidence and independence and to learn to live and adapt to changes in their disability or illness, thereby reducing care input.

Workforce implications associated with these changes are as follows:

- Skillsets may be different, additional staff may be required but with revised job profiles;
- Training implications across the service;

- A review of employee terms and conditions may need to be considered in that this agenda requires a seven day service, but what is required is flexibility without the cost of current shift enhancements etc.

### **Integrated Children's Services Agenda: Getting it Right for Every Child (GIRFEC)**

The service is working to embed the principles of Getting it Right for Every Child (GIRFEC). This will support GIRFEC's key principles of keeping children and young people within their own families and communities, supported wherever possible, by universal rather than specialist services. This is in line with the Single Outcome Agreement objective that we have improved the life chances of Children and Young People and families at risk and the local objectives that children and young people live within a supportive family setting with additional assistance, if required, or where this is not possible, within another care setting ensuring positive and rewarding childhood experiences and that children and young people are protected from abuse, neglect and harm by others (and self) at home, at school or in the community.

The Children's Social Work Service has continued to build on the positive improvements to outcomes. We have developed a number of new services and interventions to better support children and young people in Aberdeen.

The Service priorities are;

- To retain children at home with their families when that is safe and appropriate
- To provide quality care locally to children who require to be accommodated either in foster or residential care
- To retain children and young people in the Children's Hearing system
- To support children and young people while minimising their involvement in statutory systems
- To listen to children and families and involve them fully at every stage of our involvement
- To contribute to positive outcomes for children
- To work closely with a partners in the Third Sector.

There is a new multi agency Child Protection Improvement Plan following the 2011 Child Protection Inspection which is managed through the auspices of the City Child protection Sub Committee.

Since April 2011, there is an Intensive Support and Monitoring Service in the City available to the Children's Hearing as an alternative to secure Care. Partners in Youth Justice Services are working closely together to ensure successful implementation.

The city has received a three year allocation of funds from the Early Years Change Fund. The focus of the change fund in the city will be the promotion and support of positive, secure attachment for children. This recognises the importance of attachment in the long term development of children.

New operational procedures for Getting It Right for Every Child have recently been launched and a programme of multi agency training is underway. There is now a city wide format for the Child's Assessment and Plan which will be used by all working in Children's Services.

### **Core Competencies for all Children's Services Workers**

The goal is to have interchangeable skills across social care, education and health. The Scottish Government paper which sets out the common core competencies and skills for children's services was published in August 2012. This supports the GIRFEC approach and national introduction of named person and lead professional. It sets out a baseline of expectations for staff working with children.

### **External Drivers: National Qualification and Registration Requirements**

The Scottish Government introduced required registration for key groups of social service workers to ensure that workers are competent and confident to undertake the important and complex work required of them and that they are suitable and remain suitable to work with children and adults who are vulnerable. Registration sets qualification requirements and standards of conduct for workers.

The Scottish Social Services Council (SSSC) opened their register in 2003 and operates a rolling programme of registration dates for the various categories of social service workers. The qualification requirements affect the whole social care and wellbeing workforce.

There have been huge implications to get the various categories of social work and social care staff qualified in line with the programme and this is ongoing through to 2020.

There have been and will continue to be implications for some employees who have been employed with ACC for many years and work well as practical carers, but as they are required to register and the qualification requirements are set, are unable to pass the qualification or perhaps to take on the responsibility for managing staff . There are potential capability / redeployment implications to be considered.

### **Partnership Proposals / Arrangements**

#### **Integration of Adult Health and Social Care – Scottish Government Proposals**

There is a recognition that separate, and sometimes, disjointed systems of health and social care can no longer adequately meet the needs and expectations of increasing numbers of people who are living into older age, often with multiple, complex, long-term conditions, and who need joined up, integrated services.

There are already examples of joint working and joint teams between Health and Social Care in Aberdeen and there are a number of jointly funded posts. An example is the recent integration of the Council's out of hours care at home service and the community nursing out of hours service, with a joint coordinator post to maximise the benefits of integrated working.

The Scottish Government consulted on proposals for the integration of Adult Health and Social Care and are currently considering the analysis of the consultation exercise. It is anticipated that a report will be issued in early 2013. It is proposed that new legislation will be required to implement the necessary changes resulting from the recommendations.

As the consultation is at an early stage, the workforce implications cannot yet to be determined.

## Housing and Environment

### **Business Plan**

A redesign of structures and roles has been undertaken in most areas to meet the requirements of the business plan. These included amalgamating teams and establishing new posts which incorporate new ways of working. There has been a reduction in a Service Manager's post. The needs of the business will be kept under review.

There is the potential for an apprenticeship scheme to be introduced for the housing management area.

### **Other Internal Drivers**

The creation of a Housing Options and Advice centre is a creative and innovative concept which may involve bringing together various teams including Welfare Rights, Housing Selections, Allocations, Debt Advice, Homelessness and others to meet the needs of the citizens of Aberdeen. The development of this has already commenced although actual implications on the workforce are not yet known.

A review of parking in the City is ongoing and being led by EP&I and there are unlikely to be implications on the workforce in the short term although discussions around capital assets, such as car parks and the need for investment may, in due course, have implications.

### **External Drivers**

#### Legislative

From the 31<sup>st</sup> December 2012, with the removal of priority needs status, the obligations on the Council in delivering its Homeless Service will increase. The Council has placed considerable emphasis on early intervention and prevention activities and this is already paying dividends. The full implications of the 2012 targets are not yet known and, as this is predominantly a reactive service, our resource implications will be kept constantly under review.

The impact of the welfare benefit reform cannot be overstated and will impact substantially on the economy of the City, its environs and the way in which we will require to respond in firstly preventing additional homelessness, income collection, demands for support and advice, and how we develop a future anti poverty strategy. The exact implications are unclear at this time but are unlikely to be considerable and will impact on every Service within the Council. A multi-directorate and agency programme is currently underway including developing proposals to respond to the changes. One area of change could provide for the co-location of Council and other agencies staff.

Staff resources for benefits, budgeting advice and housing support will require to be kept under continual review as the impact of the changes on the Council and its residents becomes clear.

## **Partnership Working**

Discussions have been ongoing regarding a joint project with the Police regarding Community Safety and CCTV – the Community Safety Hub, which will include a number of teams. The HUB is due for implementation in January 2013 but CCTV discussions are ongoing. The workforce implications of this are unknown at this time. The evolving Scottish Governments regeneration strategy will require a considerable degree of increasing involvement by local communities in decision making that effects their housing estates. Responsibility within H&E will be taken up by the expanded generic role for Senior Housing Assistants and Housing Assistants in the area offices.

## **Regeneration and Housing Investment**

### **PBB Options**

One proposal which is still being considered is to establish an arms length Local Authority Trading Company which will result in 'in-scope' staff being transferred into the new vehicle under TUPE regulations. This accounts for approximately 483 fte. There will be a requirement for any staff, who currently support the Service and who will remain in the employment of the Council, to develop skills around partnership working, business partnering and contract management, and may include a potential small increase in the retained staffing element. Discussions are ongoing regarding this to ensure a clear understanding of roles and responsibilities.

The business model needs to change to meet the increased demands of this area of work and/or manage the decline of work and alternative proposals are being considered. The workforce implications for this are unknown at this time.

The Service is also currently re-invigorating the Council's Regeneration programme although no clear indication of specific staffing implications is known at this time. This process will be developed at a corporate level with other Services of the Council and other agencies through Community Planning Aberdeen.

### **Business Plan**

This is predicated on ensuring the Service responds to the property maintenance and development needs of the Council's estate. The current workforce is employed to meet current demands, and the business planning reflects that the core business of repairs and maintenance will continue to be delivered by either the Service or its Arms Length Company into the long term future.

The plan however, also indicates a shift in responsibility for delivering capital works, with much of this now being delivered by the Service 'in house' instead of being contracted out. In addition, a major element of the current



programme of capital works finishes in 2015. As a result, the Service has developed its staff and uses an increased number of agency staff to deliver the capital programme. Planning into the future, the Service will need to be equally flexible with its staffing needs to meet changing capital development programmes from the Council, or in the Commercial Market as an Arms Length Company. It is also committed to establishing fixed term contracts proposals with staff who may currently be employed through an agency.

Finally, integral to the business planning of the Service is the continuation of a well established apprenticeship scheme which provides social and economic benefit to the Council.

### **Other Internal Drivers**

There are a number of planned contracts currently in place which have the potential to come in-house resulting in a potential increase required in Craft worker positions.

The responsibilities of our Corporate Parenting policy are currently incorporated into apprenticeships being available. This is within the craft workers area and will continue to be developed. It is anticipated that this will continue with the establishment of the Arms Length Trading Company.

### **External Drivers**

#### Economic

There is little sign of an increase in the performance of the economy throughout the UK and although to date Aberdeen has been resilient to the effects of the downturn economy, this may still impact on House Builders in particular. The implications are that, for the next 5 years, the position will remain largely unchanged and there is likely to be an increasing demand for Council services such as welfare rights support, Council and affordable housing, and support to maintain tenancies.

#### Regulatory

From 2015 new Scottish Housing Quality Standards (SHQS) requirements will dictate the capital investment and the work programmes that will be required through until 2025. This will most probably result in upskilling or training programmes for staff or a reduction in the requirement for certain posts if the standards are amended.

### **Environment**

#### **PBB Options**

The external delivery or attaining equivalent efficiency savings as part of PBB on grounds maintenance and street cleaning services has been achieved. The service will continue to look at methods of work and working patterns and if better, more efficient ways of working are identified the service will, where applicable, follow consultation and negotiation using agreed procedures, prior to implementation. In addition, there may be the requirement to offer staff

training so that they can perform effectively in delivering the work in a different way.

Attaining equivalent efficiency savings on the fleet aspect of street cleaning, grounds maintenance and waste, although being led by EP&I will have an impact on H&E particularly if part of the fleet maintenance is procured externally. The result could give an increase in productivity due to a reduction in vehicle down time. The implications upon staff are unknown at this time.

There have historically been reductions in the service to selected parks and gardens. The service has been and is currently exploring alternative funding arrangements to add additional value in the parks and gardens through various schemes. These initiatives have been and will continue to be considered and introduced. To date there is little indication of a negative impact of these initiatives on the workforce. Certainly the development of friends groups and becoming more customer focused to attract investment will mean changes in the way that staff have worked, and may require a review of skills and competencies.

The implementation of mobile working for field staff in Environmental Health and Trading Standards has commenced and will result in a reduction of four posts over the next three years. The team are aware of this proposed change in the structure, which is to be achieved by not recruiting to vacant posts (both current and those which will become vacant through retirement). Alongside mobile working, the ways in which staff worked have been reviewed and the service continues to move away from specialist teams to generic teams which will result in staff multi-skilling and achieving a more flexible service. A career progression scheme will be introduced to ensure that we are growing our own which should assist with retention.

In terms of implementing the waste strategy there will be changes in the number and types of domestic waste collections and commercial waste collections, including changes to the charges mechanism and the implications of this could be numerous. Schedules for collection could change, either resulting in more staff or less staff being required and volume/weight of materials collected may increase following promotion and awareness raising with the citizens. A revision of working practices is underway to accommodate the changes to ensure delivery of an efficient service.

The Scientific lab is looking to increase its commercial work which could result in an increase in staff. However there is currently a review of the Public Analyst and Scientific Laboratories across Scotland with a view to developing a unified Scottish service jointly with SEPA. This is at an early stage at the moment but the proposed timetable should the review develop is to create the new service within the 2013 /14 financial year. There would be an impact upon the staff in this service but to what extent is unknown. There will be a requirement to commence discussions with staff early in 2013 regarding progress and, when relevant, the impact of this review.

## **Business Plan**

New ways of working are being explored to ensure that the service delivery gives both value for money and is competitive. This could involve new working patterns, new structures and posts.

## **Other Internal Drivers**

A career progression scheme for Environment services will be developed to ensure that we are growing our own and retaining competent staff where training has been invested.

Within waste services a new routing system is being developed which will require training for individuals. Once the technology is established, this will feed into the work methods being developed to ensure that productivity levels are increased.

Vehicle/fleet maintenance compliance/health and safety is an ongoing driver and continued training of the workforce in these areas is required.

## **External Drivers**

### Regulatory

There are national reviews currently being carried out on Trading Standards and Food Safety (Environmental Health) services. It is not yet known what the outcomes of these reviews will be or if they will have an impact upon the service. Some of the reviews could run into 2014.

### Demographic

The development plans for Aberdeen indicate a growing population over the coming years. This could result in increased materials to be collected as waste, recycling and compost. Current trends show that the total tonnage of "waste" generated is decreasing; which could be due to various reasons such as the downturn in the economy or reductions in packaging. There are also legislative drivers to reduce the amount of waste land-filled and to increase the amounts of waste recycled and composted. These drivers require the service to review the methods used to collect the waste and recycle/compostable materials. These drivers will also influence the levels of staff resources required to deliver the service.

## **Partnership Working**

Within Environmental Health there is a potential joint venture in the areas of private water, animal feed etc. This could be on a mutual basis in that work which is within the Shire is undertaken by the City and work which is within the City is undertaken by the Shire.

The Heritage Lottery Fund is currently involved in the Duthie Park restoration and it is anticipated that further funding could be sourced for new initiatives in the future for other parks and gardens.

Work has been ongoing with the Foyer in relation to Environment and it is anticipated that this will continue. The benefits of this are that it allows an opportunity for disadvantaged young people to develop skills to enable them to enter the work place. An additional advantage is that it reduces the services need for agency. The service has employed several individuals from the Foyer following them working through this system. Although the process seems successful we may still need to place a tender for these works in the future.

### **Support Function**

#### **PBB Option**

A saving has been identified to be made from the support function and it is anticipated that this will be made from current vacancies.

