

Public Document Pack



To: All Members of the Council

Town House,
ABERDEEN, 28 January 2015

COUNCIL BUDGET MEETING

The Members of the **COUNCIL** are requested to meet in Council Chamber - Town House on **THURSDAY, 5 FEBRUARY 2015 at 2.00pm.**

JANE G. MACEACHRAN
HEAD OF LEGAL AND DEMOCRATIC SERVICES

BUSINESS

- 1 Shaping Aberdeen (Pages 1 - 26)
 - 1(a) General Fund Revenue Budget 2015/16 and Indicative 5 Year Budgets
(Pages 27 - 80)
 - 1(b) Non-Housing Capital Programme 2015/16 and Indicative 5 Year Budgets and Strategic Infrastructure Plan (Pages 81 - 102)
 - 1(c) Common Good Budget 2015/16 and Indicative 2016/17 to 2019/20 Budget
(Pages 103 - 110)
- 2 North East Scotland Pension Fund Budget 2015/16 and Indicative 2016/17 to 2019/20 Budget (Pages 111 - 118)

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Should you require any further information about this agenda, please contact Martyn Orchard, tel 01224 523097 or email morchard@aberdeencity.gov.uk

Briefing for Elected Members on the Importance of EHRIAs

As an elected member, you will know you have an important role to play in championing equality within and outside Aberdeen City Council. There is also a scrutiny role for you to ensure that equality considerations are included in the decision making and governance of the council.

In exercising your duties as an elected member, you will make decisions which shape the council budget as well as the practice, strategies, plans and policies of the council. You have to make sure that the relevant equality implications are considered and so need to have sufficient information to satisfy our legal requirement to pay “due regard” to equality. Since public authorities subject to the equality duties are also likely to be subject to the obligations under the Human Rights Act, our impact assessment tool also considers the potential impact our decisions could have on human rights – Equality and Human Rights Impact Assessment (EHRIA).

EHRIA forms are included in the agenda pack, and this is important as it ensures that the impact of any proposals being considered by the Committee is clear at the point of decision making. These are included at the back of the report, as an appendix. Committee members should feel able to ask questions of report authors in relation to EHRIA forms, including questions about why an impact assessment has not been carried out/is not included.

There is an onus on elected members to make sure that EHRIAs are robust and give appropriate weighting in decision-making processes. In recent guidance from the Equality and Human Rights Commission, relevant case law examples show the Courts stating that, the public authority had to demonstrate that it had paid ‘due regard’ to its equality obligations.

Policies and practices should be assessed for impact across the three parts of the public sector duty (eliminate unlawful treatment, advance equality of opportunity and foster good relationships).

These duties do not prevent us from taking many difficult decisions such as reorganisations and relocations, redundancies, and service reductions, nor do they stop us from making decisions, that may affect one group more than others. Whilst we have a duty to involve groups of people who have protected characteristics, this does not give them the right of veto regarding any of our budget proposals or other council decisions.

What the equality duties do is enable us to demonstrate that we are making decisions in a fair, transparent and accountable way, considering the needs and the rights of different members of our communities.

The EHRIA will allow you to see that people with protected characteristics are enjoying equal access to our services, and where they are not, or are over/under-represented, or are not getting as good a service, the EHRIA gives the opportunity to do something to resolve the situation.

The equality target groups, or people with protected characteristics, include age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex (gender) and sexual orientation.

The sort of questions to ask yourself as you read an EHRIA might include:

- How might the proposal impact on ethnic minority communities, including Gypsy / Travellers?
- How might the proposal impact on people with a disability?
- Would the impacts on women and men or the Transgender community differ?
- Would the proposal affect ethnic minority women and men in the same ways?
- Would the proposal affect women and men with disabilities in the same ways?
- What about age considerations when thinking about impacts?

It is important to remember that the potential impact is not just about numbers. Evidence of a serious impact on a small number of individuals is just as important as something that will impact on many people. You should also think about how individual proposals might relate to one another. This is because a series of changes to different policies or services could have a severe impact on particular protected groups.

The EHRIA is therefore an invaluable tool to assist you in ensuring that the interests of all groups are properly taken into account when difficult choices about resources are required.

A case study on “Southall Black Sisters – the need to impact assess decisions” is set out below.

Southall Black Sisters (SBS) provides specialist services to Asian and Black Caribbean women, particularly in relation to domestic violence issues.

In June 2007, Ealing council announced proposals to move away from funding particular organisations (such as SBS), towards commissioning services (including domestic violence services) following a competitive bidding exercise.

During discussions about criteria for commissioning domestic violence services SBS had highlighted the adverse impact the criteria could have on pre-existing domestic violence services provided to women from ethnic minority communities, and so an equality impact assessment should be carried out.

Ealing carried out belated impact assessments on proposals before deciding to proceed with the existing domestic violence services commissioning criteria, resulting in two SBS service users launching a judicial review of the decision.

Ultimately, Ealing conceded these submissions and withdrew from the case. However, in an oral judgement, Lord Justice Moses reiterated the importance of undertaking an equality impact assessment, and also the importance of carrying out an impact assessment before policy formulation.

Should you require any help with EHRIAs please contact me at sandrab@aberdeencity.gov.uk or 01224 523039 or Faiza at fnacef@aberrdeencity.gov.uk or 01224 523183

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	5 th February 2015
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Shaping Aberdeen
REPORT NUMBER	OCE/15/002

1. PURPOSE OF REPORT

The report provides for members a brief outline of the key features of the context within which the Council will be operating in 2015/2016.

2. RECOMMENDATION

That the Council notes the content of the report.

3. FINANCIAL IMPLICATIONS

There are no specific financial implications arising from this report. The Council has before it reports considering the General Fund Revenue Budget, the Non Housing Capital Programme and the Common Good.

4. OTHER IMPLICATIONS

There are no specific other implications arising from this report, but by its nature as an overview its subject matter touches on all relevant Council policies.

5. BACKGROUND/MAIN ISSUES

Council has before it for consideration reports relating to the General Fund Revenue 2015/2016 and indicative 5 year budgets, the Non Housing Capital Programme 2015/2016 and indicative 5 year budgets and the Common Good budget 2015/2016 and indicative 2016/2017 to 2019/2020 budget. Members will remember that at its meeting of 17th December 2014 the Council approved the Housing Revenue Account and Housing Capital budgets 2015/2016 to 2019/2020.

At the time of writing the organisational review of the Council's management structure approved at the meetings of 14th May 2014 and 20th August 2014 is moving towards its conclusion. In addition, recruitment and selection will soon be underway to the posts of Director

of Corporate Governance, Head of Legal and Democratic Services and Head of IT and Transformation. As previously reported to members, in order to ensure continued effective stewardship the budget was not realigned to the revised management structure of the Council during 2014/2015. Members will note that the realignment will be completed for 2015/2016.

Attached as appendix 1 to this report is the latest workforce planning document for the Council – *Shaping Our Future Workforce 2015 – 2020*. This document will underpin the work of each Directorate in relation to the development of the Council's staff team over the coming years.

Work will begin before the end of the current financial year on the development with staff across the Council of a re-focused culture within the organisation which will see consideration given to each of *customer experience, staff experience* and *use of resources* in everything we do. Decision-making within the Council will include an assessment of how the proposal being considered addresses the balance between these three factors. This will be of central importance to the transformational work to be led by the new post of Head of IT and Transformation.

Extensive work has been undertaken on developing the programmes to underpin the customer experience and staff experience aspects of this refocused culture. The early part of the new financial year will see initial piloting of an approach to outcome planning and budgeting which will be the subject of a report back to Committee.

While the structure and culture of the Council are being refreshed, work is also underway with colleagues from public sector partners to refresh and refocus the City's Single Outcome Agreement. At the same time, given the changes underway within the Council, the Council's own *5-year Business Plan 2012/2013 – 2017/2018* will also be updated in the coming weeks to reflect the changed working environment within the organisation.

It is useful to reflect that the Council's current suite of corporate planning documents makes no mention of the impact of a City Deal or the delivery of the City Centre Masterplan. Both will need to be included within the revised documents and both will require to be underpinned by a long-term financial strategy for the Council. Officers are currently preparing such a strategy, the purpose of which is to provide the Council with a clear understanding of its long term financial opportunities and challenges within the context of the medium term financial stability that it has achieved in recent years.

The budget reports now before members set out how work is ongoing in delivering against the Council's *Smarter Aberdeen* policy statement and the Strategic Infrastructure Plan. The reports also make clear that

the financial situation to be faced by the Council, along with every other public sector body, over the coming five years is bound to be challenging.

The Corporate Management Team is keenly aware of this challenge and work is underway both in terms of making the very best case to both the UK and Scottish Governments to explore with the Council mechanisms by which Aberdeen and the wider North East can be supported and in working with public sector partners locally to examine options through which further services might be shared.

Such efforts with local, Scottish and UK partners will be built upon efforts within the Council to work with staff and their Trades Union representatives to seek and deliver service improvement and/or transformation.

Reports will be brought to Committee as required.

6. IMPACT

The subject matter of the report is of direct relevance to the Council's delivery of the objectives detailed in the City's Single Outcome Agreement, the Smarter Aberdeen policy statement and the Strategic Infrastructure Plan.

7. MANAGEMENT OF RISK

The report provides an overview of the context within which the Council will be operating during 2015/2016. The management of specific risks will be addressed as required in reports to Committee in the coming year.

8. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

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Appendix 1



Shaping Our Future Workforce 2015 - 2020

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- 7.0 Monitoring and evaluation**

1.0 Executive Summary

We are a multi-faceted, complex organisation with a significant number of functions and operations. Accordingly, we require a highly diverse workforce that is “*capable, confident, skilled, motivated and engaged*” in order to deliver positive outcomes for the citizens of Aberdeen.

Planning for how we will have a workforce that meets this profile is paramount and requires a commitment to attract, develop, retain and recognise talented and motivated employees with the right behaviours who are aligned with our vision and values. We recognise that workforce planning is a critical element of business success because we can only successfully deliver our business strategies and improvement plans through people.

Improving the connection between strategic and policy direction, financial planning, improvement planning and workforce planning will help us to shape our workforce to ensure it is capable of delivering organisational objectives now and in the future.

When securing the size and type of workforce we need to deliver our objectives, we are however faced with many challenges. These include skills shortages in particular occupations, attracting and retaining high quality staff to Aberdeen city and surrounding area due to the relatively high cost of living and recruiting the next generation of skilled specialist staff. So we need to take a proactive approach through the use of traineeships and a range of professional development in a range of specialist areas.

Strategic workforce planning at Directorate and team level, supported by the HR & Organisational Development Service, allows us to focus on attracting and retaining the right quality of people we need, invest in developing our leaders and recognise and reward our high performers.

2.0 Introduction

Workforce planning is a continuous process of shaping the workforce to ensure it is capable of delivering organisational objectives both now and in the future. It's about shaping the workforce with a clearly identified purpose and to bring about particular changes, with a strong focus on improving how we do business.

Workforce planning is an essential component of the Council's integrated planning framework. At the strategic level, our workforce plan takes into account the vision, aspirations, priorities and objectives identified in Aberdeen City Council's 5 year Corporate Plan which sets out the longer term vision and priorities and highlights workforce needs. A key element of the Corporate Plan is the Strategic Infrastructure Plan.

The successful delivery of the Corporate Plan is highly dependent on our success in continuing to attract, develop and retain the right number and quality of employees. This in turn informs the annual budget given that a significant proportion of the net revenue budget relates to staffing. For 2015/16, the total staffing budget is £253m, which represents 57% of the net revenue budget. £85m of that total is for the employment of teachers.

Getting our workforce planning right delivers significant improvements and can give us a competitive advantage as we compete for high quality talent. It gives us:

- assurance that our business and financial strategies can be delivered
- a more skilled and innovative workforce who are the right fit for the organisation and the job they are in
- stronger career paths and workforce development
- higher quality of customer service delivery
- improved staff engagement and retention
- improved productivity through workforce alignment to service priorities and objectives
- improved capacity to monitor costs and directly link workforce expenditure against business outputs and outcomes

The focus of this corporate strategic workforce plan is three fold. Firstly, it is to recognise how we rely on our workforce to deliver our business strategies and objectives, with the emphasis on continuous improvement. Secondly, it is to describe the type of workforce we need to deliver business success. And finally, it is to outline our plans to recruit, develop and retain the quality of workforce we need.

To this end, each Directorate is required to have a **5 year workforce plan** aligning workforce requirements to the corporate Business Plan and their own service plans and very importantly, to the delivery of the service improvements they will have included in those plans.

These workforce plans forecast future demands on the service, analyse workforce demand and supply, include action plans to bridge any current or anticipated workforce gaps and explain how success against those actions will be measured. A summary of each Directorate's analysis of current and future trends and resourcing/development needs is shown in **Section 5**.

Taking cognisance of the common themes emerging from those plans, a set of key actions and strategies to meet future workforce requirements has been developed and these are summarised in **Section 6**.

These Directorate workforce plans enable HR & Organisational Development to develop strategies and actions to help managers source the talent they need to deliver their objectives. For example, the Inspire and Aspire Development Programmes, recruitment, retention and employee engagement strategies.

3.0 Delivering strategy and continuous improvement through people

The past few years have brought hugely testing times for the UK public sector but the biggest challenges still lie ahead. A comprehensive spending review will also be undertaken to meet the shrinking budgets available for public spending from 2016 onwards. Alongside these on-going austerity measures, statutory changes are being made to the way some priority services are delivered, for example the merging of health and adult social care services. This will result in significant changes in services for both providers and users.

Aberdeen City Council has recognised and is preparing for these challenges. We are committed to a programme of modernisation and transformation in the way we do business underpinned by a recent restructure at senior management level that replaced the former 5 Directorate model to what is commonly described as the 'three plus one' model with three substantive Director posts and the Chief Officer -

Adult Health and Social Care, the latter post which we share with NHS Grampian. This review, which was approved by Council on 14th May 2014, ensures that our workforce is aligned to the Council's current and future strategic priorities, as set out in the Corporate Business Plan, and provides clearer lines of accountability and responsibility. Phase two of the organisational review, which involved a new second tier structural model to support the changes at top tier level, was approved by Council on 20th August 2014 and further structural changes were approved by Council on 17th December.

The restructure process has been designed to align the organisation's functions in a more logical, efficient and collaborative manner, and to enable us to continually improve the services we deliver with the continuing drive to instill a high performance culture across the organisation.. Fundamentally these functions are performed by people; people whose behaviours, relationships and ways of doing business form the culture of the organisation – or contribute to a series of sub-cultures which ultimately make up the whole.

The need for ongoing transformational change and service improvement is therefore underpinned by commitment to a fundamental change in the way people think and perform at work and to a culture and appetite for high performance and outcomes delivery.

The successful delivery of our transformation programmes and strategies for delivering continuous improvement relies on having the right people who at all levels meet our organisation's behaviours in terms of the requirement for:

- Open, honest and frequent **communication**
- A **customer focused** approach which places customers at the heart of what we do
- High standards of **professionalism**
- **Respect** for others and promoting equality through fairness and consistency in our approach.

It is equally dependent on managers who:

- Accept the need for transformation and encourage **creativity** and innovation in the way we deliver our services
- **Engage** with employees, involve them in decisions which affect them and encourage their full contribution and participation
- Plan services and make decisions which **focus** on an effective and sustainable **future** rather than on short term views
- Provide genuine **leadership** and direction.

Along with senior managers who:

- Express, model and reinforce the behaviours expected
- Lead from the front
- Have a 'one team' mentality, providing leadership to the organisation as a whole
- Have a collaborative mindset – enabling constructive dialogue and joint working with partner organisations.

Significant work has taken place to embed these behaviours within the organisation. This, along with the Council's aim to deliver the highest quality services to customers and make best use of our resources, has created a 'triple aim' approach to Shaping Aberdeen that will ensure Aberdeen City Council responds to the UK statutory requirement for 'continuous improvement'. The 'triple aim' approach is explained in more detail in the Council's corporate plan and will be at the heart of each Directorate's service improvement and workforce plan.

Our Approach

The vision for 'Shaping Aberdeen' is well developed and will be launched to the organisation in early 2015. Underpinning this vision are comprehensive improvement plans in each area – customer, staff and resources. The staff improvement plans have been designed to deliver an engaged workforce given the positive impact we know this has on outcomes for the customer, staff, productivity and performance.