#### **Other Internal Drivers**

It is crucial that the support function is able to adapt to the needs of the Service at all times and an ongoing assessment of requirements is being undertaken to ensure that the function is meeting the needs of the Service.

#### **Other Considerations**

If there are apprenticeship schemes which have financial incentives these will be looked into and a mentoring scheme could be created. It would be beneficial to establish a mentor post for the craft areas which could incorporate this element.

The introduction of new electronic management systems throughout the Council will have an impact on the way many individuals carry out certain aspects of their roles and may impact on required levels. The exact impact of this is unknown at this time.

#### **Other Partnership Working**

The Christie Commission will impact on all areas of work and will require a significant effort for local involvement and non-silo working. Discussions are beginning with community planning partners and the review of the single outcome agreement may have an impact on how we work.

There is the potential for joint venture/partnership arrangements within the public sector to be sought for the procurement of North and North East based contracts, which will be pursued.

#### **There are 6 key themes emerging from the workforce plan so far:**

Empowerment – many of the working practices moving forward are aimed at empowering individuals to take more responsibility whether this be on an

individual or team basis. Devolved responsibility will be a major step forward and will ensure that individuals are committed to the organisation.

Performance – with the introduction of the new performance review and development (PR&D) scheme, this will link in very well with the empowerment element and will focus individuals on their own performance as well as that of their teams.

Commercial thinking – it is increasingly important that staff become commercially aware as this will be a major focus for the direction of travel of all the Services in the Directorate. Historically, the Council did not always present itself as commercially focused and this now needs to be a critical area of development.

Supporting change – with all the major change which has been ongoing and with the introduction of an Arms Length Trading Company, it is imperative that individuals are supported and communicated with through the continued changes.

Development – linking with supporting change, as roles change, the need for development increases and it will be crucial that training plans are in place for individuals and teams in order for them to reach their potential and deliver the outcomes which are required.

New ways of working – there will be an increasing requirement for remote working to support efficiencies in delivering services and also to improve the quality of services to citizens throughout the City. This has implications for technology, hot desking, office space etc.

### How we will achieve the vision

#### 1. How we will develop the skills and capacity of our workforce

- By continuing to invest in the development of people to enhance their skills, and performance and help them meet the changing organisational requirements;
- By further embedding the new manager/ employee behaviours in the organisation through our PR&D scheme;
- By ensuring that personal development plans resulting from the annual performance review meeting reflect organisational needs as well as individual needs. In a time of constant change, our workforce needs to feel that their skills and opportunities are growing and be clear about how they can develop their careers in the organisation;
- By continuing to offer a powerful leadership development programme for managers;
- By actively planning for succession, by using the PR&D scheme to identify our managers and leaders of the future and ensure that they are ready and capable for the change in demands of higher level posts when they become available;
- By designing and delivering Modern Apprenticeships;
- By providing support for employees in planning and managing their careers. This is an important feature of the PR&D scheme;
- By continuing to work jointly with partners through strategic partnerships, thereby enabling us to share information and expertise and to plan jointly;
- By offering staff a range of in-house programmes and learning opportunities based on the learning and development priorities identified by directorates. This includes an increasing range of e-learning materials;
- By developing our “Growing our Own” initiatives as a means of addressing recruitment and retention problems;
- By creating better business support services so that employees know who to go to for help. For example, by developing Sharepoint which enables employees to list their areas of skills, knowledge and expertise on our intranet to allow for informal mentoring, coaching and sharing of good practice.

## 2. How we will develop the organisation

- By promoting a culture and leadership style that reflects organisational values. The behaviours set out in the PR&D scheme set the culture of the organisation;
- By ensuring that a high performance culture is embedded within the organisation and that it delivers ongoing improvements in quality and efficiency;
- By empowering employees to take direct responsibility for responding to the needs of our customers quickly and effectively without unnecessary bureaucracy getting in the way;
- By ensuring that the culture changes required for increased use of new technology (e.g. e-forms, YourHR) are embedded in the organisation;
- By ensuring that the organisation's structures are designed to cope with the changes needed;
- By introducing new systems and technology to enable transformation and smarter performance;
- By providing managers with workforce planning tools that support them more practically in their workforce planning which in turn will allow for iteratively more sophisticated conclusions and subsequent action planning.

## 3. How we will resource and attract 'top' talent to the organisation

- By developing smarter recruitment and retention strategies to address current and future hotspots;
- By increasing use of digital recruitment strategies to build a relationship with potential staff and convey the benefits of working for the organisation. This includes using bespoke social media campaigns and creative messaging to promote the organisation in both general and specific roles;
- By strengthening the organisation's reputation through conveying and promoting our values and achievements via a range of media sources. This will help retain our position as an **'employer of choice'**;
- By ensuring we employ people who are able to display the right behaviours, with the right motivational and cultural fit, as well as having the right 'technical' skills;
- By continuing to explore the creative use of graduate, apprenticeship and other trainee schemes;

- By introducing a new recruitment framework, referred to as Talent Resourcing, which is designed to attract new talent into the organisation, particularly at a graduate and school leaver level. This includes the following elements:
  - **Adopt an Intern (graduate internship)** – a graduate level paid internship giving graduates the opportunity to gain work experience in their relevant field of interest;
  - **Corporate Parenting Internships** – typically an entry level paid internship for those who have been looked after children (i.e. children in the care of Aberdeen City Council);
  - **Modern apprenticeships** – aimed at school leavers and providing paid work experience and development, often in business areas such as ICT and finance;
  - **Graduate recruitment scheme** – a structured scheme to develop university graduates with potential into future managers and leaders of the organisation.
- By focussing on non-financial benefits when looking to attract staff, particularly where it has proved difficult to market certain jobs. This involves stressing our values and building recruitment strategies around the intrinsic rewards of public service (e.g. promoting flexible working);
- By re-evaluating the skill set needed when replacing staff who leave, thereby ensuring that we secure the skills we need.

#### 4. How we will pay and reward our workforce

In seeking to realise our aspiration to maintain our reputation as a good employer and an employer of choice:

- By continuing to ensure our pay and reward systems are equal pay compliant by undertaking and reporting an annual equal pay audit, which will identify any areas for concern and action planning solutions;
- By ensuring our system of pay reflects and supports the shift towards a performance culture. This includes pay increments being made when individual performance has been satisfactory and being withheld where individual performance is unsatisfactory. In addition developing measures to recognise exceptional performance identified through the PR&D scheme;
- By implementing auto-enrolment for all eligible employees at the Council's staging date of 1 April 2013, assisting and supporting the workforce to make sufficient pension provision for when they retire;



- By developing and giving access to annual total reward pay statements for all employees in accordance with our migration to technology based systems to process pay and benefits. This will report the total value of an employee's employment package and highlight the value of the many non-salary based benefits (e.g. employer pension contributions, value of holidays etc);
- By further developing our Employee Benefits Scheme. This currently comprises seven salary sacrifice schemes (Childcare Vouchers, Green Car Leasing, Annual Leave Purchase, Cycle to Work, Professional Fees, Workplace Training and Carbon Offsetting) in addition to a huge array of other offers and discounts. As well as being an employee engagement, attraction and retention tool, the salary sacrifice schemes generate financial savings for the Council and ensures that the benefits are delivered on a 'cost neutral' basis. We will continue to extend this package and market the provision extensively to promote take-up.

## **5. How we will engage with the workforce**

- By responding to the outcomes of the 2012 Employee Opinion Survey, developing and implementing action plans which ensure we continually improve our outcomes in future surveys;
- By involving employees as far as is possible in decisions which affect them, following the pattern adopted when developing the PR&D scheme;
- By using the PR&D scheme, among other tools, to recognise and reward high performance and to share good practice;
- By providing a comprehensive development programme which encourages employees to develop their potential;
- By recruiting and developing managers who match our core and management behaviours, particularly in the areas of 'communication' and 'engagement';
- By continuing to support the Communication and Engagement Manager in implement the Communication and Engagement Strategy – including the further development of Employee Voice and the introduction of the Council's STAR Awards recognising the outstanding contribution of employees.

## **6. How we will further consolidate a pro-active Health, Safety and Wellbeing Culture**

- By ensuring that visible leadership and commitment promotes, sets and enforces a positive health and safety culture within the organisation. Further enhancement will be achieved via PR&D, through acceptance of roles and responsibilities and setting of targets and objectives. A focus on behavioural safety will assist in reducing unsafe behaviours in the workplace while improving

employee engagement and visible leadership and commitment by management. To further embed a positive health and safety culture particular attention will be given to:

- Methods of control within the organisation – control of service delivery;
  - Means of securing co-operation between individuals, safety reps and groups;
  - Methods of communication throughout the organisation;
  - Competence of individuals.
- By promoting a continued combined proactive and reactive approach to ensure maximum impact in supporting and further enhancing health and safety performance and resource benefits. The promotion and achievement of safe and healthy conditions will be assisted through the improved engagement of employees, trade unions and Elected Members. Health, safety and wellbeing impact will also be strengthened through:
    - Refreshment and implementation of the Health, Safety and Wellbeing Strategy and Corporate Health and Safety action plan;
    - Integrated holistic approach to occupational health, safety and wellbeing;
    - Programmes of Fire Risk Assessments and Audits will be further developed to continue in the identification of good practice and areas of improvement. This will enable the appropriate assistance and support to be provided to Services and remedial actions implemented;
    - Supporting services in consistent service delivery in conjunction with fulfilling the needs of the services. In addition to HSE intervention specific focus will be given to the management of contractors, asbestos and legionella throughout the organisation;
    - Continued focus on maximising attendance and employee wellbeing with interventions on both short and long term absence while retaining and maintaining employees at work. Linkages to absence management will be expanded between occupational health and employee assistance providers;
    - Review of corporate health, safety and wellbeing training programme tailored to services and the organisation. Expansion of blended on-line and face to face approach delivered internally via the health and safety team and by external providers;
    - Continuing proactive health and wellbeing related events and opportunities for employees and maintenance of the Employee Good Health Group.

APPENDIX 6 – ANNUAL REPORT

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# Our vision is for Aberdeen to be an ambitious, achieving, smart city.

Aberdeen City Council  
Annual Report 2012 - 13



إذا كنت تود الحصول على هذه الوثيقة بلغة العربية أو البريل أو الإشارة الصوتية المسموعة أو كنت تود ترجمتها إلى لغة أخرى فالرجاء الاتصال بنا على الهاتف أدناه.

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# Aberdeen the Smarter City

Our vision is for Aberdeen to be an ambitious, achieving, smart city. We will ensure all citizens are encouraged and supported appropriately to make their full contribution.

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# Welcome

With the official re-opening of Marischal College on 24 September 2012 by Her Majesty Queen Elizabeth II, yet another milestone has been passed in the history of this extraordinary and important city.

The building was officially opened in 1906 by her great grandfather, King Edward VII and Queen Alexandra, and after a period when the building was no longer maintained and in use, we're delighted to have restored, reopened and created a civic heart for the city in this historical and iconic Aberdeen building.

Our Marischal College project was completed on time and £20million under budget. It has provided an opportunity to totally transform the way we present our services and you can read more about these in this Annual Report.

The move to Marischal is just one of the milestones that took place in 2012 and I'm delighted that our annual report gives us the opportunity to showcase the varied range of services provided by the Council for our 215,000 citizens, visitors, businesses and communities.

This Annual Report is a way of presenting 'what we do' – the services we provide, where we have improved and where we will continue to strive for further improvement. Throughout this guide we have highlighted some of the wide variety of services provided by the Council. Some you will be aware of, some may be new.

They add up to a comprehensive network of support, infrastructure, services, projects and developments that have been developed and designed to fulfil and deliver the priorities for Aberdeen.

Every minute of every day the Council's numerous teams deliver vital services, support and transactions that enable this important economic city to flourish. In recent years we have received considerable external recognition for the way we manage our finances, business planning, regeneration and development programmes, carbon reduction schemes and new build programme for affordable housing.

Everything we do is built upon sound financial planning and this annual report demonstrates how we have delivered services over the previous twelve months and, in these times of economic austerity, how we continue to concentrate on the most important areas that will have the greatest impact across our city.

Valerie Watts  
Chief Executive,  
Aberdeen City Council  
September 24 2012.



Careful financial management and the emergence of the five-year business plan, Aberdeen - the Smarter City has put solid foundations in place for us to transform the way we work and to enable us to afford our future obligations to deliver high quality, essential services for our customers.

# Understanding the Council's Finances

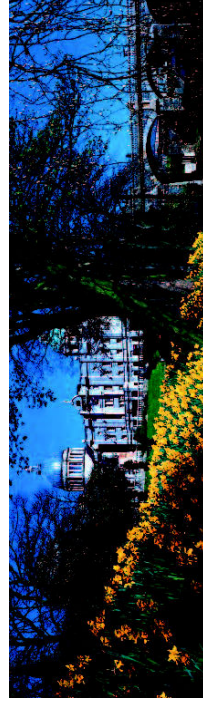
**Strong financial foundation**  
2012 was the year we consolidated our financial position through our innovative priority-based budgeting approach. This has enabled us to prepare for future demands and challenges. It is a year when we worked together across all Council services to develop the detailed plans

that will enable us to not only to live within our means, but also to go further and review our services across and not cuts. Our programme of priority-based budgeting has been widely welcomed with Audit Scotland promoting Aberdeen City Council's priority-based financial management as an exemplary model for the rest of Scotland's public sector. The watchdog body featured the financial forward-planning in a major report Scotland's Public Finances – Addressing the challenges. This was reported in the local media, with the Press and Journal commenting how the Council has turned around its financial planning following a critical Audit Scotland report in 2008 to become "cited by that very same organisation [Audit Scotland] as the epitome of fiscal prudence that others would do well to emulate" (P&J editorial, 25 August 2011).

## Actual performance against budget of the Council

	2011/12 Budget £'000	2011/12 (Surplus)/ Deficit £'000	(Favourable)/Adverse Movement £'000
General Fund	0	(3,909)	(3,909)
Housing Revenue Account	0	(420)	(420)
Common Good	268	(714)	(982)
Balances (Prior to earmarking sums) at 31 March 2012			
	1/4/11		31/3/12
	Balance £'000	Movement in year £'000	Balance £'000
General Fund	(35,466)	7,044	(28,422)
Housing Revenue Account	(6,877)	(546)	(7,003)
Common Good	(67,183)	(6,670)	(73,853)

Aberdeen City Council is the epitome of fiscal prudence that others would do well to emulate”  
P&J, 25 August 2011



The excellent quality of work, has also been recognised by the Finance Secretary of the Scottish Government, John Swinney MSP, when he praised the turnaround of Aberdeen City Council's financial position. Finally, across the organisation the scale and impact of the priority-based budget project has been acknowledged by the Corporate Management Team and Councillors. The delivery of the project has been praised on many levels – from Council meetings to directorate management teams.

Beyond 2013 we will still face significant challenges. We need sharp financial focus to manage the 16% reduction in our funding that is necessary to fund the additional financial obligations. I am confident that Aberdeen City Council is in good financial shape to meet this challenge.

*Stewart Carruth*

Stewart Carruth,  
Director of Corporate Governance



# The Annual Report and Aberdeen the Smarter City

2012/13 was the year in which Aberdeen City Council launched a vision for a smarter city. It was also a year where the Council, along with all public sector organisations, faced significant challenges and a year where we maintained financial stability and went even further to deliver priority services for our citizens.

Aberdeen – The Smarter City will leave a legacy for future generations and within this Annual Report you can see the foundations for this vision are already being laid. As well as being a valuable record of the Council's achievements for the year

the Annual Report presents the wide range of services delivered by Council staff; areas of success, improvement and achievement and we commend the dedication, commitment and drive of all our teams in delivering these services.



Councillor Barney Crockett, Council Leader

This Annual Report sets out case studies, examples of best practice and future planning achieved by the Council in 2012-13.



In May 2012 the emergence of our draft five year business plan has underpinned the council vision of Smarter Aberdeen.

To realise this vision of a Smarter Aberdeen our work and the services we deliver will support an ambitious, achieving, smart city which:

- develops an economy based on knowledge and innovation;
- encourages more efficient use of greener resource which generates a competitive economy;
- uses technology and data to enable informed decisions to be taken;
- enables citizens to interact in a city where there is a sense of place; and
- encourages a form of governance which engages its citizens.

Throughout this Annual Report case studies, examples of innovation and details of many aspects of the services we deliver are presented against the Strategic Priorities of Smarter City Vision. These are detailed below:

Strategic Priority	Definition	Examples of what we are doing to support The Smarter City Vision
<b>Smarter Living</b> Quality of Life	Challenging inequality and positively promoting wellbeing building on cultural and physical activity.	Encouraging older people to take up physical activity (p12)
<b>Smarter People</b> Social and Human Capital	Focusing on education including lifelong learning and nurturing a city of learning with a city-wide workforce which can grow and diversify the economy.	Encouraging excellence through Science in Schools (p14)
<b>Smarter Environment</b> Natural Resources	Sustaining the environment by maximising the use of low-carbon technology in our infrastructure and housing. Managing our waste and promoting our streetscape and green space.	Building state-of-the-art new homes (p17)
<b>Smarter Economy</b> Competitiveness	Recognising the importance of sustaining a competitive economy with clear financial parameters which attracts people to invest, live, work and export from.	Working towards ensuring the economic future of the city (p18)
<b>Smarter Mobility</b> Transport and ICT	Promoting the transport links to and from the city which are sustainable. Maximising digital connectivity for the benefit of all people and the development of business in the city.	Superfast Broadband (p21)
<b>Smarter Governance</b> Participation	Acknowledging the role that citizens can play in the evolution of the city.	Encouraging and supporting equality (p23)



# Our Plan in Action

Aberdeen City Council is a large, complex and diverse organisation.

From nurseries to looking after our older people and from road repairs through to registering births, our 8500 staff provide over 500 services and complete many millions of transactions in every year to serve the citizens, businesses and communities of Aberdeen.

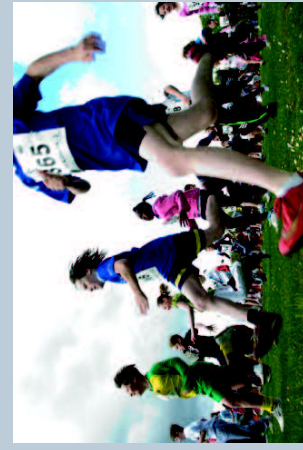
The Council is committed to providing the very best service in everything we do and has created this annual report as a benchmark for ourselves for future years and also to present and compare our achievements, areas of improvement, areas of growth and specialisms with organisations across the UK.

This Annual Report is a record of our activity, service delivery and achievements over the previous twelve months. Benchmarking information has been included to demonstrate areas where we are leading the way, areas where over the previous year we have measured

significant levels of improvement and areas which we have identified where we still need to improve and how this will be done.

Over the past twelve months the Council has received seventeen awards and commendations from UK-wide award programmes. This provides an invaluable benchmark for our teams and services and presents areas where we are at the cutting edge of service delivery.

We will continue to build upon these foundations as we seek to improve in everything we do.



# Smarter Living

We are working to improve the lives of the people of Aberdeen through supporting active, healthy and fulfilling lifestyles; by supporting and enabling people to live independent lives; through the provision of quality homes and by actively seeking to reduce levels of inequality in the city.

During 2012 over £48 million was invested in repairs and improvements to our tenanted homes. The Scottish Housing Quality Standard (SHQS) figures provide a measure of our quality of homes we provide for our tenants.

Last year 81.2% of these properties met all categories of the Standard, an increase on the 59.2% of the previous year. There are five elements to SHQS and a property must meet all of these before it can meet the Standard as a whole:

1. **Tolerable standard** – 99.8% compared with 99% in 2010-11
2. **Free from serious disrepair** – 99.4% compared with 2010-11
3. **Energy Efficient** – 98.3% compared with 91.5% in 2010-11
4. **Healthy Safe & Secure** – 99.6% compared with 90% in 2010-11
5. **Modern facilities & services** – 82.9% compared with 2010-11

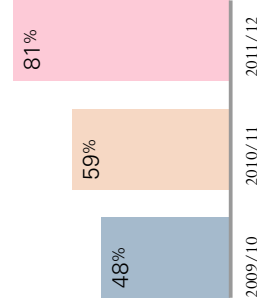
We are on target for all our houses (100%) to be SHQS compliant by 2015, with the exception of some agreed exclusions (see charts below).

What we do:

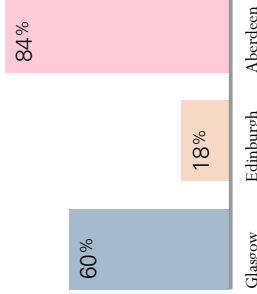
## Encouraging participation in arts and culture

In 2011-12, we encouraged our citizens to participate in arts and culture. The Council works with partners to create learning opportunities, encouraging all citizens to realise their potential and get involved in the arts. Last year we offered over 15,000 local cultural learning opportunities and involved over 500 people per a week in cultural activity. We have raised over £750,000 in external funding over the past five years that has enabled us to organize over 1000 workshops annually.

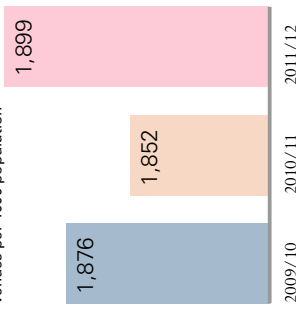
The percentage of Council housing stock meeting the Scottish Housing Quality Standard



The percentage of buildings from which the council delivers services that are suitable for, and accessible to disabled people 2011/12



The number of visits to/usages of Council funded or part funded performance venues per 1000 population



What we do:

## Supporting Active Lifestyles - Gym and tonic

Aberdeen City Council, like many other public sector organisations is rising to the challenge of supporting and assisting a growing older population.

The Council has created a specialist wellbeing team to support and assist older people to live as independently as possible through developing and providing a range of social, leisure, health and wellbeing opportunities. Physical activity at any age is well known to proactively prevent illness and promote health and wellbeing. For older people it can also play an important role to offset early stages of dementia, promote mental wellbeing and help prevent falls.

Having successfully applied for funding, the team have introduced three sets of specially designed gym equipment. Tailored for older workouts the Technogym:

- encourages older people (65+) to take up physical activity;
- give opportunities for those with dementia to use the equipment;
- encourages care homes to increase levels of physical activity amongst residents;
- challenges any stigma that prevents people taking up the activity;
- encourages community engagement and
- uses the equipment with a long term aim of decreasing falls amongst older people.

Over one hundred people have tried the Technogym, the average age of the participants is 80 and the oldest is 102!

The gym users have highlighted the social benefits of getting together for regular exercise classes - meeting other people and enjoying the opportunity to try something new.

## Our plan in action.

Helping people stay in control of their lives is at the heart of Smarter Living. When people do need extra support, we always aim to care for them in the way that suits their individual needs. In 2012, 87% of social care clients agreed that they had support that was flexible and put them in control. This has risen by 20% over the last two years.

Over the next decade the number of people over 65 is expected to rise by 50%. It is important that the Council and our partners support older people to remain healthy and active. Through our 50+ Festival we are able to encourage citizens to take part in and enjoy activities and entertainment. Last year over 5000 people enjoyed the Common Good Fund in this specific festival for people aged over 50 who reside in the City of Aberdeen.



Education is a key priority for Aberdeen. We strive to provide high quality, lifelong learning for all of our citizens.

## Smarter People

We believe that by developing the right skills and knowledge we will sustain and grow our communities and economy.

We have made significant investment to modernise our school buildings over the last few years. Over 21,000 pupils are currently enrolled and in 2011/12 all of our schools and pre-schools, which were inspected, received positive reports. 86% of our young people leaving school go to a job, further education or training.

What we do:

### Encouraging excellence through science in schools - Science in the City

Aberdeen is a world energy city, at the cutting edge of new developments within the oil and petrochemical industries. A critical factor that will ensure this vital role remains within the city is with the development of the next generation of scientists. Many international businesses with bases in Aberdeen have begun working with local schools to raise the profile of science in education.

In 2011, the teaching of science in Aberdeen schools was identified as having three key strengths:

- Business partner involvement
- The city is home to Satrosphere, one of four science centres in Scotland
- The prestigious British Science Festival will be held in Aberdeen in September 2012

To build on these opportunities, whilst also supporting science teachers within schools two key appointments have been made: a Quality Improvement Officer, to develop a strategic approach for science in schools and a Science Curriculum Development Officer.

They were given three main aims:

- To raise the profile of science and technology in primary schools
- To understand the changing needs in the secondary sector
- To enhance partnership working



What we do:

### Raising the profile of science & technology in primary schools

The two new roles are able to support and assist teachers in both primary and secondary schools and to expand the delivery of science lessons through links with external organisations and locally-based businesses. For example, in 2011 the first Science Summer School was held with 14 teachers taking advantage of the opportunity to attend a five day event at the Satrosphere Science Centre.

To assist with the development of new roles each primary school nominated a science co-ordinator to enable a communication network to be built, both city-wide and within area schools groups (each secondary school and all feeder primary schools). This means science information could be sent directly to all interested parties, for sharing within their schools.

Aberdeen has the first 15 schools in Scotland to enrol for the Primary Science Quality Mark (PSQM) and this has been generously sponsored by BP. All schools sign up for Bronze, Silver or Gold level and start by assessing their current science provision along with a development plan on how to improve and achieve their award. All of the schools reported they became very involved with science activities, increasing opportunities for their pupils and raising their enthusiasm.

Another innovative scheme was launched, called the Sixth Year Science Ambassador Award, which encouraged S6 science students to work with local primary schools. Offered at Bronze, Silver and Gold level, the ambassadors helped in classes and science clubs, organised talks and debates and helped to encourage and enthuse pupils in science. Everyone involved in the scheme benefited and the ambassadors received their awards at the Science Celebration Event in June.

Aberdeen-based firm, Intertek, sponsored a city wide science fair for primary schools pupils. Pupils were asked to investigate an area of science they were interested in and to present their findings. Schools sent forward their top three projects to the city final, held at the Natural History Centre. Joint first prize was awarded to pupils from Mile-End and Milltimber schools, while second and third prizes were won by teams from Woodside Primary.



### Our plan in action.

Our Environmental Services Team entered in to a partnership with **Foyer Works** to deliver seasonal garden maintenance labour. Foyer Works was able to offer the service at the same cost to the local authority as previous businesses but with the added value of providing employment for young people who were previously long-term unemployed. The six month pilot saw 10 young people receiving full training before being employed within various teams across the city. At the end of the project two employees were taken on full time.

Our award-winning **Bridges Project** has seen the Council's Countryside Ranger Service play a vital role in reducing wilful fires at popular city beauty spots. The groundbreaking work has seen the local authority team up with the Scottish Prison Service to improve the skills, self-esteem and employability of inmates at HMP Craiginches.

Aberdeen is a clean and attractive city and we will keep it that way.

# Smarter Environment

We are investing in new technologies to increase energy efficiency and reduce our carbon footprint. At the same time, we want to support our citizens to save money and eliminate fuel poverty.

What we do:

## Moving families out of fuel poverty

It is estimated that 70% of the residents in high rise multi-storey blocks in Aberdeen are living in fuel poverty. Due to the height of the multi-storey buildings expensive electric heating was installed when the blocks were constructed. As the buildings were built of materials that provided poor insulation and draft proofing this made the situation worse.

The question, therefore, faced by Aberdeen City Council was how to provide affordable warmth for tenants living in high rise blocks?