In going forwards, Aberdeen City Council faces the challenge of a £50m funding gap. Closing that gap will require transformational change and the involvement and engagement of staff at all levels. Our improvement plans are therefore based around the following 4 enablers of engagement.

- **A strong narrative** – a clear and widely understood story of the organisation's purpose, its vision and direction and its values
- **Engaging managers** who focus on getting the best from people
- **Employee voice** – informing and consulting employees and involving them in decision making and creative solutions for the organisation

- **Integrity** – employees who trust and are trusted by the organisation – the absence of a ‘say-do’ gap between what the organisation says it expects and values and what it *does*.

In order to assess to what extent the actions within these plans have succeeded we will use the baseline drawn from the outcomes of the 2014 Employee Opinion Survey, the results of which inform our staff improvement plans as well our future workforce planning processes.

4.0 Information we use to develop our workforce planning strategies and actions

The strategies and actions included in **Section 6** of this corporate strategic workforce plan, as well as the specific actions included in Directorate workforce plans summarised in **Section 5**, have been derived from our knowledge and understanding of the internal and external environment and workforce and includes both quantitative and qualitative data. For example, given Aberdeen’s oil-dominated economy with the oil industry in Aberdeen and the surrounding area employing over 137,000, we are carefully monitoring the current impact on the local employment market of the falling oil price and consequential large scale redundancies in the local oil and gas sector. This may have significant recruitment and retention implications across the Council.

Internal environment	External environment
<ul style="list-style-type: none"> ● Demographics (e.g. age profiling, length of service, diversity in our workforce) ● Turnover rates ● Job characteristics (e.g. full-time/part-time, overtime hours) ● Employment status (e.g. permanent, fixed term, casual) ● Skills shortages ● Recruitment and retention rates ● Exit interviews ● Workforce gaps, issues and risks ● Time taken to recruit 	<ul style="list-style-type: none"> ● The local/national employment market ● Who is competing for our workforce ● External impacts on our organisation. For example <ul style="list-style-type: none"> - policy and legislative changes - local and regional development - changes in population demographics both now and in the future ● Expectations of different generations ● External funding

- Salary costs
- ‘Smarter working’ approach
- Employee surveys (most notably our biennial employee opinion survey)
- Internal customer service surveys
- Retirement patterns
- Promotion patterns
- Workload patterns
- Absence rates

5.0 Summary of each Directorate’s analysis of current and future trends and future workforce needs

Each directorate has developed its own workforce plan with a five year future focus, aligning workforce requirements to the corporate Business Plan and their service plans and, very importantly, to the delivery of the service improvements they have included in those plans. In other words, how services are going to deliver their business strategy and plans for improvement through people.

Using a **5 step model**, the plans are characterised by a commitment to improve customer and staff experience and make best use of resources. Each plan comprises the following steps to help directorates define their workforce needs and implement the necessary changes to shape a workforce (both in terms of size and shape) that respond to the demands of current and future challenges, and ensure delivery of their strategy and business objectives.

Step 1 – Forecasts future demands on the service – how the needs of the organisation and customers are expected to change

Step 2 – Analyses workforce demand – the workforce required in the future to deliver the service and meet future needs

Step 3 – Analyses workforce supply – a description of the current workforce and how it is likely to change

Step 4 – Plan actions – action plans to bridge any current or anticipated workforce gaps

Step 5 – Measure success – how success against those actions will be measured

Each Director will submit their workforce plans to their parent Committee within two Committee cycles from the date of today's meeting. A summary for each Directorate is provided below in the meantime as it is important to identify the main workforce challenges and how they will be met within this 5 year strategic workforce plan.

Where there are implications for the workforce, Directorates will consult the trades unions and the employees affected in accordance with usual consultation requirements at the appropriate time.

5.1 Corporate Governance

Current and future demands on service with workforce implications

- The PACE (Procurement Achieving Commercial Excellence) approach will be pivotal as it involves the transformation plans of each service -City and Shire -coming through C&PS (and Corporate Governance overall) to focus on our shift to a more commercially-aware organisation
- Establishment of Corporate Innovation Hub

Strategies to meet future workforce requirements

- Greater focus on individual training plans within C&PS
- Investment in training and buddying, recognising that this will come from the private sector in some areas
- Identification and full utilisation of project management skills across both City and Shire
- Transfer of ICT and legal staff into C&PS to create one stop shop
- Quality management and change management skills will be the focus in terms of recruitment and development
- New posts have been created to address this
- The team will need IT skills to organise and analyse data which

<ul style="list-style-type: none"> • Shared Service of Section 95 Officer with Shetland Council • Scottish Welfare Fund -the decision being taken by April 2015 as to whether this service will continue beyond the initial 2 year pilot- and the introduction of Universal Credit • Restructure of ICT Services- this has been carried out in response to team workshops and customer need for specialist skills re the wider range of consumer devices, extended support hours, complexity of backend infrastructure to support the availability and resilience requirements, increase in development of web applications and integration between systems/streamline of applications 	<p>provides a succession route from many services</p> <ul style="list-style-type: none"> • Resulting in temporary restructure within Finance to look at the impact of this over the initial fixed term • This will have the benefit of acting up opportunities right through Finance and serve as an important retention, development and succession planning tool. • General uncertainty as this is introduced over phased basis • Will plan for 20% reduction in benefits staff • All Revenues & Benefits new employees will be contracted on a fixed term basis while assessment of need is on-going future workforce requirements • The new structure will address a need to wider span and specialism of management functions within ICT, including a customer facing Account Manager • It will provide career paths and development for staff • Training in specific technology skills will be provided as projects move forward as well as for Incident and Problem Management/ Change Control • IT Service Management training in IT Incident and Problem Management and Change Control is required across the service. • New software will release staff from some 1st level tasks and
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increase variety of work and therefore, job satisfaction

- Links with Aberdeen College in terms of offering work experience at first line point of service delivery will assist with flow of applicants for future vacancies

5.2 Communities, Housing and Infrastructure

Current and future demands on service with workforce implications

- Financial Inclusion remains prominent and will feature highly in terms of joint working with the third sector and Jobcentre plus. This could result in an increase in staffing levels
- Restructure throughout the whole Directorate to be completed in 2015
- The Community safety hub continues to successfully develop with housing teams working alongside partners from police, fire service and the voluntary sector. A review of the city-wide CCTV operation is underway in conjunction with the police in regard to its future provision and could include transfer of individuals into ACC. The introduction of automated payment capability for parking may result in a reduction of City Warden and Technician posts

Strategies to meet future workforce requirements

- With the emergence of the new Directorate, structures require to be designed to ensure that more effective and efficient ways of working are put in place. The next phase of the restructure has identified that there are 8 Senior Service Manager posts to be established. Once individuals are in post, they will influence the next tier within the structure
- A new purpose built facility for waste has been agreed and, once staff and vehicles are accommodated there, it should be a more efficient operation. This will include assessment of numbers of posts required to deliver the waste strategy (which may be an increase)
- Career progression schemes in certain areas (where posts are hard to fill, turnover is high etc) will require to be designed and implemented

- There is no UK University currently providing trading standards training and we may have to look at 2 different levels of Trading Standards Officers
- Fleet management requires a total overhaul in respect of all areas
- Community Planning and Equalities now form part of the Directorate and there will be a realignment required to integrate this
- Once the new structures are in place, this will be much clearer. There will be a need for integration of teams and upskilling/retraining in certain areas
- An increase in posts may be required in certain areas in order to meet the demand of the services and this will become clear once the structures are in place
- There are areas where staff turnover is an issue and schemes such as career progression and modern apprenticeships will require to be developed to deal with this.

- Potential renegotiation of the craft workers agreement and associated salary grades will be scoped
- Undertake a skills analysis and identify gaps and overlaps
- Fleet services will undergo a restructure to ensure that the operation is fit for purpose. This may involve additional posts although what those are is unclear currently.

5.3 Education and Children's Services

Current and future demands on service with workforce implications

- School rolls forecast to rise – increase in demand for teachers
- Increase in statutory early years' provision – requirement for more Early Years' Practitioners
- Art Gallery redevelopment – change in skills set required for staff
- Implementation of the Inclusion Review – staffing levels and deployment across schools and special services will be reviewed and ways of working will change
- School Estate – new secondary school in the south of the city – decrease in senior and middle manager posts

Strategies to meet future workforce requirements

- DLITE programme; working with Irish consultants; recruitment and retention payments; attendance at careers fairs at English ITE providers
- Flexible working arrangements to allow practitioners to work in different settings to meet demand for staff; Skills for Work programme to attract school leavers into childcare
- Staff development programme
- Staff development programme
- Agreed procedures around staffing following a school amalgamation will be implemented.

5.3.1 Children's Social Work

Current and future demands on service with workforce implications

- Increased demand in children's social work has resulted in an increase in demand for Children's Social Work staff to work with young people and their families, especially qualified Social Workers

Strategies to meet future workforce requirements

- Implementation of the Reclaiming Social Work (RSW) model – first authority in Scotland, it is envisaged that as well as improving outcomes for children, the primary purpose of the model, it will have a positive impact on both recruitment of new staff and retention of existing staff
- Develop and implement a robust assessment centre based selection process to ensure that we recruit high quality, skilled employees with the right skills, experience and behaviours to carry out the key roles
- Development of new induction and development / mentoring programme as part of the new service

5.4 Adult Health and Social Care

Current and future demands on service with workforce implications

Strategies to meet future workforce requirements

- The demographic issues related to an ageing population in Aberdeen will exacerbate the local and national shortage of Care Staff. There are significant workforce implications in terms of the recruitment difficulties we have both to support adults with disabilities in day care and residential care and for older people in the community and residential care
- The developing personalisation agenda and self-directed support has longer term workforce implications in terms of service users potentially choosing alternatives to the traditional care delivery provided by the local authority which may impact on the workforce
- The integration of Adult Health and Social Care services is likely to have workforce implications as a result of different ways of delivering services, although at this stage it is not possible to determine what these might be. The Council and NHS Grampian are working closely together and have developed an integration scheme for the Aberdeen partnership which is currently out for consultation. The Shadow Integrated Joint Board, the governance body, is likely to be operational by April 2015 and there is a requirement to produce a strategic plan detailing how the integration of services will be achieved. The strategic plan will include a workforce plan and at that stage more detailed and meaningful information on the workforce implications will be available. It is clear at this stage that both the NHS and the Council retain their separate employer identities, but it is less

- Bon Accord Care operate a relief pool covering a range of care roles which can be used to supplement the core workforce within Bon Accord Care and Aberdeen City Council, providing fully inducted and trained workers on fixed agreed rates, as an alternative to external agency workers
- Work in partnership with Bon Accord Care and other partners on a range of options to improve recruitment and retention, such as modern apprenticeships / 'grow our own' schemes/ career pathways / targeted recruitment days etc.
- Consider implementation of a development / mentoring scheme for existing and new employees to assist retention

clear what the implications will be in workforce terms

6.0 Summary of key actions and strategies to meet future workforce requirements

Like many organisations, we face critical shortages of essential talent while at the same time facing the constant challenge of keeping up with fast-moving workforce trends. As work requirements evolve, the demands on the workforce also change, and in anticipation of these changes, and to address the need to have the right workforce in place, we have developed a series of key actions and strategies to help meet future workforce requirements and to address potential sources of risk.

Recruitment	Training & Development	Resource Sharing
<ul style="list-style-type: none"> • Robust recruitment methods to ensure cultural as well as technical fit • Ensuring equality of opportunity • Additional tools for recruitment • Interviewing skills upgrade • ‘Employer of Choice’ approach • Targeting 16-24 year old age group • Talent Resourcing Strategy • Flexible working options • Redesigning roles to increase supply • Attraction and retention policies to overcome cost of living issues 	<ul style="list-style-type: none"> • Learning and development culture • Development aligned with organisational behaviours and priorities • Core training at all levels round the behaviours with emphasis on customer service training • Core training for all managers (Supervisory training for supervisors – Inspire Programme for middle managers – behavioural impact training for senior managers) 	<ul style="list-style-type: none"> • Partnerships with other organisations to access a different workforce pool • Shared services • Internal and external cross organisational working • Explore option of sharing trained customer service assessors with NE partners

<ul style="list-style-type: none"> • Removing barriers to relocating to Aberdeen • Long term, sustainable solutions to fill 'hard to fill' jobs • Robust induction/onboarding • Tailored induction 	<ul style="list-style-type: none"> • Personal Development Plans for all employees • Range of learning and development methods • Mentoring and coaching • Career paths and coaching • Succession planning • Aspire Programme for future leaders to tackle succession at 3rd tier level • Knowledge capture on exit 	
Retention		
<ul style="list-style-type: none"> • Employee engagement strategies (see Employee Engagement) • Work-life balance and flexible work practices • Health, safety and well-being initiatives 	<ul style="list-style-type: none"> • Annual and Interim Employee Opinion Survey • Employee Benefits package • Communication Strategy • Clear and effective communication channels for all staff • Feedback/Sharing ideas • Employee Voice • Staff Charter • Apply best practice • Pulse checks • Recognising and celebrating success • Engagement module in Inspire Programme for middle managers 	<p style="text-align: center;">Attendance Management</p> <ul style="list-style-type: none"> • Strategies and procedures for maximising attendance at work • Culture of health, safety and wellbeing

High Performance Culture	Embedding Behaviours	Customer Service Standards
<ul style="list-style-type: none"> • Performance management processes • Performance Review and Development framework • 360 reporting tool • Pulse checks • Core training for managers and all staff • Reporting tools • Performance improvement metrics • Connection between strategic and policy direction with workforce planning considerations 	<ul style="list-style-type: none"> • Further embed Performance Review and Development • Skills and knowledge upgrade • Strategic indicators for senior managers • Senior managers sponsoring elements of improving customer and staff experience 	<ul style="list-style-type: none"> • Customer service framework • Customer service charter • Robust recruitment processes for all frontline customer service staff

These strategies involve the planning and design of specific programmes and projects that will enable the organisation to develop and maintain a workforce capable of delivering upon organisational objectives.

The following illustrates example strategies that are making a difference in terms of helping the organisation meet its many workforce challenges, although there are many more corporate and service specific programmes and projects that are either currently helping, or are planned to help, deliver the workforce we need both now and in the future. These are set out in the Directorate Workforce Plans while the electronic version of this document will provide links to corporate initiatives when it is placed on the Council's intranet.