The solution has been to look long term and the Council has embarked on an award winning programme that will provide locally generated heating to its high rise blocks. This efficient fuel production system has also been supported with a programme of over-cladding the concrete blocks to insulate and add greater draft proofing.

2012 saw the first tranche of this combined programme installed into 198 homes in Seaton, Aberdeen. This work is due to be completed by the end of 2012. The second set of improvements will the 156 flats in the Torry area. This work is due to be completed by the end of 2013.

Following the completion of this programme the high rise blocks will:

- be regenerated;
- have a long term future;
- be fuel poverty proofed; and
- provide comfort, comparable with newly constructed properties.

What we do:

## Building state-of-the-art new homes

Aberdeen City Council's new family housing will help to re-generate areas and provide much needed affordable and sustainable accommodation within the city to strengthen community spirit and enhance neighbourhood identities.

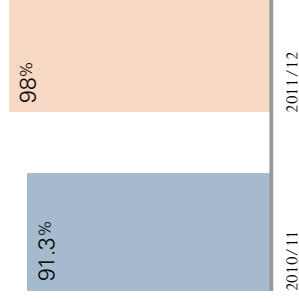
The new build programme, at sites across the city will provide 90 badly needed state-of-the-art, cost efficient and high quality family homes. All of the new houses are conveniently located within walking distance of amenities, transport links and local schools ensuring and helping to create sustainable communities for the future.

These highly efficient family homes have been designed encompassing a range of six renewable energy sources which will greatly reduce the overall running costs. The elements that have been included are as follows:

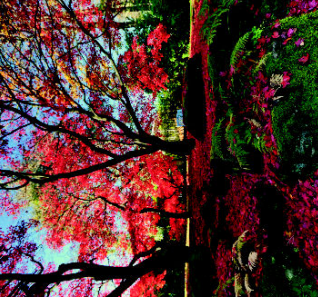
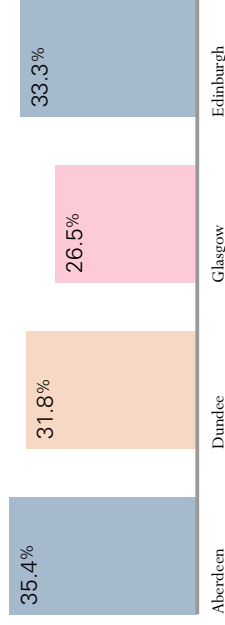
- Air Source Heat Pumps
- Solar Panels
- Photovoltaics
- Mechanical Ventilation Heat Recovery
- Gray Water Recycling (for the flats)
- Rainwater Harvesting (for houses)

Other elements which were incorporated within the developments were also designed to make heating and lighting as cost effective and fuel efficient as possible and include siting the houses to face south wherever possible, super insulating the buildings including walls, floors, roofs and ceilings and triple glazed windows. All building materials were selected to provide as low an environmental impact as possible.

The percentage of the Council's housing stock which meets the SHOA criteria for 'energy efficient'



The percentage of household waste recycled or composted 2011/12



## Our plan in action.

Aberdeen has more accessible "green space" than any other city in Scotland. Our teams work to provide a safe, attractive streetscene and encourage a clean and healthy environment by the removal of urban debris from the City's public areas of streets, car parks, footpaths, amenity areas, traffic islands, market areas, lay-bys and beaches. Last year approximately 1,800,000kg of litter was cleaned from the streets every month by a dedicated team using the good old-fashioned broom and litter picker through to modern mechanical street cleaners.

To encourage wider use and access for our parks the Council successfully received £2.56 million Heritage Lottery Funding for the restoration and improvement of **Duthie Park**. Work began early 2012 and will be completed 2013.

We have worked to increase the amount of the city's waste that is recycled instead of sending it to landfill. In 2011-12 Figures from the Scottish Environment Protection Agency (Sepa) showed Aberdeen recycled more waste (35.4%) than their city council counterparts at Dundee (32.8%), Edinburgh (35.1%) and Glasgow (26.8%). Only Stirling (54.8%), recycled more than the Granite City.



Aberdeen is one of the world's major energy cities and contributes enormously to the economy at a Scottish, UK and global level.

## Smarter Economy

We will build on this develop and promote the city as a place to invest, live, work and export from. We will also work to ensure that

Aberdeen's wealth benefits all of its communities. Gross Domestic Product (GDP) per head of population in Aberdeen City and Shire is the second highest in the UK (after central London) and the 13th highest of 317 European regions.

The area also benefits from bucking the Scottish trend with low unemployment rates. Oil and gas production sectors alone, account for around 20,000 jobs directly (over 90% of the Scottish industry), with an additional 20,000 estimated jobs in related and support businesses.

During 2011, 2,066 tourism visits to Aberdeen recorded with expenditure of £362 million attributed to this industry during the period.

What we do:

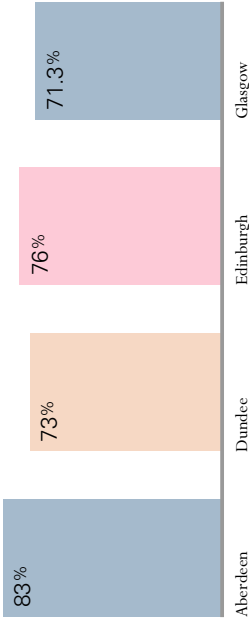
### Ensuring the economic future of the city and shire

In addition to Oil and Gas, other industries also play a significant role in the region's economy including food and drink, with firms in the whisky, bakery, canned, meat and seafood industries. Tourism is also important to both city and shire as is the emerging life sciences and health service industries.

To capitalise and fully realise the potential of all these different elements the Council along with many partners works hard to drive sustainable economic development for the city and Aberdeenshire.

ACSEF is a public-private partnership that brings together Aberdeen City and Aberdeenshire Councils, Scottish Enterprise, Aberdeen & Grampian Chamber of Commerce, Skills Development Scotland and VisitScotland with representatives from business and the universities to ensure a collaborative approach to growing the economy and enhancing quality of life. This role supporting the continued economic growth of the city and the area is seen as a vital one for the Council.

The percentage of people economically active



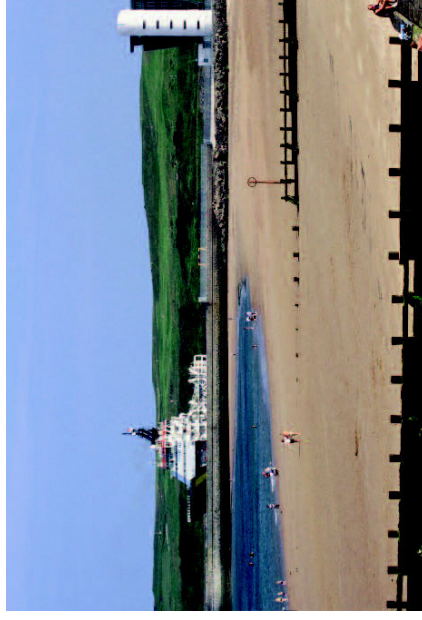
What we do:

### Increasing international trade and investment

Aberdeen City Council's International Trade and Investment Team supports the Aberdeen business community by maintaining a portfolio of close business relationships with government, economic development agencies and industry bodies. The team's remit is to provide the advice and information to get businesses involved in international trade activities or exploit further international trade opportunities for those already exporting.

The International Trade and Investment Team is able to provide assistance which includes:

- Promotion of overseas business opportunities
- Workshops and Courses to prepare companies to undertake international trade
- Overseas missions and learning journeys
- Hosting inward trade missions
- Seminars and trade clinics
- Local export networking opportunities
- Company specific market research
- Published market information



### Our plan in action.

In 2012 Aberdeen Renewable Energy Group (AREG) and its members engaged in developing a sustainable renewable energy sector in the region and promoting these capabilities across Scotland and worldwide. Projects include the development of the European Offshore Wind Deployment Centre off the coast of Aberdeen in partnership with the Vattenfall Wind Power UK and project facilitator SECEC (Scottish European Green Energy Centre).

One effect of Aberdeen's continued strong economic performance is the relative buoyancy of the housing market. This, however, brings the challenge of making sure quality housing is available for all. Over the last three years the Council has supported the development of 512 "affordable" homes within the city. In April 2011 work began on the third phase of the Council's new-build housing programme. A total of 31 family homes were built at Oldcroft Place, Stockethill. All properties have been designed to be environmentally sustainable, good quality homes.

The Aberdeen City and Shire Export Survey is conducted on a biennial basis and the 2010 Survey was released in May 2011. The Survey covers energy and non-energy industries and helps to inform the services which we provide, particularly in identifying those businesses who are not involved in international trade and supporting their decision-making processes in undertaking that innovation in their business development.

Smarter mobility means being well connected both physically and digitally.

## Smarter Mobility

We are working to improve the city's internal transport networks, encouraging cycling and walking, and its road, rail, ferry and air links to the rest of the UK. We also aim to maximise digital connectivity to support our communities and businesses.

### What we do: **Telecare**

Telecare is a service that enables people, especially older and vulnerable people, to continue to live independently in their own homes.

Telecare works by monitoring a person's health and wellbeing using a variety of unobtrusive sensors and detectors such as heart monitors. This often takes place remotely and this very discreet monitoring means the service can be used by all age groups.

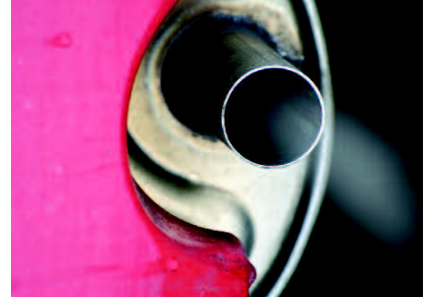
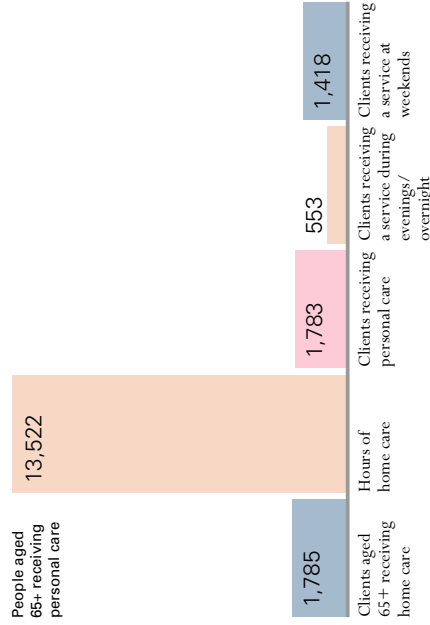
The remote monitoring service has been found to be particularly useful to:

- people who are becoming increasingly frail and are at risk of falling
- people who have little support and may need the reassurance the service provides;
- people struggling to cope at home and may be regularly admitted to hospital;
- people who need support when dealing with environmental risks in the home such as fire or flood;
- people with special needs such as learning difficulties;
- people with cognitive difficulties such as failing memory;

Telecare can offer a safer environment that can prevent a user having to go into hospital, or to allow an earlier and safer discharge from hospital/care home.

Telecare can support people at home, providing an enhanced feeling of safety and security for both the user and their carer as well as providing a response in an emergency 24 hours a day.

People aged 65+ receiving personal care



### Our plan in action.

The Aberdeen Western Peripheral Route (AWPR) is a new road being developed to improve travel in and around Aberdeen and North-East Scotland. Backed by the Scottish Government, the road is being developed by Transport Scotland - the national transport agency - in partnership with Aberdeen City and Aberdeenshire councils. The AWPR is one of a number of transport projects planned to help improve road safety and accessibility, reduce congestion and grow the local economy - ensuring North-East Scotland remains a competitive business location.

Road traffic is the main source of pollution and the Council aims to improve air quality through the implementation of the **Air Quality Action Plan 2011**. However, clean air isn't just the responsibility of the City Council: everyone can play their part by changing travel behaviour.

**What we do:**  
**Superfast broadband**

In 2012 Aberdeen City Council successfully bid for a share of the £50million Super Connected Cities funding.

The planned introduction of hugely improved broadband speeds and 4G wifi will have a major impact in the city and parts of Aberdeenshire and could increase access speeds ten-fold in the space of a few years. Superfast Broadband provides huge benefits for companies, individuals and public services, including health and education.

Many large businesses seeking to locate in the region's major business parks and development corridors require access to world-class ultrafast digital infrastructure to enable them to compete on an international basis. Without the broadband provision Aberdeen could run the risk of declining competitiveness.

It is expected that the provision of ultrafast broadband across the city will help to accelerate economic growth and create employment; provide access to faster and more flexible digital infrastructure; support the delivery of education services; and enable more cost-effective delivery of public services including tele-medicine and social care.

# Smarter Governance

Through smarter governance we seek to develop a sense of community based on openness, fairness, reciprocity and responsibility. We encourage and support citizens to participate in the design of services, listen to them and encourage active citizenship to promote civic pride.

## What we do: Budget planning with our partners

Beginning in 2010 and running every year since, Aberdeen City Council replaced traditional financial planning with priority-based budgeting (PBB). Led by the Council's Corporate Governance project team PBB operated at an impressive scale reviewing more than 200 Council services. A vital part of this programme was listening to our citizens, partners, local and business communities to find out what they wanted from the Council.

Engaging with our stakeholders was critical to the success of PBB and a new way to ensure we engaged and listened. As with the whole PBB process, this detailed approach had never been carried out before and included:

- questionnaires distributed to 1000 citizen panelists;
- a further 1100 questionnaires circulated through Council 'open doors';
- featuring the questionnaire in a special budget supplement in the Evening Express and
- face-to-face briefings with business leaders, academics, community leaders, voluntary and public sector partners;
- a series of directorate business planning meetings;
- Chief Executive Budget Briefings for 350 line managers with all staff given the opportunity to discuss the draft business plan with their director or line manager;
- publishing the draft PBB report and business plan on the Council's website and social media channels and seeking comment.