6.2 Example strategies to meet future workforce requirements

Strategy	Activities
<p>Sourcing our future talent by improving attraction and recruitment of people in 16-24 year old age group</p>	<ul style="list-style-type: none"> • ‘Aberdeen Guarantees’ which involves collaboration with Career Academy UK and working closely with City schools and pledging support for initiatives including modern apprenticeships, mentoring students, intern preparation, mock interviews, career coaching and summer internships • Seeking Investors in Young People accreditation as a framework to help co-ordinate, recognise and derive best practice in our initiatives to aid young people into work • Actively targeting young people when promoting and communicating career options • Incentivising recruitment of younger people by utilising the Graduate Support Scheme Modern Apprenticeship programme to source funding, mentoring, coaching and supporting young people
<p>Improving our Employer of Choice approach by forging closer links with local colleges</p>	<ul style="list-style-type: none"> • Links have been established with Aberdeen College to offer placements in IT helpdesk and within frontline service delivery and to offer a modern apprenticeship for those students achieving HNC standard in a relevant subject
<p>Working in partnership with Aberdeenshire Council, Police, Fire and local universities to tackle shortages in essential talent by removing barriers to relocating to Aberdeen</p>	<ul style="list-style-type: none"> • Working, in conjunction with colleagues in Housing, to establish key worker accommodation in the City to remove the barriers for future employees to relocate to the City. • Working with public sector partners in the North East to look at costs of living and working in Aberdeen in particular investigating the potential for an Aberdeen Weighting Allowance.
<p>Making best use of resources, improving expertise and upskilling our workforce through collaboration with partner</p>	<ul style="list-style-type: none"> • Being a member of the North East Learning Collaboration (NELC) which comprises representatives from Aberdeenshire Council, Police, Fire, NHS, RGU and voluntary sector

<p>organisation in the areas of learning and development</p>	<ul style="list-style-type: none"> • Provides our workforce with a range of development opportunities including <ul style="list-style-type: none"> - Joint Supervisory and Middle Manager programmes - Collaborating for Outcomes – a 7 module programme for senior managers promoting understanding of shared challenges across the local area and encouraging collaborative working - Joint mentoring scheme, matching mentors and mentees from across partner organisations • Future plans include <ul style="list-style-type: none"> - Developing coaching skills both to increase inhouse coaching capacity and to share coaches with partners - Sharing of materials, assessors and assessment tools to assist with the increasing demand for assessment and development centres - Developing joint projects such as leadership exchange, job swaps, cross-partner projects and shadowing to support the development of potential
<p>Tackling the critical shortage of primary teachers through long term, sustainable solutions</p>	<ul style="list-style-type: none"> • Aberdeen City Council staff being offered the opportunity to retrain as a primary teacher and be sponsored by the Council through the Distance Learning Initial Teacher Education programme with Aberdeen University. 17 employees will be starting the course in February 2015. Part of their commitment is that they will teach in Aberdeen for at least 3 years after qualifying
<p>Planning for succession</p>	<ul style="list-style-type: none"> • Launch of our annual <i>Aspire Future Leaders Programme</i> which identifies and equips leaders of the future with the thinking, knowledge and experience required to take the organisation forward. 11 people entered the programme last year. Programme will re-open later in 2015. • Various 'Growing Our Own'/Trainee Schemes operating across the Council. These include establishing an internal pool of future HR Advisers, Trainee Accountant Scheme, Trainee Environmental Health Officer Scheme, Graduate Trainees in Housing services, variety of apprenticeships in Building Services, career pathways for carers, • Aspiring Head Teachers and Aspiring Deputy Heads programmes in place to support

7.0 Monitoring and evaluation

We recognise that successful workforce planning is an active, ongoing dynamic process that must be monitored and adjusted where necessary. We will continually monitor the various strategies and actions identified in this plan to account for any internal or external developments. This monitoring and review process will enable us to assess which of our strategies and actions are working and which are not, and then make adjustments to these strategies and actions and address in a timely way new workforce and organisational issues which might arise. This will position the organisation to be ready and able to respond quickly and more strategically to change by recognising emerging challenges.

COMMITTEE	Council
DATE	5 February 2015
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	General Fund Revenue 2015/16 and Indicative 5 Year Budgets
REPORT NUMBER:	CG/15/18
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Council with details of the 2015/16 General Fund Revenue budget along with indicative 5 year budgets for the General Fund.
- 1.2 These budgets are based on the current settlement information from the Scottish Government (Finance Circular 9/2014) and are therefore subject to change should an updated settlement position be announced.

2. RECOMMENDATIONS

- 2.1 It is recommended that Council:
- a) Approves the revenue budget for 2015/16 as attached at Appendix 1 of this report, along with an indicative 5 Year Budget;
 - b) Approves the continuation of a Risk Fund to mitigate against any in-year cost pressures;
 - c) Agrees to freeze the level of Council tax for 2015/16 at the same level as 2014/15;
 - d) Approves the changes to fees and charges as indicated in Appendix 7;
 - e) Approves that a sum of £2.93m be earmarked from the 2014/15 underspend to support a service redesign programme within children's services, with regular updates to be provided to committee;
 - f) Agrees that revisions to budgets for Arm's Length External Organisations (ALEOs) to reflect future pay awards be reported to Finance, Policy & Resources Committee; and
 - g) Agrees that the Council continues to retain uncommitted revenue reserves in accordance with the Reserves Strategy, which presently shows a requirement for £11.3m to be held.

3. FINANCIAL IMPLICATIONS

- 3.1 The Council has had in place a comprehensive Priority Based Budget (PBB) approach to the setting of its budget for a number of years now. This has been the platform from which all financial planning has been built.
- 3.2 Accompanying the 2015/16 budget, the Council has produced a 5 year budget 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. The latest version of the budget is based on Finance Circular 9/2014. The final settlement letter is expected in February 2015.
- 3.3 The process for determining the 2015/16 budget built on the risk based approach which had begun in previous years, to ensure that the Council continues to place itself in a strong financial position to meet the demands on its services.
- 3.4 This involved identifying cost pressures for future years and understanding the risk associated with these. They were then subject to a robust challenge process in order to remove elements of priced-in risk. The risk fund which was created in 2013/14 will continue, such that in being prudent, identified cost pressures could be set against the risk fund which Services will work on mitigating against in-year.
- 3.5 The five year position shows a net projected deficit by 2019/20 of approximately £53 million, assuming that the Council does nothing and accepts estimated cost pressures. The Corporate Management Team are identifying ways in which the Council can close this funding gap whilst maintaining its focus on improving the outcomes for our customers.
- 3.6 In setting the budget for 2015/16 the Council needs to recognise that sufficient working balances are set aside to meet any future unforeseen expenses over the 5 year period. 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 have an increased impact over the 5 year period;
 - The level of inflation that continues to be inherent within the current economic climate;
 - The impact of changing energy prices;
 - Other cost pressures arising directly from rising prices, demographic changes or additional legislative burdens placed on the Council; and
 - The uncertainty that exists for Local Government as no funding settlement is known beyond 2015/16.
- 3.7 As reported and agreed at Finance & Resources Committee on 4 October 2012 the Council has continued to set aside £11.3million as uncommitted General Fund reserves, 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 and need for increasing the level of working balances.
- 3.9 As part of the Council's year end process the optimum position will be identified and further review will be undertaken and reported in due course.
- 3.10 The numbers presented have been drafted into the form of the Council's new structure. Work continues on migrating the budgets as individual service structures are refined and confirmed **with Directors**.

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.

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	122.122
1	Non Domestic Rates	217.237
2	Council Tax	<u>102.903</u>
		442.262
	Add:	
	Trading Services/Other Grants	<u>13.303</u>
	Total Funding	455.565
	<u>Projected Expenditure</u>	
	Current Estimated Spend	455.565
	Total Projected Expenditure	<u>455.565</u>
	Net Spend	<u>0</u>
3	Risk Fund	<u>5.541</u>

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 (GRG). The GRG figure is represented by £110.871m GRG plus £11.251m for the 85% floor. No allowance has been made for any additional Business Rates Incentivisation Scheme (BRIS) income.

Note 2 – A review of Council Tax has been undertaken and it is estimated that an increase in the number of Band D equivalent properties for 2015/16 can be anticipated.

Note 3 – The risk fund was established in 2013/14 and will continue to be earmarked for this purpose in 2015/16.

Financial Settlement Position

- 5.2 It is worthwhile noting that as part of the overall settlement agreement provided by the Scottish Government the Council has adequate budgetary provision to maintain a council tax freeze for the financial year 2015/16. The potential loss of revenue grant for not maintaining the council tax freeze would be £3.3m.
- 5.3 The commitment to maintain teacher numbers in line with pupil numbers is currently under review by the Scottish Government. The alternative is likely to be an outcomes based approach, for which further information is awaited.
- 5.4 The Council has received the Finance Circular for 2015/16 (Local Government Finance Circular no. 9/2014) 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

- 5.5 The current level of council tax band D equivalent is £1,230.39 per annum. It should also be noted that this assumes:
- Council tax non-collection rates are maintained at 2014/15 levels for the 5 year period (which will be monitored closely given the impact of Welfare Reform);
 - Council tax levels are frozen at 2007/8 prices until 2016/17 when it is assumed that the charge will increase by 2% per annum, which is the Government's inflation target;
 - The number of Band D equivalent properties has been increasing in recent years and the assumed level of council tax reflects this. The budgeted income for 2015/16 has been aligned to reflect actual levels received in 2013/14. Budgeted income for 2016/17 reflects an additional 300 Band D properties, and in 2017/18 an additional 1,000 properties are expected to be inhabited.

Charging Details

- 5.6 In reviewing the detail of the 2015/16 budget proposals officers have identified a number of areas of the Council's fees and charges policies that require to be updated and approved. This will ensure that the Council acts in advance of the start of the financial year and will enable planning and assessment activity to be undertaken before changes to the charging regimes are implemented.
- 5.7 Other charging arrangements will continue to be worked on by Service officers and further reports and recommendations will require to be made during the coming year.
- 5.8 Within Environmental Services, as costs have increased, approval is required to ensure that the charges are updated to reflect this additional cost.

- 5.9 With regards to the Integrated Joint Board, in general the Social Care services are looking in detail at the arrangements for charging for services and this will be brought before the Service committee in due course. In the course of preparing the budget an area where improvements can be made, as identified by customers, is the 2-tier approach currently taken to charging for housing support (ex warden) services in the housing for varying needs properties (sheltered and very sheltered housing) The budget has been prepared to address the inequity.
- 5.10 Tenants have repeatedly raised the issue of inequality in relation to the charges for housing support (ex warden) services at the Sheltered Housing Network. The inequality being that certain tenants have an exemption from paying the housing support charges (because of length of tenancy in the sheltered complex) while more recent tenants are expected to pay a share of the costs – subject to their ability to pay.
- 5.11 To bring equity to the situation it is recommended that the Council remove the exemption with effect from 5 October 2015.
- 5.12 This will enable the Council to undertake up to 600 new financial assessments in preparation for this change.
- 5.13 It is also recommended that in order to cushion the immediate impact of this charge that the charge be phased in over a 2 year period, with tenants paying only half of the charge for a period of 12 months, and the full charge thereafter.
- 5.14 At present the charge levied to non-exempt tenants is subsidised by the Council to the value of 25%, and it is recommended that this is increased to a subsidy of 50%. The effective date for this being 5 October 2015.
- 5.15 The level of charges for housing support (ex warden) services has remained unchanged since 2006, since which time the services have been redesigned, reflecting the integration of the former sheltered housing warden and the home care services delivered to tenants in sheltered housing. Revised calculations have therefore been undertaken of the full cost of providing the services and the revised cost calculations should be used as the basis for the revised charging arrangements from 5th October 2015. These charges are reflected in Appendix 7.
- 5.16 A number of housing blocks have been changed from Sheltered to Amenity. As the telecare technology remains within these buildings, it has been decided to offer the tenants a paid response facility. Therefore, a new category of service has also now been introduced, Amenity +, for which there is no current charge and it is suggested that this be set at £5 per week with immediate effect.
- 5.17 These changes to the charging policy for housing support services will also require to be applied consistently to Registered Social Landlords (RSL) tenants who may also enjoy the exemption from charging due to housing benefit protection.

- 5.18 These changes are affordable in the context of the total social care income generated from charges for services.

Business Rates Incentivisation Scheme

- 5.19 In 2012/13 the Scottish Government introduced a Business Rates Incentivisation Scheme (BRIS). The aim of the scheme is two fold: to incentivise councils to maximize 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.
- 5.20 During July and August 2014, a joint COSLA/Scottish Government Review Group met to discuss how a revised BRIS might create a more accurate incentivisation for individual local authorities while at the same time providing protection for the Scottish Government from a possible significant loss of income not connected with the incentivisation scheme.
- 5.21 It was agreed that the revised BRIS better incentivises the growth of the local tax base within a local authority area and better directly reflects the factors impacting growth that are within the local authority's control and not adversely influenced by factors completely outwith their ability to influence.
- 5.22 It is recognised, however, that the amount that the local targets will be based on will only be linked to the buoyancy element of the total estimated Non Domestic Rate Income (NDRI) for any one year. This will ensure that each authority will have the ability to influence their own local tax base without interference from other changes in NDRI outwith their control that are not linked to growth in the tax base. The Scottish Government will continue to carry the risk for variances in these other factors and underwrite any shortfalls in individual local authority's annual NDRI by providing additional General Revenue Grant as recompense. This includes the impact of any business displacement.
- 5.23 Councils will be given a local 'buoyancy target', calculated using historical average growth figures at an individual level rather than for a single year. Anything achieved in NDRI over that limit will be split 50-50 between the Council and the Scottish Government. For Aberdeen City Council, this target for 2015/16 is 1.2%, or £2.6 million.
- 5.24 There is likely to be a significant event limit of 3% above and below total NDRI for the year whereby the Scottish Government may wish to invoke the significant event for a future year's target. The triggering of a significant event should be available to an individual local authority and/or COSLA and the Scottish Government. Any proposed significant event would require to be agreed by both parties.

- 5.25 Those local authorities that did not reach their target will continue to be compensated by the Scottish Government up to the level of their agreed published distributable amount of NDRI for the year in question through increased General Revenue Grant. Any benefits gained would continue to be retained until the end of the review period assuming the additional rates income also continued during that period.

Budget Restructure

- 5.26 Budgets have been realigned to reflect the Council's new Directorate structure. Children's Services budgets are now reflected within Education & Children's Services; remaining Social Work budgets are reflected in the budget to be transferred to the Integrated Joint Board; and Housing and Environment budgets have been incorporated with Enterprise, Planning & Infrastructure budgets to form the Communities, Housing & Infrastructure budget.
- 5.27 The table below shows the net movement within each of the Service Directorates.

Budget Growth and Pressures

Net Movement By Service

	2014/15 to 2015/16 £'000	2015/16 to 2016/17 £'000	2016/17 to 2017/18 £'000	2017/18 to 2018/19 £'000	2018/19 to 2019/20 £'000
Service					
Corporate Governance	138	418	335	329	299
Integrated Joint Board	550	2,233	2,233	2,233	1,783
Education & Children's Services	7,377	6,774	3,422	2,427	2,652
Communities, Housing & Infrastructure	(140)	4,771	2,546	1,945	3,099
Office of Chief Executive	(79)	1	318	(352)	35
Council Expenses	(22)	0	0	0	0
Miscellaneous Services	3,635	5,348	6,601	3,965	4,031
Joint Boards	48	0	0	0	0
	11,506	19,546	15,455	10,548	11,899

Please note that the allocation of the above numbers to each new service is still subject to change.

- 5.28 The net movement above includes previously approved PBB service options, growth items and investment, and corporate adjustments such as realignment of rates budgets. Adjustments to reflect the new management structure have also been made. Details of the movement are attached at Appendix 3.

5.29 As part of the process officers have recognised the need for services to have investment built into their budgets to aid transformation and to address pay and price rises, as well as changes to the needs and volume of the Council’s customers and citizens. Gross investment in Services is provided in more detail in the table below:

Annual Gross Investment (excluding previously agreed service options):

	2014/15 to 2015/16 £'000
<u>Current Movement</u>	
Corporate Governance	839
Integrated Joint Board	2,952
Education & Children’s Services	9,357
Communities, Housing & Infrastructure	2,865
Office of the Chief Executive	20
Miscellaneous Services	4,267
Trading Services	942
	<u>21,242</u>

5.30 Appendix 2 contains details of the assumptions contained within the base budget. Some of the points included are as follows:

- A 1% annual pay award for all categories of staff for each of the 5 years (2% in 2017/18);
- An increase in the level of utility bills for the five year period to reflect increasing prices;
- A capital investment programme, incorporating the Strategic Infrastructure Plan of £398 million over the next 5 years, the detail of which is included in a separate report;
- Increased investment to reflect the increasing demographic factors impacting on the delivery of both social care and children’s services;
- Increased investment in primary teachers to reflect the growing numbers of school children; and
- Increased investment in waste to ensure the delivery of the Council’s waste strategy.

Details of previously agreed service options, which are still ongoing and included in the base budget, are attached at Appendix 4.

5.31 **Arm's Length External Organisations (ALEOs)**

A table is attached at Appendix 5 scheduling the financial information which is relevant for Aberdeen City Council's Tier 1 ALEOs.

- Regarding Bon Accord Care (BAC): agreement has been reached on the value that is to be placed on the commissioned services for 2015/16. Using models created by BAC the budget has been shaped to reflect a set of service delivery capacities and this provides a firm base from which to move forward.
- Aberdeen City Council has a contractual obligation with BAC regarding them retaining ACC terms and conditions for staff. Payments have been uplifted annually to reflect this.
- Regarding Sport Aberdeen, Aberdeen Exhibition & Conference Centre, and Aberdeen Sports Village, funding is based on the proposals based in their business plans. This remains at 14/15 funding levels.
- Meetings will be scheduled early in the new financial year with the other ALEOs to discuss their terms and conditions.

Service Redesign Programme

(1) Adult Health and Social Care Integration

- 5.32 The legislation that underpins Adult Health and Social Care Integration; The Public Bodies (Joint Working) (Scotland) Act, came into force in April 2014. Aberdeen City Council and its partner NHS Grampian formed a Transitional Leadership Group (TLG) in early 2014 to oversee a programme toward formal integration and work is ongoing in support of full integration of delegated services. The TLG will develop over the course of 2014/15 and 2015/16 into a shadow Integrated Joint Board (IJB) and will be formally constituted as a legal entity by April 2016 at the latest, at which time services, functions and budget will be formally devolved.
- 5.33 The legislation sets out those services from both a Local Authority and NHS Board that **must** be delegated and those services that **may** be delegated. The scope of Aberdeen City Council Adult Social Care Services and budget that are proposed to be delegated are:
- Social work services for adults and older people including commissioning budgets that fund both Bon Accord Care and external third and Independent sector provision;
 - Criminal Justice Services will remain under the line management of the Head of Adult Services and within the remit of the IJB, but with a “ring-fenced” budget;
 - Housing Aids and Adaptations.
- 5.34 Work is now taking place to finalise a draft Integration Scheme which will be the partnership agreement for the developing IJB. This is being formally consulted on and will be submitted to Council in March 2015. It is likely that this will be agreed by a Parliamentary Order in June-July 2015. In parallel to this a Strategic Plan will be developed with wide partner engagement and participation. This will set the IJB's direction of travel, ambition and delivery for its initial 3 years and, once this has been agreed, the IJB is formally constituted.
- 5.35 The current proposed budget for the services to be transferred to the IJB is attached at Appendix 6. This is still subject to final verification. It is important in the disaggregation of this budget that officers are fully aware of the inter-dependencies between adult and children's social work budgets.

Early Service Redesign Programme

(2) Reclaiming Social Work

- 5.36 The implementation of Reclaiming Social Work will transform how services are delivered to children and families in Aberdeen.
- 5.37 The model, as approved by Social Care, Wellbeing & Safety Committee in September 2013, moves the service from a model more closely identified with case management to a robust model of intervention. This means that while there will be investment in-house, there will over time be a saving in the commissioning of services. This is increasingly important as the demand for service and “children open to the service” has increased by 10.5% in 5 years. In June 2014, the number of looked after children stood at 592, a 32% increase in 10 years.
- 5.38 Given the increasing need for children’s services in the city, and the likelihood of this continuing, it is important that the necessary resources are in place to ensure the successful implementation of the model.
- 5.39 The Reclaiming Social Work model is consistent with the service’s 3 Year Business Plan, the Corporate Business Plan and the Single Outcome Agreement. In particular to:
- Improve the life chances of children, young people and families at risk;
 - Improve the healthy development of young children and their families particularly those most at risk;
 - Improve the life chances of looked after children;
 - Reduce the use of out of authority/specialist placements;
 - Children, young people and their families are supported to stay together;
 - Sustain long term change by focusing on the prevention of our reduction in health inequalities.
- 5.40 It is proposed that earmarked reserves of £2.93 million be set aside to implement the model. This resource will be used across four financial years to fund the additional staffing resources required to meet need and to allow social workers to spend more time working with children and their families. The indicative spend is:
- | | |
|---------|----------|
| 2015/16 | £740k; |
| 2016/17 | £1,260k; |
| 2017/18 | £500k; |
| 2018/19 | £430k |
- 5.41 The implementation of the model will be cost neutral within 5 years, with increased staffing costs and the increase in demand being covered by savings generated within the service as the new model is bedded in.

5.42 There are a number of target outcomes for the implementation of the model. These include:

- Improved positive outcomes for children and families;
- Increased numbers of children remaining at home with their families;
- Increased numbers of children requiring a multi-agency child protection plan;
- Reduced numbers of children being accommodated by the local authority;
- Reduction in days lost due to staff sickness;
- Reduction in staff turnover;
- Increased rigour in care planning and support to families;
- Increased consistency of service to children and families;
- Higher quality effective intervention with families;
- Increase in quality of decision making;
- Aberdeen will attract high quality candidates for employment.

6. 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
2014/15 Monitoring Reports
Social Care, Wellbeing & Safety Committee 10 September 2013

8. REPORT AUTHOR DETAILS

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Appendix 1						
General Fund Revenue Budget 5 Year Position						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Service	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Governance	29,444	29,582	30,001	30,336	30,665	30,965
Integrated Joint Board	87,904	88,454	90,687	92,920	95,154	96,937
Education & Children's Services	208,025	215,402	222,175	225,597	228,024	230,676
Communities, Housing & Infrastructure	76,311	76,171	80,942	83,488	85,433	88,532
Office of Chief Executive	943	864	865	1,183	831	866
Council Expenses	2,136	2,114	2,114	2,114	2,114	2,114
Miscellaneous Services	37,784	41,419	46,767	53,368	57,333	61,364
Joint Boards	1,512	1,560	1,560	1,560	1,560	1,560
Net Cost of Service	444,059	455,565	475,111	490,566	501,114	513,014
Funding						
General Revenue Grant	(136,347)	(110,871)	(110,871)	(110,871)	(110,871)	(110,871)
Non Domestic Rates	(193,738)	(217,237)	(217,237)	(217,237)	(217,237)	(217,237)
85% Floor	0	(11,251)	(11,251)	(11,251)	(11,251)	(11,251)
Council Tax	(100,344)	(102,903)	(105,314)	(108,696)	(108,696)	(108,696)
Trading Services Surplus	(13,630)	(13,303)	(13,086)	(12,480)	(12,413)	(12,346)
Funding	(444,059)	(455,565)	(457,759)	(460,535)	(460,468)	(460,401)
Budget (Surplus)/Deficit	(0)	0	17,352	30,032	40,646	52,613

Appendix 2

Key Assumptions included in 2015/16 budget:

Corporate Governance:

£350k for **improved connectivity** especially with respect to schools;
Fairer Aberdeen Fund remains at 14/15 levels.

Integrated Joint Board:

Provision for increase in **national care home rate** (£950k);
The 15/16 base budget to be transferred to Integrated Joint Board will be the **actual costs of the service in 2014/15** plus contractually agreed uplifts;
Sheltered Housing Charges are included as per Appendix 7.

Education & Children's Services:

Provision made for an **additional 25 primary teachers** to reflect the increasing roll;
Additional budget provided for an **anticipated 2% increase in demand** for alternative family services within children's services, due to demographics.

Communities, Housing & Infrastructure:

First resident's **parking permit** reduces from £70 to £60 on 01/4/15;
Hold the **Business Permit** price at current levels, £550 pa;
Hold the **On Street** parking charges at current levels;
Charging hours for **Off street parking** terminate at 8pm (same in 14/15);
Golden Square off street charges to match the surrounding on street charges (same in 14/15);
Landfill Tax provision has been made for an increase in charge to £82.50 per ton;
Changes to fees and charges as noted in Appendix 7.
Waste contract – provision made for 2.8% uplift.

General:

£900k allowed for the payment of overtime whilst on holiday;
Price increase for **utilities**: Water (2.5%) Gas (4%) Oil (8%) Electricity (8%)
1% **pay award** in 2015/16; 1% in 2016/17; 2% 2017/18; 1% 2018/19 and 1% 2019/20.
Council Tax Income– budget for 15/16 reflects actual levels of income received in 2013/14; budget for 2016/17 reflects an increase in charges by 2% and an additional 300 houses; budget for 2017/18 reflects an additional 1,000 houses.

Appendix 3 – Details of Movement in Budget

Corporate Governance		2014/15	2015/16	2016/17	2017/18	2018/19
Budget Reconciliation		to	to	to	to	to
		2015/16	2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000	£'000
Annual Movement		138	418	335	329	299
Represented By:						
Growth						
Staffing movements	Net staff movement in year inclusive of increments	323	274	274	274	274
ICT Contract Reviews	Net impact of contractual obligations (year 1); growth over 5 years.	158	144	61	55	25
Replacement of Network Circuits	100% of all circuits under <10 mega bytes (MB) migrated to new contract	358	0	0	0	0
Other Movements						
Transfer of Social Work Procurement Team	This team has now transferred in to the Central Procurement Unit	420	0	0	0	0
PBB Savings (previously agreed)	See attached sheet for details	(188)	0	0	0	0
Removal of one-off funding (14/15 only)	Awaiting allocation for Discretionary Housing Payments for 15/16	(842)	0	0	0	0
Removal of one-off funding (14/15 only)	This was a transfer to cover the costs of recruitment	(100)	0	0	0	0
Transfer of Mitigation in Urban areas: Solutions for Innovative Cities (MUSIC) funds to Communities Housing & Infrastructure		6	0	0	0	0
Update service utility budgets (Water, Electricity, Gas, Heating Oil etc) for contractual increases on price		3	0	0	0	0
		138	418	335	329	299

Appendix 3 (cont)

Integrated Joint Board		2014/15	2015/16	2016/17	2017/18	2018/19
Budget Reconciliation		to	to	to	to	to
		2015/16	2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000	£'000
Annual Movement		550	2,233	2,233	2,233	1,783
Represented By:						
Growth						
Staffing movements	Net staff movement in year inclusive of increments	314	205	205	205	205
Older People - Increase in National Care Home Rate	Honour National Care Home Rate agreement	950	950	950	950	950
Fund 1% inflationary increase on commissioned services	1% uplift on commissioned services	628	628	628	628	628
Additional funding to Bon Accord Care	This is to cover the cost of pay awards/increments/partial removal of vacancy factor - current agreement is for 4 years	1,060	450	450	450	0
Other Movements						
PBB Savings (previously agreed)	See attached sheet for details	(70)	0	0	0	0
Saving in Integrated Joint Board Budget	The budget to be transferred to the Board has been adjusted to reflect actual levels of spend.	(1,500)	0	0	0	0
Update service utility budgets (Water, Electricity, Gas, Heating Oil etc) for contractual increases on price		4	0	0	0	0
Transfer of Social Work Procurement Team	This team has now transferred in to the Central Procurement Unit	(420)	0	0	0	0
Transfer of CFCR (Capital From Current Revenue) budget to ECS		(400)	0	0	0	0
Miscellaneous movements		(16)	0	0	0	0
		550	2,233	2,233	2,233	1,783

Appendix 3 (cont)

Education & Children's Services		2014/15	2015/16	2016/17	2017/18	2018/19
Budget Reconciliation		to	to	to	to	to
		2015/16	2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000	£'000
Annual Movement		7,377	6,774	3,422	2,427	2,652
Represented By:						
Growth						
Staff Increments and impact of pupil numbers	Net staff movement in year inclusive of increments and additional pupil numbers	3,034	2,256	1,857	2,256	1,856
Unitary Charge	RPIX remains at current levels	185	250	250	250	250
Amendments to Nursery Hours	3 hours 20 minutes delivered by teacher and nursery nurse (inc partner provider). This is fully funded.	900	0	0	0	0
Redesign of Art Gallery	Cost pressures during build phase and once new building is open.	66	0	240	150	275
Provision of ASN Centre of Excellence	Council have committed to providing a new ASN. Monies required are for 16/17 onwards	0	660	330	0	0
Transport for new South of the City Academy	Fund the transport for the new school	0	0	100	60	0
Additional running costs for new schools	Property costs are fully funded	0	0	100	50	50
Rent at Catholic Primary School	Rent increase to be paid for school	500	0	0	0	0
Head Teacher Appointment - new school	A new HT is appointed to South of City School	0	80	(80)	0	0
Incentivisation Payments	95% of posts require funding	50	10	10	10	10
Recruitment Advertising	Proactive marketing of Aberdeen as a city to teach (physical adverts in trade publications and staff attendance of presentations at Initial Teacher Education Establishments)	45	0	0	0	0
Extension of free childcare provision	27% of 2 year olds entitled to free childcare - this is fully funded	1,300	0	0	0	0
Regradings - school admin staff	Regrading is accepted and fully funded	235	0	0	0	0
Out of Authority Cost Pressure	Fund shortfall on Out of Authority and external fostering budget	2,740	0	0	0	0
Reclaiming Social Work	Reflects additional demand pressures	0	130	330	(635)	(75)
Children's Services - 2% year on year increase in demand for Alternative Family Services	Build in demographic pressures on alternative family services	166	166	166	166	166
Fund 1% uplift on other former SCW Childrens Services commissioned services	1% uplift on commissioned services	136	120	120	120	120
Other Movements						
PBB Savings (previously agreed)	See attached sheet for details	(1,328)	3,102	0	0	0
Removal of one-off funding (14/15 only)	Part Year Funding for impact of Children & Young People's Bill removed as full year figures are now included in the base budget. Awaiting details of 15/16 Funding for other items such as Modern Languages.	(1,254)	0	0	0	0
Update service utility budgets (Water, Electricity, Gas, Heating Oil etc) for contractual increases on price		301	0	0	0	0
Hold generic CFCR budget for former Social Care service under Childrens Services		400	0	0	0	0
Smarter Working : Budget transfers for SC&W offices to be vacated		(99)	0	0	0	0
		7,376	6,774	3,423	2,427	2,652

Appendix 3 (cont)

Communities Housing & Infrastructure		2014/15	2015/16	2016/17	2017/18	2018/19
Budget Reconciliation		to	to	to	to	to
		2015/16	2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000	£'000
Annual Movement		(140)	4,771	2,546	1,945	3,099
Represented By:						
Growth						
Landfill Tax Increase	This is a legislative / contractual obligation due to increased Landfill Tax rates and based on forecast waste tonnages in the Council's waste contract.	(33)	188	188	188	188
Waste Services Contract RPI	This is a contractual obligation of the Council's waste contract with SITA. Increased charges are based on prescribed retail price indices published by the government.	358	220	226	233	239
Food Waste Collections	One-off purchase of vehicles completed in 2014/15	(259)	0	0	0	0
Growth in Household Numbers	Increased cost of waste collection as a result of new build housing within City. Cost of additional service begins in 2017/18 with one additional collection crew in alternate years, plus associated new bins and caddys	0	0	406	(132)	289
Grove Recycling Centre Management Fee	This is a contractual obligation of the Council's waste contract with SITA, and management of the Grove Recycling Centre.	265	0	0	0	0
Sub-total Movement for Waste Budgets		331	408	820	288	716
Staffing movements	Net staff movement in year inclusive of increments	461	282	282	282	282
Surface Dressing	Growth Budgeted in existing 5 year model. This will allow the replacement of approx 22,000 sq m of road surface per year by external contract.	0	160	200	240	280
Carriageway Patching for Pothole Repair Prior to Surface Dressing	Growth Budgeted in existing 5 year model. This will allow the replacement of approx 22,000 sq m of road surface per year by external contract.	0	133	167	200	233
Lining Works for Parking Restrictions	Growth budgeted in existing 5 year model. This will allow yellow lines that are deteriorating to be prioritised and actioned on an annual basis in support of Parking Penalty Charge Notice (PCN) issue rates.	133	160	0	0	0
Repairs to Collapsed Gullies Pipework and Manholes	Growth re-evaluated from original 5 year model. Growth figure for Year 1 removed, and impact extrapolated into figures for future financial years. Will increase drainage capacity and reduce the risk of flooding.	0	207	248	0	0
Column Corrosion Testing and Replacement	Growth Budgeted in existing 5 year model. This will allow the replacement of approximately 254 street lighting columns and lanterns per year	254	317	378	439	500
Repairs & Maintenance of Public Buildings (Corporate R&M budget)	The increase in budget will allow business critical buildings to continue to be used by services. It will allow for many items on the back log maintenance register to be addressed and bring buildings up to a higher standard.	318	397	476	500	500
Catering Services - Free meals for Children in Primary 1 to Primary 3	Funding has been provided by the Scottish Government to match increased costs of the service beginning in January 2015.	1,368	0	0	0	0
On-going maintenance costs of former trunk roads following opening of AWPR	Maintenance of road assets transferred to Aberdeen City Council.	0	0	0	0	593
Other Movements						
PBB Savings (previously agreed)		(3,469)	2,708	(24)	(4)	(4)
Update service utility budgets (Water, Electricity, Gas, Heating Oil etc) for contractual increases on price		415	0	0	0	0
Transfer of Mitigation in Urban areas: Solutions for Innovative Cities (MUSIC) funds from Corporate Governance		(6)	0	0	0	0
Smarter Working : Budget transfers for SC&W offices to be vacated		99	0	0	0	0
Business Improvement Manager Post	Transfer of budget to Building Services Trading account to fund new post	(45)	0	0	0	0
		(140)	4,771	2,546	1,945	3,099