The outcomes from this community engagement played a vital role in prioritising our services and became the foundation of our five-year business plan. This activity will continue across the Council for future years.



## What we do:

## Encouraging and supporting equality

One challenge faced by Aberdeen City Council, and all local authorities, is the lack of adequate site provision for Gypsy/Traveller communities in the area.

Gypsy/Travellers are a distinct ethnic group within the city and historically this group has faced a high risk of disadvantage and discrimination. During last year there were greatly increased tensions and the potential for more serious conflict over unauthorised encampments in the area.

As a result the Aberdeen and Aberdeenshire Gypsy/Traveller Working Party was created to identify and resolve a number of key issues and to achieve lasting improvements, including measures to improve community liaison and mediation.

In April 2011 the Grampian Gypsy/Traveller Cross-Community Dialogue Day was attended by over 70 delegates including 20 Gypsy/Travellers. Specific objectives were identified to:

- encourage better community relations;
- improve awareness of the needs of all communities;
- discuss obstacles to alternative provision for Gypsy/Travellers;
- increase understanding of the working group and what it might mean for the area.

The Dialogue Day is regarded as the turning point in relations and has been credited as bringing increased understanding and constructive communication to the table.

With financial assistance from Scottish Government we have increased capacity at our Clinterty site for short stay travellers and this as well as other measures taken have reduced tensions between the settled and traveller communities. This has been mirrored in a reduction of negative media coverage and letters and phone calls of complaint. This has also resulted in savings in legal costs, staff time involved in evictions and in clean-up costs after some Gypsy/ Travellers had moved on. Savings have also been achieved by Grampian Police as there is now less reason for intervention.

Gypsy/ Travellers now have a voice and place at the decision-making table and improved access to education, health and accommodation services with less risk of homelessness and stress related mental health issues arising from living with the impact of potential evictions and harassment.



## Our plan in action.

Smarter governance has been achieved through a series of projects and by working closely with our partners. One element of this is City Voice, a jointly run panel of Aberdeen residents who are contacted on a regular basis and asked for their views on a range of issues.

The Aberdeen Civic Forum is an established part of Community Planning in the city. Community Planning is the process where the main providers of services in the city come together to agree an overall plan for development). This Civic Forum has produced the Community Plan for the economic, social and environmental actions that are required to make Aberdeen a successful city.

Smarter governance also refers to specific areas such as the Council's 22,700 tenants. Tenant Participation is about tenants having real opportunities to contribute to and influence all decisions relating to their homes.

Aberdeen City Council employs two Tenant Participation Officers who are responsible for developing, promoting and supporting Tenant Participation within the city. Their remit includes listening to the concerns and views of tenants, providing information and training, giving practical advice and support and providing grant funding. In 2011 we were very pleased to announce our tenant participation officers were presented with certificates of excellence by TPAS the Tenant Participation Advisory Service, in recognition of their achievements and work on behalf of tenants.



# Serving our Customers

This final section of the Annual Report has been included to demonstrate how we value our customers and seek to improve services at all times underpins everything we do.

What we do:

## Creating better services in the civic heart of the city

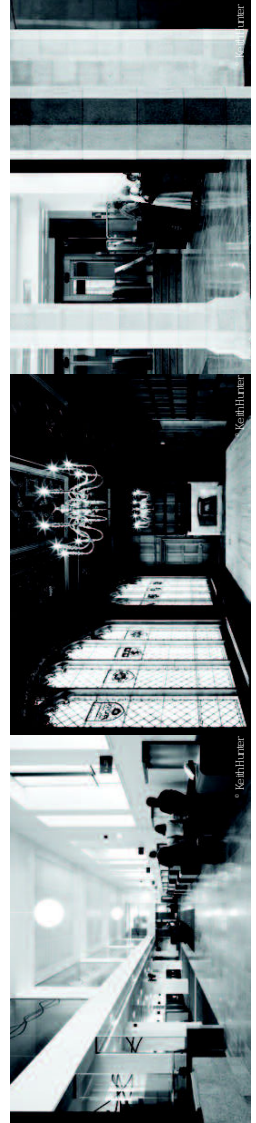
Marischal College Customer Service Centre opened in June 2011. Since then we have served over 149,762 customers, a staggering statistic for a city with a population of 215,000.

Historically the services provided by Aberdeen City Council were developed separately. This meant that quite often customers had to visit different buildings, sometimes in different parts of the city, to receive all the information they needed. This was not only confusing but also meant we were not offering the best service possible.

With the refurbishment and restoration of Marischal College we were able to develop a state-of-the-art, comprehensive customer service centre, right in the heart of the city. This one stop shop was designed to accommodate all of the services that had been provided previously at different buildings into one single location.

We now provide Accord Card information and services; Access to Leisure and ACE membership; we issue parking permits and disabled badges for vehicles and provide a means for Council Tax payments, advice with housing benefit, support for people using the homelessness service and customers wishing to know about social care and wellbeing services. Finally, our registrar is also based in Marischal College for the recording of births, deaths and marriages.

It was important for us that we provided the best service possible. Initially we found that our customers had an average waiting time of 17 minutes and 54 seconds. We felt this was something we could improve on and now our customers have an average waiting time of just 11 minutes and 24 seconds. Whilst this waiting time has been reduced considerably, it is still something we would like to improve and we are working to ensure this is the case.



What we do:

## Looking forward with responsible financial management

Aberdeen City Council has evolved into a strong, capable organisation with balanced books and ambitious plans for the future. Beginning three years ago the Council decided that traditional budget reduction exercises of 'salami-slicing' simply wouldn't work in the current global economic climate. A more innovative and ground-breaking approach was introduced. Aberdeen City Council has:

- taken a radical and fundamentally new approach to planning its future;
- engaged with the people of Aberdeen to make sure they have their say;
- been open and honest as it changed the way services are delivered;
- realised that some services would not be available in the future;
- become a leaner organisation, seeking to work with others;
- encouraged better, more effective working with public, private and voluntary partners;
- enthused and encourage people and communities to make a real difference.

Financial planning and remodeling for an organisation as large and diverse as Aberdeen City Council was an ambitious and challenging project. The end goal has been the creation of a balanced priority-based budget (PBB) that ensures a stable and responsible approach to service delivery and earned the Council a unique position amongst Scotland's local authorities.

The Council's Five-Year Business Plan, has been built on the foundations of PBB. At the start of the PBB process Councilors approved £70 million of savings to be implemented during a five year period. Implementation began immediately and progress has been swift. Halfway through the first five years, with a balanced budget and financial controls in place, this longer term planning has ensured Aberdeen City Council remains on a firm financial footing and 'salami slicing' has become a thing of the past.



## Our plan in action.

The Multi-Storey CCTV Control room operates a 24 hour, 7 days a week service in Tillydrone Housing Office.

The control room team provide a CCTV controlled access system to five multi-storey blocks and in addition they monitor cameras across another twenty and their immediate surroundings. The team now monitors a total of 200 cameras for the purpose of reducing anti-social behaviour such as violence, drug and alcohol related disorder, making the multi-storey blocks across the city a safer and cleaner environment for residents.

The system itself has proven to be very resilient and is quite unique in that the whole system is backed up remotely ensuring that in the event of a system fault access and safety for tenants would not be compromised.



# Appendix 1

## Aberdeen City Council Statutory Performance Indicators 2012/13

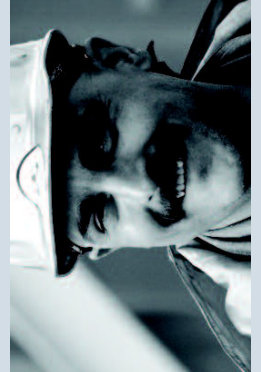
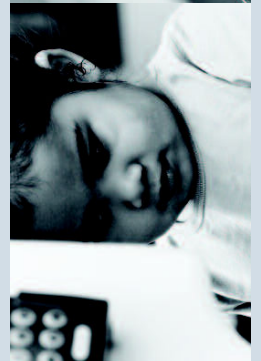
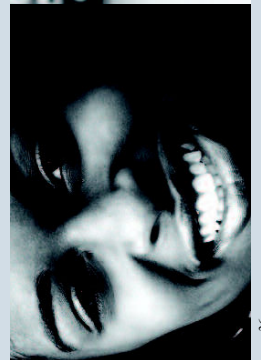
In September each year, every council in Scotland must publish its results for the Statutory Performance Indicators (SPIs) for the previous year. The SPIs are in two parts – the first part consists of 25 prescribed indicators that are defined by the Accounts Commission for Scotland. The second part consists of a set of SPIs selected by each council individually, according to the following themes and services:

- **SPI Themes:**
  - responsiveness to its communities
  - revenues and service costs
  - employees
  - assets
  - procurement
  - sustainable development
  - equalities and diversity
- **SPI Services:**
  - benefits administration
  - community care
  - criminal justice social work
  - cultural & community services
  - planning (both environmental and development management)
  - the education of children
  - child protection and children's social work
  - housing & homelessness
  - protective services including environmental health, and trading standards
  - roads and lighting
  - waste management services

These SPIs present a basic view of how we are performing on a range of services and in comparison against other councils in Scotland. Our SPIs for 2012/13 will be published in September 2013 on our website at: [http://www.aberdeencity.gov.uk/council\\_government/performance/performance\\_indicators/pft\\_StatutoryPI.asp](http://www.aberdeencity.gov.uk/council_government/performance/performance_indicators/pft_StatutoryPI.asp)

The information is also published on **Audit Scotland's Performance Indicators** website <http://audit-scotland.gov.uk/performance/>

For information about this Annual Report, to receive a copy of the Council's Five Year Business Plan or for any other queries please contact [Comms@aberdeencity.gov.uk](mailto:Comms@aberdeencity.gov.uk) or telephone Victoria Livingstone on 01224 522921.



## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	14 February 2013
DIRECTOR	Stewart Carruth (Director of Corporate Governance)
TITLE OF REPORT	North East Scotland Pension Fund 2013/14 and indicative 2014/15 - 2017/18 Budget
REPORT NUMBER:	CG/13/011

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### 1. **PURPOSE OF REPORT**

- 1.1 The purpose of this report is to provide Council with details of the budget included in the 2013/14 General Fund budget that relates to the North East Scotland Pension Fund (NESPF) and an indicative 2014/15 -2017/18 Budget.
- 1.2 This cost is based on Aberdeen City Council's statutory obligation to administer the scheme, the costs of which are fully met by the NESPF.

### 2. **RECOMMENDATION(S)**

- 2.1 It is recommended that Council:
  - a) notes the provision contained within the Councils General Fund budget for 2013/14,
  - b) notes the 2014/15-2017/18 indicative budget,
  - c) instruct the Head of Finance to recover the actual costs from the NESPF, and
  - d) instruct the Head of Finance to draw up a Service Level Agreement (SLA) and report back to the relevant Committees.

### 3. **FINANCIAL IMPLICATIONS**

- 3.1 This report outlines the costs that the City Council incurs in acting as the administering authority for the Fund. These costs are recovered from the NESPF.
- 3.2 In recovering these costs a great deal of staff time is required both during the year end and at the year end to calculate and evidence the level of actual costs incurred both from the Council and the NESPF.

- 3.3 This is an inefficient use of staff time and could lead to cost variances during the year and increases the level of uncertainty of financial reporting during the year.
- 3.4 To streamline this process it is recommended that a Service Level Agreement is prepared and agreed between the Council and the NESPF which will:
- detail the level of service to be provided by the Council;
  - provide details of the standard of work the NESPF can expect;
  - clearly articulate the cost to the NESPF for these services; and
  - demonstrate greater accountability and Best Value.
- 3.5 Once this exercise is completed it will be reported to the relevant Committees for both parties before being signed off and implemented.

#### **4. OTHER IMPLICATIONS**

- 4.1 The Government is in the process of introducing a range of workplace pension reforms in light of people living longer and therefore likely to enjoy longer retirements. One of the key reforms is the introduction of legislation on Auto-enrolment, implemented from 1 October 2012 on a phased basis. This is part of the policy of the Government to encourage people to save more for retirement.
- 4.2 Auto-enrolment will place a duty on employers to automatically enroll all eligible job holders into a qualifying pension scheme and inform them that they have done so.
- 4.3 The financial implications of Auto-enrolment for the Council are likely to be the incurrence of extra on-costs in the form of employer pension contributions, as a result of more employees and workers being taken in, opting in or choosing to join one of the pension schemes.
- 4.4 There could also be some extra costs associated with implementation and maintenance of Auto-enrolment which is to be effective from 1 April 2013 in ACC e.g. additional staffing time / resource and system changes on PSe (Human Resources & Payroll System).

#### **5. BACKGROUND/MAIN ISSUES**

##### **5.1 FUND STRUCTURE**

- 5.1.1 The North East Scotland Pension Fund and the Aberdeen City Council Transport Fund are administered by Aberdeen City Council within the Local Government Pension Scheme regulations (2009).
- 5.1.2 The Scheme was established under the Superannuation Fund Act 1972 and is a statutory scheme contracted out of the Second State

Pension Scheme. The scheme is open to all employees of the scheduled bodies, except for those whose employment entitles them to belong to another statutory pension scheme e.g. Teachers (Appendix 1, paragraph 1.2 lists the 13 scheduled bodies).

5.1.3 Employees of admitted bodies can join the scheme subject to their individual admission criteria which are out with the control of Aberdeen City Council and administered by the NESPF.

## 5.2 SCHEME GOVERNANCE

5.2.1 Aberdeen City Council as the administering authority for the Pension Fund delegates all pension scheme matters to the Pensions Panel who have delegated powers. Support for the Pension Panel in investment matters is provided by the Joint Investment Advisory Committee. Detail of these roles is included in the Fund Governance Policy Statement <sup>1</sup> which is attached as Appendix 1 to this report. Support to both committees is provided by the Head of Finance of Aberdeen City Council.