Appendix 3 (cont)

Office of the Chief Executive		2014/15	2015/16	2016/17	2017/18	2018/19
Budget Reconciliation		to	to	to	to	to
		2015/16	2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000	£'000
Annual Movement		(79)	1	318	(352)	35
Represented By:						
Growth						
2015 UK Parliamentary Election	Based on re-imburement of 90% of total spend	35	(35)	0	0	0
Staffing movements	Net staff movement in year inclusive of increments	(15)	1	1	0	0
Other Movements						
Fte Reduction/Vacancies		(30)	0	0	0	0
Common Good Income Adjustment	Amendment to reflect the removal of a vacant post previously funded by the Common Good	23	0	0	0	0
Local Government Elections - budget previously rolled	Election in 2017/18	(31)	0	352	(352)	0
European Elections - one year funding only		(32)	0	0	0	35
Independence Referendum - one year funding only		(32)	0	0	0	0
Scottish Parliamentary Election	Election in 2016/17 based on 90% reimbursement	0	35	(35)	0	0
Transfer from Legal Services for Payroll recharge	Recharge from Payroll for the Elections Unit	3	0	0	0	0
		(79)	1	317	(352)	35

Appendix 3 (cont)

Miscellaneous/Corporate		2014/15	2015/16	2016/17	2017/18	2018/19
Budget Reconciliation		to	to	to	to	to
		2015/16	2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000	£'000
Annual Movement		3,635	5,348	6,601	3,965	4,031
Represented By:						
Growth						
Cultural Program	Delivery of a cultural programme in Aberdeen	310	90	(85)	(25)	0
Council Wide - Increase in Water Rates	Fully Fund the increase in water rates	0	30	32	32	33
Council Wide - Increase in Gas Price	Gas price increases are fully funded	0	234	253	272	293
Council Wide - Increase in Gas Oil Heating Price	Oil price increases are fully funded	0	21	23	25	27
Council Wide - Increase in Electricity Price	Electricity price increases are fully funded	0	607	693	740	795
Council Wide - Increase in Other Fuel and Heating Prices	AHP price increases are fully funded	0	17	18	62	22
Council Wide - Increase in Vehicle Fuel Costs	Fuel price increases are fully funded	0	30	30	30	30
Provision for Pay Award	Pay award for 1% per annum (2% in 17/18)	2,717	2,744	5,543	2,799	2,827
Bring Contingency Levels up to Previous amount	Bring the contingency back to £1.75m.	47	0	0	0	0
Sistema Programme	Based on the full cost estimates of delivering the programme, these are the Council's current maximum revenue costs	200	75	94	30	4
"Intrinsic to the Job" Costs of Holiday Pay	Higher estimates of impact, depending on pay elements agreed with union	900	0	0	0	0
Insurance renewal	Increase in costs for insurance contract	93	0	0	0	0
Other Movements						
Increments		(23)	0	0	0	0
Debt Charges Adjustment		1,357	0	0	0	0
Head of Service Recruitment		100	0	0	0	0
Excess Pension Provision		(626)	0	0	0	0
14/15 Funding Adjustments		60	0	0	0	0
Vacancy Factor	Corporate adjustment	(1,500)	1,500	0	0	0
		3,635	5,348	6,601	3,965	4,031

Appendix 4 – Previously Agreed Service Options

		2015/16	2016/17	2017/18	2018/19	2019/20
Corporate Governance		£'000	£'000	£'000	£'000	£'000
	Details					
Finance	Driving process improvement & efficiencies	(34)	0	0	0	0
HR	Smarter Integrated Planning	(37)	0	0	0	0
Procurement	Process Improvement & Best Practice	(61)	0	0	0	0
IT	Enterprise Architecture	(10)	0	0	0	0
IT	Channel Optimisation	(40)	0	0	0	0
Legal & Democratic Services	Review Committee Services resource	(6)	0	0	0	0
	Total for Service	(188)	0	0	0	0
Integrated Joint Board						
	Section					
	Details					
Criminal Justice	Stop subsidising criminal justice social work-provide only within CJA(Criminal Justice Authority) grant	(70)	0	0	0	0
	Total for Service	(70)	0	0	0	0
Please note, although this is currently shown as Integrated Joint Board, discussions are still ongoing about the final allocation of Criminal Justice within the Council's revised structure						
Education & Children's Services						
	Section					
	Details					
Schools	Reduce the number of out of authority placements by redesign and small addition to existing local services	(180)	0	0	0	0
Schools	Redesign of school estate	0	3,102	0	0	0
Commissioned Services	Root and branch review of commissioned arts and sports services.	(628)	0	0	0	0
SCW Children's Services	Reduce the number of specialist care placements for children and young people by redesign and small addition to existing local services.	(240)	0	0	0	0
SCW Children's Services	Redesign of Family and Community Support Services	(180)	0	0	0	0
SCW Business Management	Saving from vacation of Exchequer House	(100)	0	0	0	0
	Total for Service	(1,328)	3,102	0	0	0
Communities, Housing & Infrastructure						
	Section					
	Details					
Planning / Economic Development	Enable Renewable Energy Network for a Low Carbon Economy (CHP, Windfarm etc)	(200)	0	0	0	0
Economic Development	Economic & Business Development - Identify and pursue income generation activities and funding opportunities available, and continuously review partner funding arrangements	(413)	0	0	0	0
Street Lighting	Reduce Street Lighting Whole Life Costs with Energy Efficient Lanterns	(4)	(4)	(4)	(4)	(4)
Planning	Reduce Development Plan budget	0	20	(20)	0	0
Waste Services	Delivery of Waste Strategy	(2,999)	0	0	0	0
Regeneration & Housing Investment	Transformation of the Regeneration and Housing Investment Service to deliver strategic housing priorities and to raise additional income	0	2,792	0	0	0
Environmental Services	Increase Bereavement Services charges (Cremation and burial fees) by 10%	(36)	0	0	0	0
Regeneration & Housing Investment	Re-design of Architects team	0	(149)	0	0	0
Regeneration & Housing Investment	Open Building Service Stores to Private Customers	0	0	0	0	0
Community Safety	Use of Reserves generated from Private Sector Housing Unit Surplus (2014/15 only)	200	0	0	0	0
Planning / Economic Development	Cost efficiencies & income generation at ASSL	(17)	(1)	0	0	0
Planning & Sustainable Development	Review level of School Transport budgetary provision.	0	50	0	0	0
	Total for Service	(3,469)	2,708	(24)	(4)	(4)

Appendix 5

ALEO	ACC Board Representation	Pension Arrangements	Level of Funding 15/16	Percentage ownership	Monitoring Arrangements	Length in Operation	Pay Award Given?
AECC	5 elected members	Operates a Defined Contribution Pension Scheme	£1.17m	100	Annual Business Plan Review and Scrutiny	30 years	No
Aberdeen Sports Village	2 elected members & 2 council representatives	Admitted body to Local Government Pension Scheme	£1.2m	50	Annual Business Plan Review and Scrutiny	5 ½ years	No
Bon Accord Care	None	Admitted body to Local Government Pension Scheme	£25.9m	100	Annual Business Plan Review and Scrutiny; Shareholder Scrutiny Group	1 ½ years	Yes
Sport Aberdeen	2 elected members & 2 council representatives	Admitted body to Local Government Pension Scheme	£5.27m	ACC does not own the entity but has control representing power.	Annual Business Plan Review and Scrutiny; Presented to Committee	4 ½ years	No

Governance arrangements to Service Committee and Audit, Risk & Scrutiny Committee also in place.

Appendix 6 - Indicative Budget for Transfer to Adult Health & Social Care Integrated Joint Board

	Staff Costs	Premises Costs	Administration Costs	Transport Costs	Supplies & Services	Recharges To Other Heads	Transfer Payments	Commissioning Services	Customer & Client Receipts	Government Grants	Other Grant-Reimbursement	Resource transfer	Other Income	GRAND TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Criminal Justice (ring fenced budget)	3,640	288	28	63	(132)			550		(4,659)				(222)
Adult Services Hos Direct	304	0	38		171	(621)		882	(748)				(7)	19
Learning Disabilities	4,616	145	26	32	483	(35)		21,288	(1,367)		(148)	(6,691)	(72)	18,277
Mental Health & Substance Misuse	3,062	107	49	41	26			7,494	(684)			(4,293)		5,802
Older People Integrated Care At Home		3			128				(28)			(411)		(308)
Older People Care Management	3,556	112	16	128	16		32	49,693	(7,879)			(6,040)	(27)	39,607
Older People Rehabilitation	36							2						38
Head Of Service Direct (includes Bon Accord Care Contract)	129		8		220			* 25,328	(871)					24,814
Occupational Therapy And Rehab					171				(123)		(39)	(82)	(279)	(352)
Older People Resources	196	1	10	8	40				(148)				(735)	(628)
SCW Directorate	249	0	91	1	205			191	(30)					707
Housing Aids and Adaptations Private Sector (ring fenced budget)					700									700
TOTALS	15,788	656	266	273	2,028	(656)	32	105,428	(11,878)	(4,659)	(187)	(17,517)	(1,120)	88,454

In addition to the above budgets, an element of management support budgets will require to be allocated to the integrated service.

* Please note that there is a contingency amount of £643k held within the Miscellaneous Services budget to cover the cost of a pay award for BAC (thereby providing a total budget allocation of £25.9m subject to the final pay award being agreed).

Appendix 7

Amendments to Fees and Charges

Cremation & Burial Charges

The following changes to charges and the one new charge have been calculated in order that they will support the budgeted income level for 2015/16 agreed in previous cycles of the priority based budgeting process.

	Current Changes 2014/15	Proposed Increase/ Decrease	Proposed Charges 2015/16
Cremation of persons who were an Aberdeen City resident (with Chapel Service)	£580	+£113	£693
Cremation of persons who resided outwith Aberdeen City (with Chapel Service)	£870	-£177	£693
Cremation (no Chapel Service)	N/A	N/A	£653
Burial of Aberdeen City resident	£531	+£46	£577
Burial of person who resided outwith Aberdeen City	£807	-£230	£577
Interment of cremation casket or ashes in headground of a grave of Aberdeen City resident	£126	+£10	£136
Interment of cremation casket or ashes in headground of a grave or persons who resided outwith Aberdeen City	£185	-£49	£136
Burial Lair Rights for Aberdeen City residents	£819	+£31	£850
Burial Lair Rights for residents outwith Aberdeen City	£1170	-£320	£850

TRADING STANDARDS SERVICE

SUMMARY OF FEES AND CHARGES 2015/16

SERVICE	CURRENT CHARGES 2014/15	PROPOSED CHARGES 2015/16	COMMENTS	Estimated income 2014/15	Estimated income 2015/16
WEIGHTS & MEASURES FEES				£2,370	£2,430
Work carried out under sections 11(5), 49(4), 74(2), 74(4), 74(5), 76 and 77 of the Weights and Measures Act 1985	<ul style="list-style-type: none"> • £60.00 per hour for a weights and measures inspector, with a technical officer charged at £36.00 per hour. • Work carried out at weekends, public holidays or outside the hours of 8am to 6pm, the rates charged will be £90.00 per hour for a weights and measures inspector and £54.00 for a technical officer <p>VAT will be added to the total cost of the work done unless the work is carried out under the Measuring Instruments (EEC Requirements) Regulations 1988</p>	<ul style="list-style-type: none"> • £61.50 per hour for a weights and measures inspector, with a technical officer charged at £36.90 per hour. • Work carried out at weekends, public holidays or outside the hours of 8am to 6pm, the rates charged will be £92.25 per hour for a weights and measures inspector and £55.35 for a technical officer <p>VAT will be added to the total cost of the work done unless the work is carried out under the Measuring Instruments (EEC Requirements) Regulations 1988</p>	<ul style="list-style-type: none"> • For equipment certified to lower tolerances than trade tolerances, the hourly rate will be reduced by 30%. • Where the equipment is tested to a higher tolerance, the hourly rate will be increased by 50% • If the equipment operator provides all or part of the testing equipment needed to carry out the work e.g. a Weighbridge Test Unit, then the hourly rate can be discounted. This discount will be at the discretion of the Trading Standards Team Leader 		
Provision of Calibration Certificate	£41.16 + VAT	£42.19 + VAT			

HIRE OF EQUIPMENT AND ADDITIONAL CHARGES					
1(a) Hire of 20kg iron weights (accurate to $\pm 3.2g$) Standing charge Charge/ton (pro-rata)/day Cleaning charge if hirer fails to return weights in a clean condition 1(b) Hire of reference meter per day. (Only to other Trading Standards Authorities)	Service no longer provided. Customers referred to Aberdeenshire Trading Standards Service (partners) Customers referred to Aberdeenshire Trading Standards Service (partners)	Service no longer provided. Customers referred to Aberdeenshire Trading Standards Service (partners) Customers referred to Aberdeenshire Trading Standards Service (partners)			
POISONS: REGISTRATION UNDER PART II OF THE POISONS ACT 1972				£310	£318
Initial Registration	£35.07	£35.95			
Re-registration	£18.82	£19.29			
Changes in details of registration	£9.62	£9.86			

A MANUFACTURE AND STORAGE OF EXPLOSIVES REGULATIONS				£2,900	£2,900
Initial Licence to store explosives: Regulation 10 (See Note 1)	<ul style="list-style-type: none"> • 1 year duration £178 • 2 year duration £234 • 3 year duration £292 • 4 year duration £360 • 5 year duration £407 	<ul style="list-style-type: none"> •1 year duration £178 •2 year duration £234 •3 year duration £292 •4 year duration £360 •5 year duration £407 	Health & Safety (Fees) Regulations 2012 Statutory Fees Fixed until 30/9/2017		
Renewal of a Licence: (See Note 2)	<ul style="list-style-type: none"> • 1 year duration £83 • 2 year duration £141 • 3 year duration £198 • 4 year duration £256 • 5 year duration £313 	<ul style="list-style-type: none"> •1 year duration £83 •2 year duration £141 •3 year duration £198 •4 year duration £256 •5 year duration £313 	Health & Safety (Fees) Regulations 2012 Statutory Fees Fixed until 30/9/2017		
Initial Registration in relation to the storage of explosives Regulation 11 (See Note 1)	<ul style="list-style-type: none"> • 1 year duration £105 • 2 year duration £136 • 3 year duration £166 • 4 year duration £198 • 5 year duration £229 	<ul style="list-style-type: none"> •1 year duration £105 •2 year duration £136 •3 year duration £166 •4 year duration £198 •5 year duration £229 	Health & Safety (Fees) Regulations 2012 Statutory Fees Fixed until 30/9/2017		

Renewal of Registration: (See Note 2)	<ul style="list-style-type: none"> • 1 year duration £52 • 2 year duration £83 • 3 year duration £115 • 4 year duration £146 • 5 year duration £178 	<ul style="list-style-type: none"> •1 year duration £52 •2 year duration £83 •3 year duration £115 •4 year duration £146 •5 year duration £178 	Health & Safety (Fees) Regulations 2012 Statutory Fees Fixed until 30/9/2017		
Varying a licence: Regulation 16 <ul style="list-style-type: none"> • varying name of licensee or address of site - £35 • any other kind of variation - 	£35 the reasonable cost to the licensing authority of having the work carried out	£35 the reasonable cost to the licensing authority of having the work carried out	Health & Safety (Fees) Regulation 2012 Statutory Fees Fixed until 30/9/2017		
Transfer of licence or registration (Regulation 20) -	£35	£35			
Replacement of licence or registration (if lost)	£35	£35			
Fireworks Regulations 2004					
Licence to supply fireworks all year round:	£500	£500	Fireworks Regulations 2004, Reg. 9(7).		