## 5.3 KEY FACTS – as at 31 March 2012

5.3.1 The Fund has nearly 50,000 members and 54 scheme employers.

5.3.2 There are three main categories of membership, comprising of actively contributing members (20,361), members who have left employment but who have a deferred entitlement (16,425) and members in receipt of pensions (15,768).

5.3.3 A diversified portfolio of assets amounting to £2.2 billion is managed externally by a number of appointed fund managers.

5.3.4 Total pension contributions in 2011/12 were £136 million comprising of employer contributions of £111 million and employee contributions of £25 million.

5.3.5 The fund made payments to retired members during 2011/12 amounting to £74 million. During the same period a total of £23 million of lump sum payments were also made.

5.3.6 In operating the Fund the appointed actuary will examine the level of future commitments against the value (and future value) of the Fund. This calculation is known as the “funding position”.

5.3.7 The funding position shows the Funds ability to meet its future liabilities such that a 100% funded scheme has the financial resources to meet its future commitments.

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<sup>1</sup> NESPF – Governance Policy Statement is provided courtesy of the NESPF

5.3.8 This is based on a number of assumptions that takes into account a range of factors including age profile, mortality rates etc. As such the level the scheme is funded to will by its nature, vary. The actuary will therefore set the employer contribution rate based around this. At present the NESPF has an estimated funding position of 88%. However, there is no current expectation that the employer rate will change for 2013/14.

#### 5.4 KEY ACHIEVEMENTS – 2011/12

5.4.1 New accounting and governance requirements saw the Fund publish its second Annual Report and Accounts separately from the accounts of Aberdeen City Council who acted as the Administering Authority for the financial year 2011/12.

5.4.2 The Pension Fund has produced an Annual Report of its performance and activities for the last 11 years. With effect from March 2011 the report became statutory with requirements to confirm the Fund's compliance with good Governance Practice and a management report explaining the Fund's overall investment performance.

5.4.3 The North East Scotland Pension Fund underperformed its customised benchmark over the year with a return of 0.94% versus the benchmark return of 2.18%. This underperformance is a combination of the continued restructuring of the Property portfolio and the underperformance from the Funds UK Equity portfolio. The fund continues to outperform its benchmark over the longer term.

5.4.4 The Fund was nominated for the third year running in the Large Fund category of the Professional Pensions Scheme Awards. The awards recognise high standards of service delivery to members, use of technology and overall investment performance.

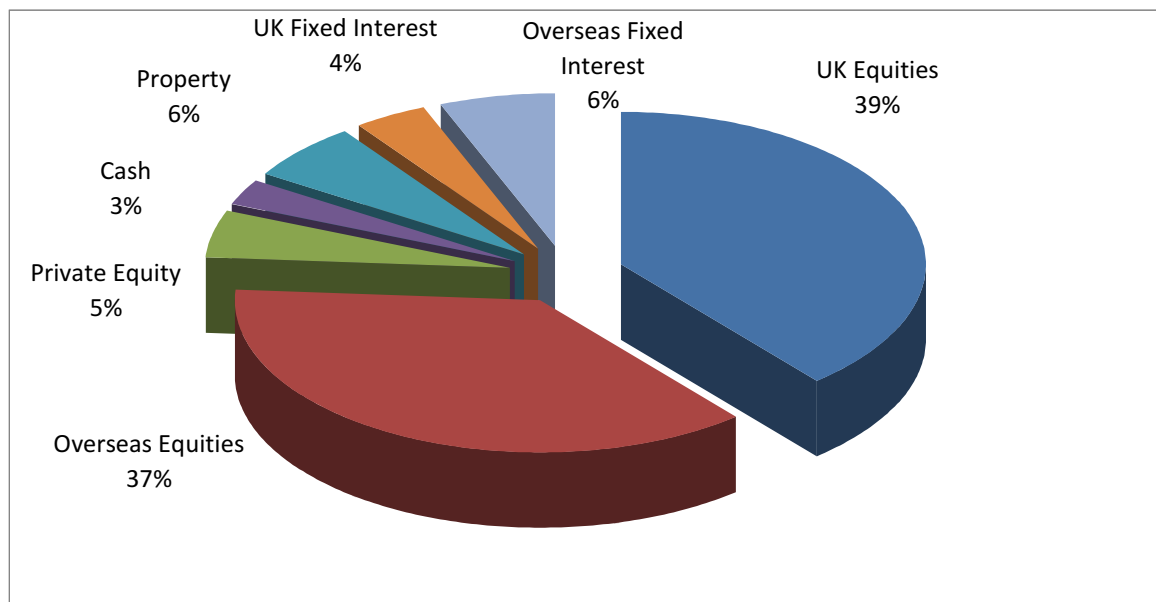
5.4.5 The Fund continues to recognise its role as a shareholder in terms of Corporate Governance and Responsible Investment as a signatory to the United Nations Principles for Responsible Investment and membership of the Local Authority Pension Fund Forum where the Convener of the City Council Pensions Panel is a member of the Executive Committee.

5.4.6 Officers continued to work with the Fund's global custodian over the year to enhance the quality of information provided to Elected Members, via the Pensions Panel, in terms of investment performance measurement and governance by the custodian.

5.4.7 The asset allocation of the Main Fund continues the Fund's commitment to invest in longer term performing assets such as UK &

Overseas equities. The following diagram shows the allocation of assets as at 31 March 2012, as per the NESFP Annual Report 2012.

**Asset allocation - Main Fund as at 31 March 2012**



**5.5 2013/14 BUDGET**

5.5.1 The budget for Aberdeen City Council (ACC) for 2013/14 is estimated at £1.4 million and primarily relates to direct staff costs. Indicative budgets for the next 5 years are shown below to align reporting on the Pension Fund budget included in the ACC General Fund budget to a 5 year cycle to dovetail with the now embedded process within ACC of Priority Based Budgeting which underpins the Five Year Business Plan.

<b>Budget - cost areas</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Salary costs</b> Direct salaries and costs for the management of the Fund	1,202	1,213	1,226	1,239	1,251
<b>Support Costs</b> Property, ICT, Payroll, Legal, Human Resources, Accounting Services	202	206	209	212	215
<b>Total estimated recharge</b>	<b>1,404</b>	<b>1,419</b>	<b>1,435</b>	<b>1,451</b>	<b>1,467</b>

## 5.6 GOVERNANCE

5.6.1 The Pension Fund budgeted costs for salaries and direct costs are included in monthly monitoring reports to the Service and Corporate Management Teams. The Head of Finance reports to the Pensions Panel on a 6 monthly basis.

## 6. IMPACT

6.1 The Pension Fund budget promotes accountability and gives reassurance to the stakeholders in the Pension Fund. This report ensures transparency in costs from the administrator of the fund.

## 7. BACKGROUND PAPERS

North East Scotland Pension Fund Annual Report (2011/2012)  
Fund Governance Policy Statement  
Annual Accounts 2011/12

## 8. REPORT AUTHOR DETAILS

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This document is provided courtesy of the North East Scotland Pension Fund

## NORTH EAST SCOTLAND PENSION FUNDS – GOVERNANCE POLICY STATEMENT

This statement documents the governance arrangements for the pension schemes administered by Aberdeen City Council. It was agreed by the Pensions Panel on 5 March 2012 and complies with guidance issued by Scottish Ministers.

### 1. Regulatory Framework

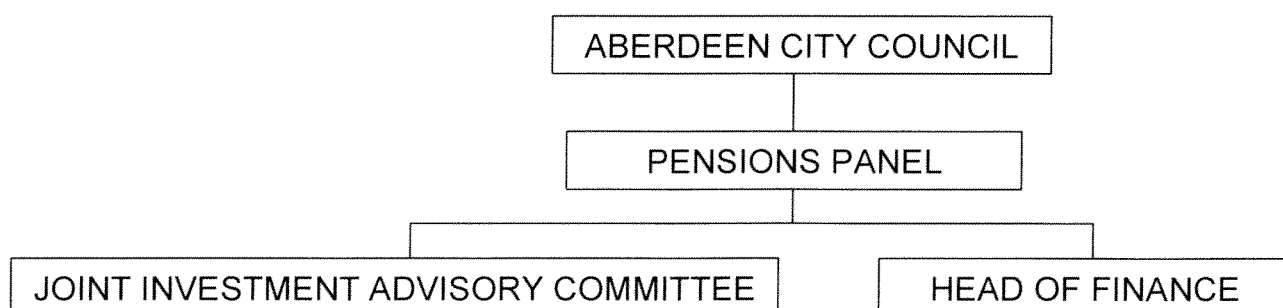
**1.1** The North East Scotland Pension Fund (The Main Fund) and the Transport Fund are administered by Aberdeen City within the Local Government Pension Scheme regulations. The scheme was established under the Superannuation Fund Act 1972, is a statutory scheme. The scheme is open to all employees of scheduled bodies except for those whose employment entitles them to belong to another statutory pension scheme (e.g. Police, Fire, and Teachers). Employees of admitted bodies can join the scheme subject to their individual admission criteria which are out with the control of Aberdeen City Council.

**1.2** There are 13 scheduled bodies:

Aberdeen City Council	Aberdeenshire Council	The Moray Council
Scottish Water	Grampian Valuation Joint Board	
Grampian Fire (non uniform)	Grampian Police (non uniform)	Northern Community Justice Authority
Aberdeen College	Banff and Buchan College	Moray College
Visit Scotland	SPSA	

A list of the admitted bodies is available from the office of the Head of Finance, Aberdeen City Council, The Town House, Broad Street, Aberdeen AB10 1AH and is also contained within the Annual Pension Fund Report.

### 2. Fund governance structure



**2.1** Aberdeen City Council has delegated strategic responsibility for the administration of the Pension Funds to the Pensions Panel. The Council's standing orders govern the actions of the Panel and its Officers.

#### 2.2 Pensions Panel

- Carries out a similar role to that of the trustees of a pension scheme. It is the key decision maker for all matters under the LGPS Regulations covering:

- Benefits Administration
- Investment Management
- The Panel consists of 4 City Council elected members, one from each of the major political parties. All members have equal voting rights.
- The detailed terms of reference are reviewed annually by the Aberdeen City Council Pensions Panel and detailed delegations are contained in the report on Committee Terms of Reference. (Appendix 1)

### **2.3 Joint Investment Advisory Committee (JIAC)**

- The JIAC consists of 14 members, 4 elected members from Aberdeen City Council (members of the Pensions Panel), 4 elected members from Aberdeenshire Council, and 2 elected members from the Moray Council, 1 member representing the colleges and admitted bodies and 1 representative from Scottish Water, 2 Trade Union representatives.
- The JIAC have responsibility for monitoring the investment management of the Pension Fund and making recommendations to the Pensions Panel on the appointment, retention and termination of investment management contracts. All members of the JIAC have equal voting rights.
- The detailed terms of reference are reviewed annually by the Aberdeen City Council Pensions Panel and detailed delegations are contained in the report on Committee Terms of Reference. (Appendix 1)
- A copy of the Pension Panel Committee Papers and minutes will be made available to members of the JIAC on a quarterly basis subject to the internal controls of Aberdeen City Council

### **2.4 Frequency of Meetings**

Both the Pensions Panel and the Joint Investment Advisory Committee meet at least quarterly.

### **2.5 Head of Finance**

- The Head of Finance has responsibility for implementing the decisions of the Pension Panel/JIAC, and for the day to day management of the affairs of the North East Scotland Pension Funds.
- The office of Head of Finance acts as the link for members, advisers and investment managers between meetings.
- The detailed terms of reference are reviewed annually by the Aberdeen City Council Pensions Panel and detailed delegations are contained in the report on Committee Terms of Reference. (Appendix 1)
- Day to day administration of the Pension Fund is carried out within the Finance

Service by the Pensions Section.

## **2.6 External Service Providers**

- The Pensions Panel appoints an actuary to carry out the triennial actuarial valuation, interim valuation (if appropriate) and provide advice with regard to scheme funding.
- Up to two external advisers may be appointed to assist the Pension Panel in particular, regarding investment related issues.
- A number of investment managers have been appointed. They have responsibility for the selection, retention and realisation of individual investments. Where appropriate they also implement the Fund's policy relating to environmental, social and governance matters.
- The Pensions Panel has appointed a global custodian. The custodian is responsible for the safekeeping of the Fund's assets, along with transaction processing, corporate actions, dividend collection and tax reclaims.
- The Pensions Panel has appointed a performance measurement company which reports quarterly to the JIAC on the performance and risk profile of the Fund and its underlying fund managers.
- The detailed terms of reference are reviewed annually by the Aberdeen City Council Pensions Panel and detailed delegations are contained in the report on Committee Terms of Reference. (Appendix 1)

## **2.7 Internal controls**

Aberdeen City Council provides internal audit arrangements to the North East Scotland Pension Funds both as a tool of management and with direct reporting to the City Council Audit and Risk Committee.

## **2.8 External Review**

The annual financial statement of the Pension Funds are subject to external audit.

The Auditor is appointed by Audit Scotland, this helps ensure that public funds are properly safeguarded and accounted for and are used economically, efficiently and effectively in accordance with statutory and regulatory requirements.

## **2.9 Risk Management**

A risk review covering all aspects of the Pension Fund is carried out on an annual basis. Risk awareness is embedded into the investment performance management process. Risk will continue to feature in the training planned for all those with responsibility for administering the North East Scotland Pension Funds.

## **2.10 Training**

The Pensions Panel has approved a training programme for members of the Pensions Panel and the JIAC in accordance with best practice. Training for members of the

Pensions Panel and the JIAC is reviewed on an annual basis by the Pensions Panel.

## **2.11 Communication with scheme members**

All correspondence is sent direct to each member's home. We work with employers to ensure that we hold the most up to date information and advise members of the importance of notifying a change of address. We provide to members:

- A welcome pack
- Benefit Information on leaving the scheme
- Annual Benefits Statement
- Annual Pensions Update
- Newsletters
- Pensioner pay slips

The Pension Fund website allows members to access their records and is regularly updated with key information.

## **2.12 Communication with employers**

A quarterly bulletin is issued to employers within the fund covering both administration and investment issues. Administration meetings will be held with employers twice a year along with the Annual Pension Fund Forum and ad hoc if required.

## **3. Access to information**

**3.1** Panel papers and minutes for the Pensions Panel are available via the Pension Fund website [www.nespf.org.uk](http://www.nespf.org.uk)

**3.2** The Pension Fund financial statement is contained within the Pension Fund annual report which is available at [www.nespf.org.uk](http://www.nespf.org.uk) The statement is prepared following recognised Accounting Codes of practice.

**3.3** Annual Report

- An Annual Report of the Pension Fund is prepared by the Pensions Section including a copy of the Pension Fund financial statement
- A copy of the report is made available to all scheme employers
- A summary of the review is provided to all pension fund members
- A copy of the Annual Report is available via the Fund's website at [www.nespf.org.uk](http://www.nespf.org.uk)

**3.4** Contact details for those who wish to engage with the Panel or JIAC are available on the Pension Fund website at [www.nespf.org.uk](http://www.nespf.org.uk)

**3.5** This Governance Statement and all supporting statements and policies are available on the Pension Fund website [www.nespf.org.uk](http://www.nespf.org.uk)

## **GOVERNANCE STATEMENTS**

All governance statements and terms of reference will be reviewed annually by the Pensions Panel and in the event of any change in the management of the Pension Fund. A copy of the governance statements will be available on the website. Quarterly reporting with regard to the governance statements will be made to the Pensions Panel.

### **Governance Policy Statement**

This policy statement.

### **Governance Compliance Statement**

The Regulations that govern the management of LGPS funds in Scotland require that a Governance Compliance Statement is published which sets out the extent to which governance arrangements comply with best practice.

### **Funding Strategy Statement**

The FSS sets out how the administering authority balances the potentially conflicting aims of affordability of contributions, transparency of process, stability of employers' contributions, and prudence in the funding basis.

### **Statement of Investment Principles**

The policy outlines the North East Scotland Pension Fund's investment arrangements.

### **Investment Policy**

The policy sets out the investment policy for the North East Scotland Pension Fund (NESPF); the policy is supported by the Fund's:

- Statement of Investment Principles;
- Funding Strategy Statement; and
- Cash Manual

### **Statement of compliance with the Myners Principles**

Details the Pension Fund's compliance with the 10 Myners Principles

### **Training Policy**

Details of the training policy for members of the Pensions Panel and JIAC

### **Communications Policy Statement**

The statement sets out the North East Scotland Pension Fund's policy concerning communications with the following people/organisations:

- Members
- Representatives of members
- Prospective members
- Employing authorities

## **Corporate Governance and Socially responsible Investment Policy**

This statement will provide details of the North East Scotland Pension Fund's policy as an active and responsible investor.

### **Service Standards**

Outlined are the maximum turnaround times in which we aim to take the action indicated.

**All the above documentation is available on the Pension Fund website [www.nespf.org.uk](http://www.nespf.org.uk) and hard copy available on request from the Head of Finance.**

## APPENDIX I

### PENSIONS PANEL –TERMS OF REFERENCE

1. Appoint the Convener and Vice Convener of the Pensions Panel.
2. Appoint the Convener of the Joint Investment Advisory Committee.
3. Specify the name of the Fund.
4. Authorise the Convener and Vice Convener of the Pensions Panel to act on behalf of the Panel
5. Prepare, maintain and publish the Governance Policy Statement
6. Ensuring that the Fund complies with all Local Government Pension Scheme (Scotland) Regulations as amended. and all other legislation governing the administration of the Fund.
7. Preparing, maintaining and publishing the Funding Strategy Statement.
8. Ensure that an actuarial valuation is carried out on a triennial basis and consider the outcome of the valuation. Determine the level of employer contributions necessary to ensure a 100% funding level.
9. Set the investment objective and strategy in light of the Fund's liabilities.
10. Oversee and monitor the investment strategy and investment management of the Pension Fund having considered the recommendations of the Joint Investment Advisory Committee
11. Receive on a quarterly basis a report from the Joint Investment Advisory Committee on their recommendations with regard to the appointment, retention and termination of fund management appointments
12. Ensuring that appropriate arrangements for the administration of benefits are in place.
13. Prepare, maintain and publish the Communications policy.
14. Prepare maintain and publish the Statement of Investment Principles.
15. Approve the budget and business plan.
16. Ensure that an effective system of internal financial control is maintained.
17. Review the annual report and accounting statement.

## **JOINT INVESTMENT ADVISORY COMMITTEE - TERMS OF REFERENCE**

1. Appoint the Vice Convener of the Joint Investment Advisory Committee.
2. Ensuring that the Fund complies with the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010 as amended.
3. To consider the outcome of the triennial actuarial valuation and its impact on the short, medium and long term investment strategy of the Fund.
4. To advise and make recommendations to the Pensions Panel on the investment strategy and investment management of the Pension Fund.
5. Receive reports quarterly from officers and investment managers as to the investment management and performance of Fund and its underlying fund management portfolios.
6. Report quarterly to the Pensions Panel regarding their consideration of the desirability of the appointment, retention and termination of fund manager appointments.



## **HEAD OF FINANCE – TERMS OF REFERENCE**

1. Provide the Pensions Panel and JIAC with all relevant information as is required to enable the committees to discharge their responsibilities in relation to the benefit administration and investment of the Pension Fund
2. Prepare the budget and service plan
3. Maintain the system of internal controls
4. Prepare the annual report and financial statement of accounts
5. Manage the triennial and interim actuarial valuations
6. Manage the provision of IAS19 information on behalf of employers within the Fund
7. Manage the preparation of the Funding Strategy Statement
8. Manage the preparation of the Governance Policy Statement
9. Manage and preparation of the Communication Policy Statement
10. Ensure that the Pensions Service adheres to best practice

### **- In relation to the benefit administration of the Pension Fund**

Monitor developments which affect the administration of benefits

Promote membership of the Fund

Manage the admission policy

Collect and reconcile the employers and employee contributions

Pay pensions benefits

Maintain records in relation to the entire membership

Devise and implement training, consultation and communication strategies with employers and scheme members

Manage the AVC arrangements

### **- In relation to the investment management of the Pension Fund**

Ensure awareness of the investment management environment and its possible impact on the Pension Fund

With the assistance of external advisors prepare and monitor a strategic investment review of the Pensions Fund at least once every 5 years.

Implement investment reviews and strategic decisions

Manage and prepare the Statement of Investment Principles

Monitor the investment management structure and arrangements with regard to the Statement of Investment Principles

Provide advice to members of the Pensions Panel and Joint Investment Advisory Committee in their role of appointing, retaining and terminating fund manager appointees

Maintain records that monitor the investment performance of investment management of the Pension Fund

Maintain a record of the Fund's Assets

Monitor the security and efficiency of the custodian in order to verify:

- The assets' security
- The custodian's records of the Fund's assets agree with in-house and fund manager records
- The custodian's actions are in accordance with the agreement

11. Make recommendations to the Pensions Panel/Joint Investment Advisory Committee as to investment opportunities

12. Manage the in-house private equity fund

13. Manage cash flow

## **INVESTMENT ADVISORS – TERMS OF REFERENCE**

Provide objective and independent advice designed to meet the requirements of the Pension Funds, the Pensions Panel and the Joint Investment Advisory Committee.

### **ASSET/LIABILITY POSITION**

1. Assist in the setting and analysis of the fund objective through identifying;
  - The purpose of the fund
  - Its size and expected growth
  - Long term use and likely timescale
  - Liabilities to be covered and risks to be avoided
2. Assist in the development of a disciplined and efficient investment strategy to meet the fund objective.
3. Through analysis of the fund's performance expectations, risks sensitivity and liability profiles, assist in the establishment of a clear and appropriate investment policy benchmark for the fund.
4. Assist in the determination of an appropriate management structure for the fund.
5. Advise on rational benchmarks, targets and risk parameters for individual portfolios and managers.
6. Assist the Panel in the review, selection and ongoing monitoring of Investment Managers.  
Asset as requested in the preparation and provision of a formal training programme for elected members and officers.
7. Provide ad-hoc advice as may be required

## **FUND ACTUARY – TERMS OF REFERENCE**

1. The Consultant Actuaries will be responsible for preparing the actuarial valuations of the North East Scotland Pension Fund and the Transport Fund on a triennial basis.
2. Assistance in preparation of the Funding Strategy Statement
3. Preparation of IAS19 calculations for the various statutory and admitted bodies within the Fund.
4. Calculate employer contribution rates for new employers
5. Calculate bulk transfer values
6. Calculation for individual employers, i.e. windup figures
7. Individual member calculations
8. Provide advise with regard to overall scheme funding
9. Provide advice on matters relevant to the administration of the Pension Fund

## **INVESTMENT MANAGERS – TERMS OF REFERENCE**

1. An investment management agreement is signed with each investment manager. In complying with this each portfolio should be managed in accordance with the Pension Fund's investment objectives and with due regard to the diversification of risk.
2. On a quarterly basis the portfolio manager shall review and report the performance and risk profile of the portfolio.
3. The fund manager will make a formal presentation at least once a year to the Joint Investment Advisory Committee
4. The Pension Fund's investment restrictions and voting policy should be adhered to at all times.
5. The fund managers are expected to sell investments they do not consider suitable for the Funds at opportune times. They are expected to sell any investments that breach this statement in an orderly manner, in the meantime informing the officials of the Council that this action is being taken.
6. The suitability of any new type of investment must be highlighted by the fund managers to the Joint Investment Advisory Committee or in writing to Aberdeen City Council.
7. The fund managers will notify the Council in writing of any changes regarding the fund management house or persons responsible for the fund which might effect the suitability of the fund manager to manage the fund's assets.
8. Aberdeen City Council instructions must be carried out only with appropriate authority.
9. There must be timely and accurate reporting to Aberdeen City Council as detailed in the individual investment management agreement .
10. Computer systems must be secure and must protect client confidentiality and data integrity.
11. The fund manager must confirm on an annual basis that all fund management activity has been fully reconciled with the records of the global custodian.

## **CUSTODIAN – TERMS OF REFERENCE**

1. A formal agreement is in place with the global custodian
2. The custodian is responsible for the safekeeping of the Fund's assets
3. Effect transactions on behalf of the Pension Fund
4. Providing a stock lending service to the Fund
5. Processing all income, tax and corporate actions in a timely manner
6. Invest cash in a suitable vehicle to enhance returns
7. Providing regular reporting covering assets, transactions, cash flow etc.
8. Provide performance measurement reporting to the Pensions Fund

## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	14 <sup>th</sup> February 2013
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Common Good Budget 2013/14 and indicative 2014/15 – 2017/18 Budget
REPORT NUMBER:	CG/13/012

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### 1. PURPOSE OF REPORT

This report is to submit, for elected members' consideration, the draft Common Good budget for 2013/14, along with an indicative 2014/15-2017/18 budget.

### 2. RECOMMENDATION(S)

It is recommended that the Committee: -

- a) Approves the Common Good budget for 2013/14 as detailed in Appendix 1 to this report; and
- b) Notes the 2014/15 - 2017/18 indicative budgets which are also contained in Appendix 1.

### 3. FINANCIAL IMPLICATIONS

- 3.1 The Report outlines proposals for the Common Good budget for the financial year 2013/14, and indicative figures for the following 4 years.
- 3.2 It also contains details of the value of the Trust's cash balances, projected over the 5 year period.

### 4. OTHER IMPLICATIONS

- 4.1 If funding is not provided for projects/external organisations then they may not be able to continue their work.

## 5. BACKGROUND/MAIN ISSUES

### **Introduction**

- 5.1 In preparing a draft Common Good budget for 2013/14, the financial strategy approved by the Finance & Resources Committee of 6<sup>th</sup> December 2012 has been applied.
- 5.2 A report on the origin, history and purposes to which the Common Good may be used was prepared on 15<sup>th</sup> January 1976, by the then Town Clerk of the City of Aberdeen District Council. The report outlined the following purposes as meeting the required criteria: -
- Upholding the dignity of the City.
  - The prudent management, upkeep and improvement of Council Property which forms part of the Common Good.
  - Safeguarding the corporate rights of the community and defending its interests.
  - Granting of donations to public institutions or charities, providing it is in the interests of the general public of the city.
  - Any other purpose, which is in the bona fide and reasonable judgment of the Council, is for the good of the community as a whole or which the inhabitants at large may share.
- 5.3 It was also outlined that the prime purpose of the Council is to ensure that the Common Good is prudently conserved
- 5.4 In addition, recent practice has excluded any activity from receiving assistance from the Common Good for which Aberdeen City Council or any other public body has a statutory duty to support.

### **Projected Out-turn 2012/13**

- 5.5 The projected outturn for 2012/13 shows a surplus of £75,000 against a budgeted deficit of £350,000.
- 5.6 The favourable movement of £425,000 comparing budget to out-turn is due to income from properties and estates being higher than expected, and also due to the delay in undertaking the work at the Kepplestone/Kingswells steading which has been budgeted for in 2012/13.



## **Draft Budget 2013/14**

- 5.7 In setting the Common Good budget, appropriate input has been provided by external bodies supported by the Common Good and the various officers responsible for the different expenditure and income lines.
- 5.8 The budget for 2013/14 is provided at **Appendix 1**. In building these figures the following broad assumptions have been made:
- Average interest rates reflect the projections currently being made enabling a 2% return on investments for the financial year ending 31 March 2013.
  - Rental income is based on projections provided by the Asset Management team within Enterprise, Planning & Infrastructure.
- 5.9 As can be seen in Appendix 1 the Common Good Fund is in a small deficit budget position of £474,000 for 2013/14. This leaves the estimated balance on the Common Good Fund at 31<sup>st</sup> March 2014 to be £6.3m, which is in line with the cash balances strategy shown below and approved at Finance & Resources Committee on 6<sup>th</sup> December 2012.