PETROLEUM (REGULATION) ACTS 1928 AND 1936			Variable income because renewals are on a three- year cycle, hence peaks and troughs of income	£3,860	£3,860
Annual licence to keep petroleum spirit of a quantity <ul style="list-style-type: none"> not exceeding 2500 litres- exceeding 2500 litres but not exceeding 50000 litres exceeding 50000 litres 	£42	£42	Health & Safety (Fees) Regulation 2012 Statutory Fees		
	£58	£58	Fixed until 30/9/2017		
	£120	£120			
Transfer of petroleum spirit licence	£8.00	£8.00	Health & Safety (Fees) Regulation 2012 Statutory Fees		
			Fixed until 30/9/2017		
Records search for existing or former petroleum storage sites for environmental assessment/development purposes:	£60.00 per hour + VAT (minimum one hour)	£61.50 per hour + VAT (minimum one hour)			
			TOTAL INCOME	£9,440	£9,508

SUMMARY OF FEES AND CHARGES 2015/16

SERVICE	CURRENT CHARGES 2014/15	PROPOSED CHARGES 2015/2016	COMMENTS	ESTIMATED INCOME 2014/15	ESTIMATED INCOME 2015/16
ANIMAL HEALTH AND WELFARE				£2,500	£2,000
Breeding of Dogs Act 1973 Breeders Licence	£232 + vets costs	£238 + vets costs	Income predicted to decrease due to a reduction in the number of applications over the last year		
Dangerous Wild Animals Act 1976 Licence to keep dangerous wild animals	£232 + vets costs	£238 + vets costs	Income predicted to decrease due to a reduction in the number of applications over the last year		
Animal Boarding Establishments Act 1963 Licence for animal boarding establishments	£141 + vets costs	£144 + vets costs	Income predicted to decrease due to a reduction in the number of applications over the last year		
Riding Establishments Act 1964 & 1970 Licence for riding establishments	£232 + vets costs	£238 + vets costs	Income predicted to decrease due to a reduction in the number of applications over the last year		

Pet Animals Act 1951 Licence to keep pet shop	£141 + vets costs	£144 + vets costs	Income predicted to decrease due to a reduction in the number of applications over the last year		
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Performing Animals [Registration] Act 1925 Registration of those having animals for performance	£141 + vets costs	£144 + vets costs			
The Licensing of Animal Dealers [Young Cats and Young Dogs] [Scotland] Regulations 2009 Licensing of animal dealers	£232 + vets costs	£238 + vets costs	Income predicted to decrease due to a reduction in the number of applications over the last year		
Zoo Licensing Act 1981 License to keep a zoo	£232 + vets costs	£238 + vets costs	Income predicted to decrease due to a reduction in the number of applications over the last year		
FOOD SAFETY SERVICE					
Inspection and Certification of unfit/unmarketable foods as a result of a freezer or refrigerator breakdown or other incident	£130 (to cover 1 st hour, travel costs and admin charges) thereafter recharge hourly rate of £50 per hour	£133 (to cover 1 st hour, travel costs and admin charges) thereafter recharge hourly rate of £52 per hour		£130	£132
Food premises yearbook	£25	£25		£1,750	£1,750

Fish Export Certificates				£18,000	£18,000
<p>a) Monday to Friday 09.00-16.00hrs.</p> <p>Where the Environmental Health Service is given a minimum of 24 hours notice.</p>	<p>Initial charge of £60 (this includes travel time, administration and issue of 1st Certificate) up to a maximum time of 1 hour.</p> <p>An additional charge of £30 per officer per hour or part thereof will be payable per officer after the first hour (two officers may be required depending on size of consignment).</p>	<p>Initial charge of £60 (this includes travel time, administration and issue of 1st Certificate) up to a maximum time of 1 hour.</p> <p>An additional charge of £30 per officer per hour or part thereof will be payable per officer after the first hour (two officers may be required depending on size of consignment).</p>	No change for 2015/16		
<p>b) Monday to Friday 09:00-16:00hrs</p> <p>Where the Environmental Health Service is given <u>less than 24 hours notice.</u></p>	<p>Initial charge of £120 (this includes travel time, administration and issue of 1st Certificate) up to a maximum time of 1 hour.</p> <p>An additional charge of £30 per officer per hour or part thereof will be payable per officer after the first hour.</p>	<p>Initial charge of £120 (this includes travel time, administration and issue of 1st Certificate) up to a maximum time of 1 hour.</p> <p>An additional charge of £30 per officer per hour or part thereof will be payable per officer after the first hour.</p>	No change for 2015/16		

<p>c) Monday to Friday after 16:00hrs</p> <p>Where the Environmental Health Service is given a <u>minimum of 24 hours notice.</u></p>	<p>Initial charge of £150 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £45 per officer per hour or part thereof will be payable after the first hour of the visit.</p>	<p>Initial charge of £150 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £45 per officer per hour or part thereof will be payable after the first hour of the visit.</p>	<p>No change for 2015/16</p>		
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<p>d) Monday to Friday after 16:00hrs</p> <p>Where the Environmental Health Service is given <u>less than 24 hours notice.</u></p>	<p>Initial charge of £200 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £45 per officer per hour or part thereof will be payable after the first hour of the visit.</p>	<p>Initial charge of £200 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £45 per officer per hour or part thereof will be payable after the first hour of the visit</p>	<p>No change for 2015/16</p>		
<p>e) Weekend visits (Saturday and Sunday) 09:00-16:00hrs.</p> <p>Where the Environmental Health Service is given <u>at least 24 hours notice.</u></p>	<p>Initial charge of £200 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £45 per officer per hour or part thereof will be payable after the first hour of the visit.</p>	<p>Initial charge of £200 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £45 per officer per hour or part thereof will be payable after the first hour of the visit</p>	<p>No change for 2015/16</p>		
<p>f) Weekend visits (Saturday and Sunday) 09:00-16:00hrs.</p> <p>Where the Environmental Health Service is given <u>less than 24 hours notice.</u></p>	<p>Initial charge of £250 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour</p> <p>An additional charge of £45 per officer per hour or part thereof will be payable after the first hour of the visit.</p>	<p>Initial charge of £250 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour</p> <p>An additional charge of £45 per officer per hour or part thereof will be payable after the first hour of the visit</p>	<p>No change for 2015/16</p>		

<p>g) Visits on Public Holidays 09:00-16:00hrs (excluding Christmas Day, Boxing Day and 1st & 2nd January).</p> <p>Where the Environmental Health Service is given <u>at least 24 hours notice.</u></p>	<p>Initial charge of £200 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £60 per officer per hour or part thereof will be payable after the first hour of the visit.</p>	<p>Initial charge of £200 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £60 per officer per hour or part thereof will be payable after the first hour of the visit</p>	<p>No change for 2015/16</p>		
<p>h) Visits on Public Holidays 09:00-16:00hrs (excluding Christmas Day, Boxing Day and 1st & 2nd January).</p> <p>Where the Environmental Health Service is given <u>less than 24 hours notice.</u></p>	<p>Initial charge of £250 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £60 per officer per hour or part thereof will be payable after the first hour of the visit.</p>	<p>Initial charge of £250 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £60 per officer per hour or part thereof will be payable after the first hour of the visit.</p>	<p>No change for 2015/16</p>		
<p>i) Visits on 27th through to 31st December and on 2nd January 09:00-16:00hrs. (where these fall on a week day)</p> <p>Where the Environmental Health Service is given <u>at least 24 hours notice.</u></p>	<p>Initial charge of £150 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £60 per officer per hour or part thereof will be payable after the first hour of the visit.</p>	<p>Initial charge of £150 (this includes travel time, administration and issue of 1st Certificate) up to a maximum of 1 hour.</p> <p>An additional charge of £60 per officer per hour or part thereof will be payable after the first hour of the visit</p>	<p>No change for 2015/16</p>		

j) Additional Certificates	<p>During normal working hours (9.00-16.00hrs Monday–Friday) where more than two export certificates (up to a maximum of seven) are being issued during the same visit the exporting company will be charged the discounted amount of half the relevant certificate charge applicable at that time.</p> <p>(As long as the inspection and certification process can be carried out within the same working day.)</p>	<p>During normal working hours (9.00-16.00hrs Monday–Friday) where more than two export certificates (up to a maximum of seven) are being issued during the same visit the exporting company will be charged the discounted amount of half the relevant certificate charge applicable at that time.</p> <p>(As long as the inspection and certification process can be carried out within the same working day.)</p>	No change for 2015/16		
Food Export Certificates [a] Per visit including cost of first certificate [b] Each additional certificate	£120 £33	£123 £34	No income expected.		
Food Hygiene Certificates – Section 50	£235	£235		£2,000	£2,000

PORT HEALTH CHARGES				£35,000	£36,000
Ships inspections	Gross tonnage	Gross tonnage	Charges set by APHA (last reviewed and increased in April 2014)		
	Up to 1000 £70	Up to 1000 £72			
	1001-3000 £105	1001-3000 £108			
	3001-10000 £160	3001-10000 £165			
	10001-20000 £210	10001-20000 £216			
20001-30000 £265	20001-30000 £273	Surcharge introduced to cover outwith normal hours payments for staff			
Over 30,000 £320	Over 30,000 £330				
Vessels with the capacity to carry between 50 and 100 persons £320	Vessels with the capacity to carry between 50 and 100 persons £330				
Vessels with the capacity to carry more than 1000 persons £550	Vessels with the capacity to carry more than 1000 persons £567				
For inspections carried out on Saturdays or before 8am or after 6pm on weekdays, a surcharge of £50 per hour of officer time will apply. For inspections on Sundays and Public Holidays a surcharge of £45 per hour will apply	For inspections carried out on Saturdays or before 8am or after 6pm on weekdays, a surcharge of £52 per hour of officer time will apply. For inspections on Sundays and Public Holidays a surcharge of £100 per hour will apply.				

WATER SAMPLES - SHIPS				£2,000	£2,300
Chemical	<p>Per sample (less than 5) £183.21</p> <p>£164.89 per sample (when 5 or more samples taken)</p> <p>Plus £52 per hour officer time (minimum 1 hour)</p> <p>For sampling carried out on Saturdays or before 8am or after 6pm on weekdays, a surcharge of £75 per hour of officer time will apply. For inspections on Sundays and Public Holidays a surcharge of £100 per hour will apply</p>	<p>Per sample (less than 5) £187.79.</p> <p>£169.00 per sample (when 5 or more samples taken)</p> <p>Plus £52 per hour officer time (minimum 1 hour)</p> <p>For sampling carried out on Saturdays or before 8am or after 6pm on weekdays, a surcharge of £52 per hour of officer time will apply. For inspections on Sundays and Public Holidays a surcharge of £100 per hour will apply</p>	<p>Based on lab analysis cost</p> <p>10% reduction for quantity</p>		
Bacteriological	<p>Per sample £65</p> <p>£58.50 per sample (when 5 or more samples taken)</p> <p>Plus £52 per hour officer time (minimum 1 hour)</p> <p>For sampling carried out on Saturdays or before 8am or after 6pm on weekdays, a surcharge of £75 per hour of officer time will apply. For inspections on Sundays and Public Holidays a surcharge of £100 per hour will apply</p>	<p>Per sample £67</p> <p>£60.00 per sample (when 5 or more samples taken)</p> <p>Plus £52 per hour officer time (minimum 1 hour)</p> <p>For sampling carried out on Saturdays or before 8am or after 6pm on weekdays, a surcharge of £52 per hour of officer time will apply. For inspections on Sundays and Public Holidays a surcharge of £100 per hour will apply</p>	<p>Based on lab analysis cost</p>		

Legionella	<p>Per sample (less than 5) £135.93</p> <p>Per sample (when 5 or more samples are taken) £122.34</p> <p>Plus £52 hour officer time (minimum 1 hour)</p> <p>For sampling carried out on Saturdays or before 8am or after 6pm on weekdays, a surcharge of £75 per hour of officer time will apply. For inspections on Sundays and Public Holidays a surcharge of £100 per hour will apply</p>	<p>Per sample (less than 5) £158.38</p> <p>Per sample (when 5 or more samples are taken) £135.34</p> <p>Plus £52 hour officer time (minimum 1 hour)</p> <p>For sampling carried out on Saturdays or before 8am or after 6pm on weekdays, a surcharge of £52 per hour of officer time will apply. For inspections on Sundays and Public Holidays a surcharge of £100 per hour will apply</p>	<p>Based on lab analysis costs</p> <p>10% reduction for quantity</p>		
Illegal, Unreported and Unregulated Fishing Regulation (IUU) - Port Health Charges for checking catch certificates	<p>£20</p> <p>Certificates will not be provided outwith normal office hours and therefore no additional charges apply.</p>	<p>£20</p> <p>Certificates will not be provided outwith normal office hours and therefore no additional charges apply.</p>		<p>£3,000</p>	<p>£3,000</p>
Illegal, Unreported and Unregulated Fishing Regulation(IUU) - Port Health Charges for Confirmation document that consignment is outwith the scope of the regulations	<p>£20</p> <p>Certificates will not be provided outwith normal office hours and therefore no additional charges apply.</p>	<p>No charge as very little work required.</p>			

PEST CONTROL SERVICES				£232,220	£245,000
Rodent Infestation	£62.50+VAT (per hour/part hour) (domestic)	£120.50+VAT (per course of treatment) (domestic)	A course of treatment includes 5 visits		
	£80.50+VAT (per course of treatment) (commercial)	£82.51 +VAT (per visit) (commercial)			
Infestation of bed bugs	£80.50 +VAT (per hour/part hour)	£82.51 +VAT (per visit) (1-2 rooms)	Larger properties will be given a quote on request		
		£120.50 +VAT (per visit) (3-4 rooms)			
Insect Infestation	£80.50+ VAT (Per visit) (domestic and commercial)	£82.51 + VAT (per visit) (domestic and Commercial)	Includes cockroaches		
Wasps	62.50 +VAT (per treatment) (domestic and Commercial)	£62.50 +VAT (per treatment) (domestic and Commercial)			
Domestic consultation fee for pest control officer visit to assess and advise where no treatment is carried out.	£26.00 + VAT	£26.65 +VAT			

DOG WARDEN SERVICE				£49,152	£50,381
Cost of Dog Warden incurred in uplifting and detaining stray dogs	£60.00 * [£27.00 for owners who agree to have their dogs identichipped] *FREE [First uplift for identichipped dogs with no previous history of straying] An additional payment in respect of boarding charges of £10.00 for each day, or part day, of detention will be applicable in all cases.	£61.50 * [£27.68 for owners who agree to have their dogs identichipped] *FREE [First uplift for identichipped dogs with no previous history of straying] An additional payment in respect of boarding charges of £10.00 for each day, or part day, of detention will be applicable in all cases	Boarding charges are set by the Dogs Home, therefore, Environmental Health have no control over this.		
MISCELLANEOUS					
Street Traders Licence Certificate of Compliance	£142	£142	No change as officer costs are met within £142	£9,100	£9,100
Photocopying of Public Registers, etc.	Paper copies of documents will be subject to a charge in accordance with the council's publication Scheme under FOISA	Paper copies of documents will be subject to a charge in accordance with the council's publication Scheme under FOISA			
Search of Records to obtain information	Paper copies of documents will be subject to a charge in accordance with the council's publication Scheme under FOISA	Paper copies of documents will be subject to a charge in accordance with the council's publication Scheme under FOISA			
Provision of Factual Statements	£55 per hour (min 3 hours)				

Housing Inspection Report (for immigration services)	£103.00+ VAT (inspection visit and issue of letter) £20.00 +VAT (re-issue of letter or amendment on request within 1 year at customers request)	£105.58+ VAT (inspection visit and issue of letter) £20.50 +VAT (re-issue of letter or amendment on request within 1 year at customers request)		£3,605	£3,695
Provision of Contaminated Land Information	£50.00 per hour or part hour	£51.25 per hour or part hour		£2,652	£2,718
Private Water Supplies and Domestic Water Supply Testing					£872
Sampling plus bacteriological and chemical analysis Sampling and analysis for Lead only	£124 +VAT £41 +VAT	£127.10 +VAT £118 +VAT	This is in line with water sampling charges for Aberdeenshire		
			TOTAL INCOME	£361,109	£375,948

Appendix 7 (cont)

In Bloom Partnership Charges

In Bloom Partnership	Fee Structure 2014/15	Proposed Fee Structure 2015/16
Window Boxes	£59.45	£59.50
Hanging Baskets	From £59.45 (dependent on size)	From £59.50 (dependent on size)
Planters	From £15.35 (dependent on size)	From £15.50 (dependent on size)

Allotments

Allotment Plot	Fee Structure 2014/15	Proposed Fee Structure 2015/16
Micro	£11.56	£11.85
½ size	£40.45	£41.46
¾ size	£60.67	£62.19
Full size	£80.90	£82.92
½ size (Concession*)	£20.22	£20.73
¾ size (Concession*)	£30.34	£31.10
Full size (Concession*)	£40.45	£41.46

Officers have proposed minimal changes to fees for 2015/16 with an increase of 2.5% being applied across all charges. A small increase is in line with other leisure services offered by the Council. This will cover increased service, supplier and material costs.

*A discount of 50% on annual subscriptions will be applied to Allotment Holders who have reached the age of 60 before the renewal date. Allotment Holders aged 60 years or more before 1 December 2014 will therefore be entitled to this concession rate.

Appendix 7 (cont)

Pets Corner

Pets corner Tickets	Fee Structure 2014/15	Proposed Fee Structure 2015/16
Adult	£3.00	£3.00
Child	£1.50	£1.50
Children Under 3	Free	Free
Family	£7.00	£7.00
Accord Card	£2.00	£2.00
Education Adult	£2.00	£2.00
Education Child	£0.50	£0.50
Season Family Pass	£36.00	£36.00

In light of refurbishment works taking place in 2015/16 and the potential disruption to customer's enjoyment of the facility the proposal is for no changes to ticket prices.

Residual Waste ¹		
<u>Size of Wheeled Bin (Litres)</u>	<u>Lowest Charge (per uplift) (£)</u>	<u>Highest Charge (per uplift) (£)</u>
140	3.08	5.23
240	4.29	7.20
330	5.07	8.51
400	5.67	9.88
660	7.91	15.94
770	8.69	18.18
940	10.33	21.60
1100	11.71	24.73
1280	13.26	28.03
<u>Use of street bins (per bag)</u>	1.29	2.29
<u>Recycling Collections</u>		
<u>Co-mingled recycling</u>		
<u>Size of Bin (Litres)</u>		
permit ²	25.00 annually	40.00 annually
Bundle/box	1.24	2.42
140	2.25	3.59
240	2.45	4.31
330	2.53	4.68
660	2.74	5.75
770	2.81	6.18
Cage/1280	3.16	8.27
<u>Glass Collection</u>		
<u>Size of Bin (Litres)</u>		
permit ³	£25.00 annually	N/A
80	1.16	2.59
660	2.20	4.14
1280	4.60	7.72
<u>Food waste collection</u>		
<u>Size of Wheeled Bin (Litres)</u>		
140	7.34	22.57
240	9.16	26.00
550	14.80	39.00

¹ Ad hoc collection possible under certain circumstances whereby the customer pays upfront for an agreed number of collections, as per the charges outlined above, plus an admin fee of £40.

² Permits may be available to use nominated recycling points where businesses cannot use a container for their recycling or the quantities produced do not warrant a regular collection.

³ Permits may be available to use nominated recycling points for recycling glass where businesses wish to comply fully with waste regulations but do not produce enough glass to warrant a regular collection.

Appendix 7 (cont)

Sheltered Housing Charges

Description	Current Charge	Revised Charge
Community Alarm	£1.35 per week	£1.35 per week
Amenity +	No Charge	£5 per week
Sheltered Housing	£19.70 per week	£12.78 per week from 5 October 2015
Very Sheltered Housing	£29.26 per week	£34.76 per week from 5 October 2015
Sheltered Cottages	£12.80 per week	£12.78 per week from 5 October 2015
Charges to Registered Social Landlord (RSL) Tenants	75% of actual cost	50% of actual cost from 5 October 2015
Exemption to Protected Tenants including protected RSL tenants	Currently exempt	50% of relevant charge from 5 October 2015; Full amount charged from 3 October 2016

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Equality and Human Rights Impact Assessment - the Form

There are separate guidance notes to accompany this form – “Equality and Human Rights Impact Assessment – the Guide.” Please use these guidance notes as you complete this form. Throughout the form, **proposal** should be understood broadly to include the full range of our activities and could refer to a decision, policy, strategy, plan, procedure, report or business case, embracing a range of different actions such as setting budgets, developing high level strategies and organisational practices such as internal restructuring. Essentially everything we do!

STEP 1: Identify essential information

1. Committee Report No.

2. Name of proposal.

3. Officer(s) completing this form.

Name	Designation	Service	Directorate
Helen Valentine	Finance Manager (Projects)	Finance	Corporate Governance

4. Date of Impact Assessment.

5. When is the proposal next due for review?

6. Committee Name.

7. Date the Committee is due to meet.

8. Identify the Lead Council Service and who else is involved in delivering this proposal (for example other Council services or partner agencies).

Whilst the Lead in the preparation of the budget and the monitoring of expenditure to budget thereafter is Corporate Governance, ALL Directorates are responsible for the delivery of their services within the budget provided.

9. Please summarise this Equality and Human Rights Impact Assessment (EHRIA). This must include any practical actions you intend to take or have taken to reduce, justify or remove any adverse negative impacts. This must also include a summary of how this proposal complies with the public sector equality duty for people with protected characteristics - see Step 2. **Please return to this question after completing the EHRIA.**

This EHRIA is to highlight to Council that within the proposed budget for 2015/16, and the indicative years there-after, there are currently no additional savings to be made.

Within the budget presented to this February 2015 Council there are no new savings for which approval is sought.

The impact on equality groups was addressed in the approval of the indicative 5 year position in February 2011 & February 2012– EHRIA's having been prepared and published at that time. Services review and amend EHRIA as required in the implementation of the PBB Savings.

10. Where will you publish the results of the Equality and Human Rights Impact Assessment? Tick which applies.

- Para 9 of EHRIA will be published in committee report in Section 6 "Impact"
- Full EHRIA will be attached to the committee report as an appendix
- Copied to Equalities Team to publish on the Council website

STEP 2: Outline the aims of the proposal

11. What are the main aims of the proposal?

To provide Council with details of the 2015/16 general fund revenue budget along with indicative five year budget.

12. Who will benefit most from the proposal?

Aberdeen citizens will benefit from fiscal certainty for 2015/16. Aberdeen City Council have a defined framework which reflects priorities and provides a degree of continuity as it is a rolling five year plan for the period 2015/16 to 2019/20.

13. You should assess the impact of your proposal on equality groups and tell us how implementing this proposal will impact on the needs of the public sector equality duty to: eliminate discrimination, harassment and victimisation; advance equality of opportunity; and foster good relations.

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. This led to the production of a five-year business plan outlining the financial position over the five years and this has been updated to reflect a more detailed understanding of the cost pressures, financial out-turn and Scottish Government settlement figures.

Within the budget presented to this Council February 2015 there are no new savings for which approval is sought.

The impact on equality groups was addressed in the approval of the indicative 5 year position in February 2011 & February 2012– EHRIA’s having been prepared and published at that time. Services review and amend EHRIA as required in the implementation of the PBB Savings.

STEP 3: Gather and consider evidence

15. What **evidence** is there to identify any potential positive or negative impacts in terms of involvement, consultation, research, officer knowledge and experience, equality monitoring data, user feedback and other? You must consider relevant evidence, including evidence from equality groups.

This EHRIA informs the Council that the impact on equality groups was addressed in the approval of the indicative 5 year position in February 2011 & February 2012– EHRIA’s having been prepared and published at that time. Services review and amend EHRIA as required in the implementation of the PBB Savings.

STEP 4: Assess likely impacts on people with Protected Characteristics

16. Which, if any, people with protected characteristics and others could be affected positively or negatively by this proposal? Place the symbol in the relevant box. Be aware of cross-cutting issues, such as older women with a disability experiencing poverty and isolation.

Please note that as expressed above no additional savings require approval by Council in February 2015; any impact upon “protected characteristics” was addressed in the published EHRIA for already approved savings included in the baseline budget for the rolling 5 year period.

(Positive +, neutral 0, - negative)

Protected Characteristics					
Age - Younger Older		Disability		Gender Reassignment*	
Marriage or Civil Partnership		Pregnancy and Maternity		Race**	
Religion or Belief		Sex (gender)***		Sexual orientation****	
Others e.g. poverty					

Notes:

- * Gender Reassignment includes Transsexual
- ** Race includes Gypsy/Travellers
- *** Sex (gender) i.e. men, women
- **** Sexual orientation includes LGB: Lesbian, Gay and Bisexual

17. Please detail the potential positive and/or negative impacts on those with protected characteristics you have highlighted above.

In making the assessment you must consider relevant evidence, including evidence received from individuals and equality groups. Having considered all of these elements, you must take account of the results of such assessments. This requires you to consider taking action to address any issues identified, such as removing or mitigating any negative impacts, where possible, and exploiting any potential for positive impact. If any adverse impact amounts to **unlawful discrimination**, the policy must be amended to avert this. Detail the impacts and describe those affected.

Positive impacts (describe protected characteristics affected)	Negative Impacts (describe protected characteristics affected)
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Please note that as expressed above no additional savings require approval by Council in February 2015; any impact upon “protected characteristics” was addressed in the published EHRIA for already approved savings included in the baseline budget for the rolling 5 year period.

STEP 5: Human Rights - Apply the three key assessment tests for compliance assurance

18. Does this proposal/policy/procedure have the potential to interfere with an individual's rights as set out in the Human Rights Act 1998? State which rights might be affected by ticking the appropriate box(es) and saying how. **If you answer "no", go straight to question 22.**

- Article 3 – Right not to be subjected to torture, inhumane or degrading treatment or punishment
- Article 6 – Right to a fair and public hearing
- Article 8 – Right to respect for private and family life, home and correspondence
- Article 10 – freedom of expression
- Other article not listed above

How?

Not applicable

Legality

19. Where there is a potential negative impact is there a legal basis in the relevant domestic law?

Not applicable

Legitimate aim

20. Is the aim of the policy identified in Steps 1 and 2 a legitimate aim being served in terms of the relevant equality legislation or the Human Rights Act?

Not applicable

Proportionality

21. Is the impact of the policy proportionate to the legitimate aim being pursued? Is it the minimum necessary interference to achieve the legitimate aim?

Not applicable

STEP 6: Monitor and review

22. How will you monitor the implementation of the proposal? (For example, customer satisfaction questionnaires)

A formal monitoring and reporting process exists for regular spend to budget information being presented to Corporate Management Team and Committees/Council as required.

Individual savings within the budget are monitored via the Sponsoring Group.

23. How will the results of this impact assessment and any further monitoring be used to develop the proposal?

The EHRIA prepared for the already approved savings are reviewed and amended as necessary should there be any change in the method of implementation of the savings or where there are significant changes in the demographics relating to individual options.

STEP 7 SIGN OFF

The final stage of the EHRIA is formally to sign off the document as being a complete, rigorous and robust assessment.

Person(s) completing the impact assessment.

Name	Date	Signature
Helen Valentine (Finance Manager)	27/1/15	

Quality check: document has been checked by

Name	Date	Signature
Steven Whyte (Head of Finance)	27/1/15	

Head of Service/ Director (Sign-off)

Name	Date	Signature
Ewan Sutherland (Interim Director of Corporate Governance)	27/1/15	

Now –

Please send an electronic copy of your completed EHRIA - without signatures - together with the proposal to:

Equalities Team
Customer Service and Performance
Corporate Governance
Aberdeen City Council
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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	5 February 2015
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	Non-Housing Capital Programme 2015/16 and Indicative 5 Year Budgets and Strategic Infrastructure Plan
REPORT NUMBER:	CG/15/19
CHECKLIST RECEIVED:	YES

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Council with details of the 2015/16 Non-Housing Capital Programme, along with indicative investment levels for the 5 year Business Plan period, and an update on the Strategic Infrastructure Plan.

2. RECOMMENDATIONS

- 2.1 It is recommended that Council:
- a) Approves the non-housing capital investment programme of £398 million over the 5 year Business Plan life-cycle, as attached at Appendix 1, which includes projects within the recently approved Strategic Infrastructure Plan;
 - b) Approves the Prudential Indicators as attached at Appendix 4.

3. FINANCIAL IMPLICATIONS

- 3.1 Details of the proposed non-housing capital programme can be found at Appendix 1, along with details of the associated funding streams.
- 3.2 Appendix 2 contains a pictorial representation of the predicted profile of spend for projects included in the programme, which is intended to give more transparency around total project costs and start and completion dates, in order to monitor the delivery of projects. This format will be introduced into the 2015/16 monitoring process.
- 3.3 The approved capital programmes will be managed and monitored within the capital framework as set out in the Prudential Code.

4. OTHER IMPLICATIONS

- 4.1 The Council has a process for identifying and ranking projects, or bids. This process has been followed and the resulting projects are reflected in Appendix 1. This includes projects within the Strategic Infrastructure Plan as appropriate.

5. REPORT

Capital Programme

- 5.1 The non-housing capital programme has been developed and is attached at Appendix 1. In preparing the programme, officers have worked through a number of workstreams, including scoring and prioritising projects, which allowed them to be ranked against one another.
- 5.2 Appendix 2 demonstrates the expected pattern of spend over the 5 year period. It should be noted that this annual profiling is indicative and will vary as projects progress. Officers have therefore developed a more robust system for monitoring and tracking projects. Elected members will in future be able to see clearly how projects are delivered against total budget and timeline, rather than focus on annual in-year spend. This system provides a more holistic approach for monitoring capital projects.
- 5.3 Imminent changes to social care provision as a result of integration with health have resulted in a reassessment of the need for the Tillydrone Care Village facility and the withdrawal of the Health Village proposal. The Community Hub project will be progressed within the SIP programme for regeneration, in full consultation with the local community.

- 5.4 Financial close for the Aberdeen Western Peripheral Route was achieved by the main contractor on 12 December 2014. Updated financial modelling has been received from the Scottish Government by the AWPR Managing Agent and this has been incorporated into the non-housing capital plan. This modelling demonstrates an overall reduction in the AWPR project cost to Aberdeen City Council, but the shorter construction timetable has compressed the future expenditure into fewer financial years.
- 5.5 No details on the new AECC project are contained within this report. A report on progress of the project will be made to Council in March 2015, and will include details of the financial modelling and funding approach recommended.
- 5.6 The £19.250 million budget to facilitate delivery of the City Centre Masterplan is currently profiled for 2016/17. A report is due to Council in June 2015 to recommend a delivery strategy and will result in the re-profiling of this budget.
- 5.7 New projects which have been introduced since the report to Finance Policy and Resources Committee on 4 December 2014 include the 3G pitch at Dyce and the Middlefield Community Project, both of which are fully funded. Any further new capital projects which come forward with full funding solutions will be reported to Finance, Policy and Resources Committee in due course.
- 5.8 Appendix 3 shows details of the movement in the capital programme from the report presented to Finance, Policy & Resources Committee in December 2014.
- 5.9 An allowance of inflation for existing projects has been introduced into the capital programme. Tender prices have risen sharply over the 2014 calendar year, in particular Mechanical and Electrical Engineering (M&E) service costs. The most reliable information available is provided by the Building Cost Information Service which studies tender returns throughout the UK. Their indices show that M&E costs experienced sharp monthly rises of 2.5% in January 2014 and 2.6% in October 2014.
- 5.10 The construction inflation allowance of £2.5 million in 2015/16 will be monitored throughout 2015/16 and reviewed as part of the 2016/17 budget process.
- 5.11 In addition, Aberdeen's costs compared to the rest of Scotland are higher due to a number of factors:
- Competing with the oil industry for general labour requires higher regional pay rates;
 - A surge in the number of large developments in the city and surrounding areas; and
 - Local contractors and available labour are now at maximum capacity

- 5.12 Whilst not exhaustive, major projects within the programme which are planned to go to tender in 2015/16 include the new Academy to the South of the City, the Stoneywood and Greenbrae primary projects and the Altens East Waste Facility.
- 5.13 Whilst the Council is committed to reducing its overall debt portfolio, the existing capital programme will make this challenging if the contracts to be let are priced at more than the inflation provision. This will therefore increase the pressure on borrowing.
- 5.14 In arriving at the capital programme, an assessment has been made of the likely value of capital receipts that may materialise over the 5 year period, along with the value of capital grant and other grant funding. This includes a reassessment of the receipts achievable from the former Summerhill Academy site. Full Council on 8 October 2014 determined that the site would be allocated as a development site for the delivery of affordable houses through the Council's SIP Affordable Housing Project, and the anticipated receipt profile is now reflecting this decision.
- 5.15 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.
- 5.16 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.
- 5.17 The Code also has the objectives of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal, and is attached at Appendix 4.
- 5.18 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. The Code also requires that the underlying requirement to finance Public Private Partnership (PPP) projects and finance leases be included when setting the indicators.