## **Cash Balances**

- 5.10 This report also provides details of the estimated cash balances which will be held on the Common Good. Based on the budget projections for 2013/14 there are projected cash balances of £6.3 million as at 31 March 2014.
- 5.11 It is recommended that the strategy for 2013/14 and for 2014/15 should be to limit expenditure to a level which will allow for working balances to be maintained to a point whereby two years' worth of Common Good expenditure could be met if required. Current expenditure levels, excluding one-off payments, are £2.9 million, therefore cash balances require to be retained at a minimum level of £5.8 million.
- 5.12 It is the duty of the Council as trustees of the Common Good to ensure that the Cash Balances are maintained, and the Common Good is preserved for future generations.

6. IMPACT

- 6.1 It is essential that the value of the Common Good is preserved in such a way that it continues to be able to support the wide range of ventures it presently does, in the long term.

7. BACKGROUND PAPERS

Finance & Resources Committee 6<sup>th</sup> December 2012

8. REPORT AUTHOR DETAILS

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**Common Good Fund Budget (Appendix 1)**

Note	2012/13 Budget £'000	2012/13 Outturn £000	2013/14 Budget £000	2014/15 Budget £000	2015/16 Budget £000	2016/17 Budget £000	2017/18 Budget £000
<b>General Properties/Estates</b>							
1	2	2	2	2	2	2	2
2	24	144	75	75	75	75	75
	26	146	77	77	77	77	77
<b>Other Expenses</b>							
3	6	6	6	6	6	6	6
4	3	3	3	3	3	3	3
5	17	17	17	17	17	17	17
	26	26	26	26	26	26	26
<b>Donations, Grants, Contributions</b>							
6	266	266	271	276	281	281	281
7	137	137	137	137	137	137	137
8	325	325	325	325	325	325	325
9	37	37	37	37	37	37	37
10	39	39	39	39	39	39	39
11	45	45	45	45	45	45	45
12	8	8	16	16	16	16	16
13	2	2	2	2	2	2	2
14	3	4	3	3	3	3	3
<b>Stage 1 Agreement -</b>							
15	75	75	75	75	75	75	75
16	57	57	57	57	50	50	50
17	50	50	50	50	50	50	50
18	8	8	8	8	8	8	8
19	58	61	65	65	65	65	65
20	136	136	138	0	0	0	0
21	40	40	40	40	40	40	40
22	0	0	46	46	46	46	46
23	0	0	200	200	200	200	200
	1,286	1,290	1,554	1,421	1,419	1,419	1,419
<b>Promoting Aberdeen</b>							
24	4	4	4	4	4	4	4
25	293	263	274	274	274	274	274
26	213	135	121	169	164	164	164
27	195	195	215	215	215	215	215
28	17	17	17	17	17	17	17
29	165	140	150	150	150	150	150
30	20	16	20	20	20	20	20
	907	770	801	849	844	844	844
<b>Other Expenditure</b>							
31	170	170	170	170	170	170	170
32	152	121	120	120	120	120	120
	322	291	290	290	290	290	290
<b>Other Projects</b>							
33	71	71	71	71	71	71	71
34	13	13	13	13	13	13	13
35	2	2	2	2	2	2	2
	86	86	86	86	86	86	86
<b>Other Recurring Expenditure</b>							
36	18	18	18	18	18	18	18
37	7	15	7	7	7	7	7
38							
	6	6	6	6	6	6	6
39	15	15	15	15	15	15	15
	46	54	46	46	46	46	46

**Common Good Fund Budget (Appendix 1)**

Note	2012/13 Budget £'000	2012/13 Outturn £000	2013/14 Budget £000	2014/15 Budget £000	2015/16 Budget £000	2016/17 Budget £000	2017/18 Budget £000
<b>Non Recurring Expenditure Items</b>							
40 Steading at Kepplestone & Kirkhills Farm	127	0	127	0	0	0	0
41 2012 Olympic Torch Relay	30	35	0	0	0	0	0
42 Diamond Jubilee	50	50	0	0	0	0	0
43 BP Big Screen	10	10	0	0	0	0	0
44 Maintenance of City Parks	20	20	0	0	0	0	0
45 AIYF Banners	15	15	0	0	0	0	0
46 Queen's Jubilee Community Events	50	50	0	0	0	0	0
47 Sports Club Grants for Young People	25	25	0	0	0	0	0
48 Hogmanay Fireworks	0	50	0	0	0	0	0
49 Newhills Expansion - Consultants	0	50	0	0	0	0	0
50 Fernhill Farm Replacement Building	0	0	40	0	0	0	0
51 Duthie Park	0	0	10	0	0	0	0
52 Union Terrace Gardens	0	0	100	0	0	0	0
53 Sports Grants	0	0	140	0	0	0	0
54 Business Investment Fund	0	0	25	0	0	0	0
	<b>327</b>	<b>305</b>	<b>442</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURE</b>	<b>3,026</b>	<b>2,968</b>	<b>3,322</b>	<b>2,795</b>	<b>2,788</b>	<b>2,788</b>	<b>2,788</b>
55 Sale of land Westburn Crescent	0	(105)	0	0	0	0	0
56 Income from Properties and Estates	(2,520)	(2,772)	(2,664)	(2,723)	(2,748)	(2,748)	(2,748)
57 Interest on Invested Funds	(95)	(95)	(113)	(117)	(120)	(120)	(120)
58 Lands of Skene/Torry (Share of Surplus)	(60)	(70)	(70)	(70)	(70)	(70)	(70)
59 Burgesses of Guild and Trade	(1)	(1)	(1)	(1)	(1)	(1)	(1)
<b>TOTAL INCOME</b>	<b>(2,676)</b>	<b>(3,043)</b>	<b>(2,848)</b>	<b>(2,911)</b>	<b>(2,939)</b>	<b>(2,939)</b>	<b>(2,939)</b>
<b>Net (Surplus)/Deficit</b>	<b>350</b>	<b>(75)</b>	<b>474</b>	<b>(116)</b>	<b>(151)</b>	<b>(151)</b>	<b>(151)</b>

60 <b>Movement in Reserves</b>							
Balance as 31 March 2012		(6,763)					
Estimated Movement in 2012/13		(75)					
<b>Estimated Balance 31 March 2013</b>		<b>(6,838)</b>	<b>(6,838)</b>				
Estimated Movement in 2013/14			474				
<b>Projected Balance at 31 March 2014</b>			<b>(6,364)</b>	(6,364)			
Estimated Movement in 2014/15				(116)			
<b>Projected Balance at 31 March 2015</b>				<b>(6,480)</b>	(6,480)		
Estimated Movement in 2015/16					(151)		
<b>Projected Balance at 31 March 2016</b>					<b>(6,631)</b>	(6,631)	
Estimated Movement in 2016/17						(151)	
<b>Projected Balance at 31 March 2017</b>						<b>(6,782)</b>	(6,782)
Estimated Movement in 2017/18							(151)
<b>Projected Balance at 31 March 2018</b>							<b>(6,933)</b>

## **Appendix 1 (cont)**

### **Notes to accompany Common Good Budget**

#### **Note 1**

This budget is used to insure properties owned by the Common Good Fund.

#### **Note 2**

This is a budget for Repairs and Maintenance costs for properties owned by the Common Good Fund.

#### **Note 3**

This represents a funding contribution for the Bell Ringer at Carillon.

#### **Note 4**

This budget is for items such as printing of the Town House Brochure and promoting the Office of the Lord Provost.

#### **Note 5**

This budget is to provide refreshments during official City business.

#### **Note 6**

This represents core funding for Aberdeen Citizen's Advice Bureau.

#### **Note 7**

This funding is for the provision of financial and organisational support to people, communities and organisations in the City that want to get involved in twin city projects, and also contributes to the costs of a twinning officer.

#### **Note 8**

This is a contribution towards Aberdeen City Council's grants to various external organisations such as Aberdeen International Youth Festival, Lemon Tree, Garthdee Alpine Sports and Sport Aberdeen.

#### **Note 9**

This represents a contribution towards the running costs of the City's annual Techfest festival.

#### **Note 10**

This is a grant to cover the cost of Satrosphere's rental from Aberdeen City Council.

#### **Note 11**

This is a contribution towards the Aberdeen Bulawayo Trust, which provides support to people in Bulawayo, primarily focusing on the development of self sustaining market gardens and the repair and maintenance of homes and shelters.

Note 12

This is a contribution towards the Aberdeen Gomel Trust, which addresses and helps to resolve the medical, nutritional, social and spiritual problems experienced by the people of Gomel.

Note 13

This is funding for the Mary Garden Prize, presented as part of the Aberdeen International Youth Festival.

Note 14

This budget covers 3 x £1,000 prizes and catering costs for the Quincentenary Prize, awarded annually since 1995 to commemorate the 500<sup>th</sup> Anniversary of King's College.

Note 15

This provides matched funding for Aberdeen Performing Arts per an agreement with Scottish Arts Council.

Note 16

This is a budget is core funding for Aberdeen Safer Community Trust.

Note 17

This is funding for the ACC youth activity small grants scheme. This scheme offers young people opportunities to contribute to their own communities and to the life of the city.

Note 18

This is a budget to cover a rental grant for the Arts Centre

Note 19

This is funding for the City Events team to organise events such as fireworks display, Tartan Day etc.

Note 20

This is a contribution to the improvement project at the Duthie Park.

Note 21

This is a budget to cover a rental grant for the Lemon Tree.

Note 22

This is a budget to provide for a bus service to the crematorium.

Note 23

This is a budget to provide for a Hogmanay street party.

Note 24

This is a small budget for events held at the Council's leased community centres.

Note 25

This is a budget for the Civic Support team, incorporating Lord Provost's secretariat, Town Sergeants and civic transportation.

Note 26

This is a budget for the cost of the Christmas illuminations.

Note 27

This is a budget to cover costs of administering and delivering the 50+ development programme and entertainment for the elderly and disabled.

Note 28

This is a budget to cover the salary costs of a development officer to work with elderly citizens.

Note 29

This is a budget to cover the cost of hosting Civic receptions and ancillary costs to promote the City of Aberdeen throughout the world.

Note 30

This is a budget for promotional civic hospitality.

Note 31

This is a contribution towards the costs of running the City Archive Unit.

Note 32

This is a budget to cover the allocation of central support costs such as finance, HR and office accommodation.

Note 33

This is funding for the Home Safety Check Scheme run by Aberdeen City Council.

Note 34

This is a budget to cover the rental and running costs for the charity shop in George Street.

Note 35

Funding for the Personal Alarms distributed on our behalf by Aberdeen Safer Community Trust.

Note 36

This is a budget for the Civic Gift Fund which buys gifts on behalf of the City of Aberdeen.

Note 37

This is a budget for the Lord Lieutenants, to cover expenses associated with their duties.

Note 38

This is a budget for the cost of the Armistice Day celebration including British Legion soup and sandwich lunch after the parade. Also includes £1,000 for banner displays.

Note 39

This is a budget to cover funding for pictures loaned from the Art Gallery to be displayed in other Council buildings.

**Items 40 to 55 are one-off items of expenditure and therefore non-recurring.**

Note 40

This is a budget for the rebuild of a steading at Kepplestone and Kirkhills Farm. The buildings have now been in a poor condition for sometime and are long overdue for replacement.

Note 41

This is a contribution towards the cost of the 2012 Olympics torch relay, as approved by Finance & Resources Committee in December 2011.

Note 42

This is a contribution towards the cost of events to celebrate the Queen's Diamond Jubilee in 2012, as approved by Finance & Resources Committee in December 2011.

Note 43

This is a budget for an additional BP Big screen event to support the 2012 Olympics, as approved by Finance & Resources Committee in December 2011.

Note 44

This is a contribution towards required infrastructure works at the city's parks. A detailed investigation and report is being prepared by the Head of Finance and the Head of Legal and Democratic in order to determine the full scale of the funding requirements.

Note 45

This is a contribution to the Aberdeen International Youth Festival, for promotional banners to be displayed in the City.

Note 46

This is a contribution towards appropriate community events to celebrate the Queen's Diamond Jubilee.

Note 47

This is a contribution for sports clubs for young people to purchase small items of sports equipment



Note 48

This is to fund the city's Hogmanay celebrations

Note 49

This is a budget towards the costs of employing consultants to prepare a feasibility study on the proposed development at Newhills expansion.

Note 50

This is to replace the farm at Fernhill, as the building is dangerous.

Note 51

This is to fund a reopening event at Duthie Park after the restoration project is complete.

Note 52

This is a contribution towards the cost of upgrading Union Terrace Gardens.

Note 53

This is to provide a contribution to local sports groups

Note 54

This is the establishment of a one-off fund to provide for building and enhancing business links for the benefit of the City of Aberdeen.

Note 55

This is income received from the sale of Westburn Crescent

Note 56

Around 100 properties have registerable leases on land owned by the Common Good. In addition to this, the Common Good owns land at Brimmond Hill, Hazlehead, Hilton, Hillhead of Pitfodels, Kincorth, Kepplehills, Tullos and Mastrick, all of which generate income for the Common Good.

Note 57

This is a budget to cover interest received on invested funds.

Note 58

The Common Good owns 51% of the Lands of Torry Trust and 30% of the Lands of Skene Trust. These trusts earn income in rents and interest from investment.

Note 59

This is a budget to represent income from admission fees for Burgesses of Guild and Trade.

Note 60

This line represents the movement in the Common Good's cash reserves.

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