Strategic Infrastructure Plan

- 5.19 At its meeting on 6 March 2013, Council agreed to the preparation of a Strategic Infrastructure Plan (SIP) and this plan was presented and approved at its meeting on 31 October 2013.
- 5.20 The SIP is one of the key priorities for the Council. It focuses on the delivery of our Strategic and Local Development Plans and is integral to the development of the enabling infrastructure needed to realise the aspirations of all our plans, as well as meeting the objectives in the Single Outcome Agreement. The SIP relates to the following Single Outcome Agreement objectives:
- We live in a Scotland that is the most attractive place for doing business in Europe;
 - We realise our full economic potential with more and better employment opportunities for our people;
 - We live in well-designed, sustainable places where we are able to access the amenities and services we need;
 - We value and enjoy our built and natural environment and protect it and enhance it for future generations;
 - We take pride in a strong, fair and inclusive national identity; and
 - Our public services are high quality, continually improving, efficient and responsive to local people's needs.
- 5.21 It also meets the vision of the Community Plan in promoting a strong image of the city and a sense of civic pride and promotes the redevelopment of the City Centre, which is one of the main priorities for the Community Plan and Single Outcome Agreement and supports the Council's Five Year Business Plan in terms of protecting and enhancing the built environment, attracting visitors, workers and investment to protect the economic future of the city, and, to facilitate new development projects to improve Aberdeen's living and working environment.
- 5.22 The SIP contains bold, large scale projects that will help deliver our priorities by focusing on the development of the enabling infrastructure.
- 5.23 There is no change to the core element of the SIP proposed for 2015/16 and it remains as one of the key priorities for the Council. The plan is operational with good progress being made on the delivery of the projects.

5.24 Key progress on the SIP so far includes:

- PQQ for a housing delivery partner was submitted and evaluated and ITT to follow shortly;
- Planning process started for five affordable housing sites;
- Contract awarded to take forward city centre regeneration ;
- City centre regeneration masterplan and delivery plan progressing and will be submitted to Council in June;
- Marischal Square granted planning permission;
- AECC nearing financial close and planning application to be submitted soon;
- Consultants appointed to take forward regeneration appraisal in Tillydrone, Middlefield and Torry;
- Dyce Drive ITT out and soon to award a contract;
- Third Don Crossing on site and progressing well;
- Hydrogen buses almost operational and refuelling station at Kittybrewster nearing completion;
- Contracts awarded and work starting on in-building Wi-Fi and wireless concession as part of Accelerate Aberdeen Programme; and
- Art Gallery has achieved planning permission and the contract has been awarded for the development of the Museum's Collection Centre;

5.24 Given the significance of the SIP a Programme Manager was established as part of the structure to manage the delivery, which is further monitored through the Corporate Management Team. Progress is reported each cycle to the Finance, Policy and Resources committee by way of a dashboard, and an update is due to be provided in the next committee cycle.

5.25 It should be noted, however, that the SIP was approved when the previous Council structure was in place. Delivery of the SIP was a key focus of the recently approved management restructure with responsibility for delivery now a key part of the remit of the Director for Communities, Housing and Infrastructure. Further to this the restructure will embed the multi-disciplinary team we have established, to ensure we continue to have the appropriate resource in place to deliver the SIP, in the short, medium and long term.

5.26 To support this, and give confidence and assurance that we have the right mechanisms in place, we have implemented a new governance structure that establishes appropriate reporting arrangements and ensures the appropriate level of involvement and scrutiny from both the Corporate and Senior Management Team.

5.27 This approach builds on the current tools in place and enhances, incorporates and compliments the programme delivery structure embedded within the services.

- 5.28 It provides the Council with a cohesive approach to strategic planning and gives visibility of all strategic programmes at the appropriate level as well as providing a mechanism to consider all relevant interdependencies.
- 5.29 A fundamental part of this governance is the establishment of the Strategic Infrastructure and Capital Plan Review Group. This group oversees the delivery of the SIP and Capital Plan, scrutinising and making recommendations to the Corporate Management Team at all key stages of the programmes and projects. The group also makes recommendations on new strategic infrastructure and capital asset proposals and business cases. The chair of the Group is the Director of Communities, Housing and Infrastructure with other members being the Head of Finance, Head of Commercial and Procurement, Head of Legal and Democratic, Head of Property and Land Assets, Head of Planning and Sustainable Development, Head of Policy, Performance & Resources, and the Strategic Infrastructure Plan Programme Manager.
- 5.30 Implementing the new governance structure and support arrangements will enhance our ability to deliver the SIP portfolio but also allow us to embed the same principles throughout the organisation and implement robust programme governance methodology providing a cohesive approach to deliver all strategic priorities, investment and transformational change.
- 5.31 The successful delivery of the SIP requires a package of funding options from a variety of sources, and phase two of the SIP focuses on identifying a broader strategy to develop innovative funding models to deliver current and future infrastructure needs. Work around this theme continues to pick up pace in the form of developing a bid to HM Treasury for a City Deal.
- 5.32 A City Deal will enable the delivery of the key priorities of the SIP and facilitate some of the projects which do not have funding solutions. It will also attempt to encompass the economic focus and needs of industry in a bigger scale by linking with, for example, the Nigg Bay harbour development proposed by Aberdeen Harbour Board and the City Centre Masterplan.
- 5.33 The governance approach adopted will provide the platform to deliver, both now and in the future.

6. 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

8. REPORT AUTHOR DETAILS

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APPENDIX 1

Forecast Outturn 2014/15		Non-Housing Capital Programme					Total
£'000	NHCP No.	Continuing Projects - Extend Rolling programmes	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
6,591	294	Corporate Property Condition & Suitability	8,100	9,000	9,000	8,000	8,000
341	551	Cycling Walking Safer Streets	338	0	0	0	0
1,295	765G	Nestrans Capital Grant	1,295	1,295	1,295	1,295	1,295
1,986	784	Fleet Replacement Programme	4,488	3,400	3,600	3,800	4,000
3,014	789	Planned Renewal & Replacement of Roads Infrastructure	4,180	4,000	4,000	4,000	4,000
370	789E	Street Lighting	1,300	500	500	500	1,000
680	779	Private Sector Housing Grant (PSHG)	700	700	700	700	700
14,277			20,401	18,895	19,095	18,295	18,995
Forecast Outturn 2014/15							
£'000	NHCP No.	Other Projects	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
0	804	Data Centre Move	2,500	500	0	0	0
671	805	Technology Investment Requirements	1,600	825	1,005	0	0
40	759	Riverbank Extension	0	0	0	0	0
5,625	773	New Brimmond School	3,971	333	0	0	0
220	776	Centre of Excellence (formerly ASN)	2,588	7,765	7,176	555	0
1,118	799A	Art Gallery Redevelopment - Museums Collection Centre	4,575	157	0	0	0
793	799B	Art Gallery Redevelopment - Main Contract (HLF)	10,364	13,752	3,944	508	0
334	808	New Academy to the South	6,413	18,240	11,826	1,015	0
0	809	New Milltimber Primary	0	0	0	500	11,000
0	823	Music Hall Refurbishment	200	800	0	0	0
30	828	Greenbrae Primary Extension and Internal Works	2,620	1,685	156	0	0
0	829	Middlefield Community Project Relocation (Henry Rae CC)	1,630	0	0	0	0
0	831	Stoneywood Primary	709	8,901	3,390	0	0
0	832	Dyce 3G Pitch	748	0	0	0	0
6,200	587	Access from the North / 3rd Don Crossing	9,480	2,314	0	0	0
18,048	627	Aberdeen Western Peripheral Route	16,034	11,740	7,493	3,713	0
471	663	Corporate Office Accommodation	0	0	0	0	0
666	791	Strategic Land Acquisition	500	0	0	0	900
6,276	794	Hydrogen Buses	17	0	0	0	0
3,001	795	Accelerate Aberdeen (City Broadband)	500	500	500	449	0
1,209	800	St Nicholas House Demolition	0	0	0	0	0
30	806A	CATI - South College Street	150	150	5,000	190	0
433	806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	800	3,800	7,000	3,200	1,500
35	806C	Central Aberdeen Transport Infrastructure	285	190	2,240	4,170	2,236
958	807	A96 Park & Choose / Dyce Drive Link Road	9,200	3,750	800	0	0
30	820	Investment in Tenanted Non-Residential Property Portfolio	970	1,000	750	150	0
750	824	City Centre Regeneration	0	19,250	0	0	0
80	825	City Deal	170	0	0	0	0
0	826	Aberdeen City Hydrogen Energy Storage (ACHES)	1,894	0	0	0	0
450	830	Free P1-3 School Meals Investment	0	0	0	0	0
1,429	797	Victoria House	390	0	0	0	0
32	810A	Ness Landfill Leachate & Gas Control Measures	100	0	0	0	0
0	810B	Energy from Waste (EfW) Procurement and Land Acq.	2,500	300	155	0	0
0	810E	Investment in Waste Collection	1,200	1,100	0	0	0
0	810F	Refuse Derived Fuel Plant	800	697	0	0	0
607	810G	Co-mingled MRF & Depot	12,000	12,762	0	0	0
0	810H	Investment in WTS and existing HWRCs	94	0	0	0	0
0	810J	Bridge of Don HWRC	100	500	800	0	0
0	819	Tillydrone Community Hub	500	500	2,000	0	0
300	827	SIP New Build Housing Programme	2,700	0	0	0	0
650	691	Integrated Drugs Centre	0	0	0	0	0
269	811	Social Care Facilities - Burnside	2,037	2,037	57	0	0
0	812	Social Care Facilities - Replace / Upgrade Childrens Home	500	850	200	0	0
7	813	Social Care Facilities - Quarry Centre Refurbishment	0	0	0	0	0
0	999	Construction Inflation Allowance for existing projects	2,500	0	0	0	0
50,762			103,339	114,398	54,492	14,450	15,636
65,039		Totals - Completed and Continuing Projects	123,740	133,293	73,587	32,745	34,631

APPENDIX 1 (cont.)

Forecast			Budget	Budget	Budget	Budget	Budget	
Outturn		Non-Housing Capital Programme						Total
2014/15		Financed By:	2015/16	2016/17	2017/18	2018/19	2019/20	
£'000			£'000	£'000	£'000	£'000	£'000	£'000
	NHCP No.	1. Project Funding Streams						
0	773	New Brimmond School	(2,518)	0	0	0	0	(2,518)
(98)	799A	Art Gallery Redevelopment - Main Contract (HLF)	(9,000)	(10,863)	0	0	0	(19,863)
0	808	New Academy to the South	0	(11,987)	(10,826)	(1,015)	0	(23,828)
0	809	New Milltimber Primary	0	0	0	0	(1,400)	(1,400)
0	823	Music Hall Refurbishment	(200)	(800)	0	0	0	(1,000)
0	828	Greenbrae Primary Extension and Internal Works	(750)	0	0	0	0	(750)
0	829	Middlefield Project Relocation (Henry Rae CC)	(1,630)	0	0	0	0	(1,630)
0	831	Stoneywood Primary	0	(4,000)	0	0	0	(4,000)
0	832	Dyce 3G Pitch	(748)	0	0	0	0	(748)
(796)	294	Corporate Property Condition & Suitability	0	0	0	0	0	0
(89)	784	Fleet Replacement Programme	0	0	0	0	0	0
(9)	789	Planned Renewal & Replacement of Roads Infrastructure	0	0	0	0	0	0
(671)	805	Technology Investment Requirements	(940)	0	0	0	0	(940)
(4,293)	794	Hydrogen Buses	0	0	0	0	0	0
(2,969)	795	Accelerate Aberdeen (City Broadband)	0	0	0	0	0	0
0	826	Aberdeen City Hydrogen Energy Storage (ACHES)	(1,894)	0	0	0	0	(1,894)
0	827	SIP New Build Housing Programme	0	(3,000)	0	0	0	(3,000)
(8,925)			(17,680)	(30,650)	(10,826)	(1,015)	(1,400)	(61,571)
		2. Other Receipts						
0		Receipt - Summerhill	0	(2,000)	(2,000)	(2,000)	(2,000)	(8,000)
(1,000)		Receipt - Marischal Square	0	0	(9,000)	0	0	(9,000)
(4,000)		Receipts - General	(4,000)	(2,600)	(2,000)	(2,000)	(2,000)	(12,600)
(5,000)			(4,000)	(4,600)	(13,000)	(4,000)	(4,000)	(29,600)
(24,948)		3. Capital Grant	(26,856)	(25,000)	(25,000)	(25,000)	(25,000)	(126,856)
(8,166)		4. Other Financing	(44,475)	(45,217)	(31,155)	(24,716)	(32,166)	(177,729)
(47,039)		Sub-total	(93,011)	(105,467)	(79,981)	(54,731)	(62,566)	(395,756)
(18,000)		Cashflow	(30,729)	(27,826)	6,394	21,986	27,935	(2,240)
0		Net Position	0	0	0	0	0	0

APPENDIX 2

		Non-Housing Capital Programme						
Profile 2014/15			Profile 2015/16	Profile 2016/17	Profile 2017/18	Profile 2018/19	Profile 2019/20	Total Budget £'000
	NHCP No.	Continuing Projects - Extend Rolling programmes						
	294	Corporate Property Condition & Suitability						42,100
	551	Cycling Walking Safer Streets						338
	765G	Nestrans Capital Grant						6,475
	784	Fleet Replacement Programme						19,288
	789	Planned Renewal & Replacement of Roads Infrastructure						20,180
	789E	Street Lighting						3,800
	779	Private Sector Housing Grant (PSHG)						3,500
								95,681
Profile 2014/15			Profile 2015/16	Profile 2016/17	Profile 2017/18	Profile 2018/19	Profile 2019/20	Total Budget £'000
	NHCP No.	Other Projects						
	804	Data Centre Move						3,000
	805	Technology Investment Requirements						3,430
	759	Riverbank Extension						0
	773	New Brimmond School						4,304
	776	Centre of Excellence (formerly ASN)						18,084
	799A	Art Gallery Redevelopment - Museums Collection Centre						4,732
	799B	Art Gallery Redevelopment - Main Contract (HLF)						28,568
	808	New Academy to the South						37,494
	809	New Milltimber Primary						11,500
	823	Music Hall Refurbishment						1,000
	828	Greenbrae Primary Extension and Internal Works						4,461
	829	Middlefield Community Project Relocation (Henry Rae CC)						1,630
	831	Stoneywood Primary						13,000
	832	Dyce 3G Pitch						748
	587	Access from the North / 3rd Don Crossing						11,794
	627	Aberdeen Western Peripheral Route						38,980
	663	Corporate Office Accommodation						0
	791	Strategic Land Acquisition						1,400
	794	Hydrogen Buses						17
	795	Accelerate Aberdeen (City Broadband)						1,949
	800	St Nicholas House Demolition						0
	806A	CATI - South College Street						5,490
	806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)						16,300
	806C	Central Aberdeen Transport Infrastructure						9,121
	807	A96 Park & Choose / Dyce Drive Link Road						13,750
	820	Investment in Tenanted Non-Residential Property Portfolio						2,870
	824	City Centre Regeneration						19,250
	825	City Deal						170
	826	Aberdeen City Hydrogen Energy Storage (ACHES)						1,894
	830	Free P1-3 School Meals Investment						0
	797	Victoria House						390
	810A	Ness Landfill Leachate & Gas Control Measures						100
	810B	Energy from Waste (EfW) Procurement and Land Acq.						2,955
	810E	Investment in Waste Collection						2,300
	810F	Refuse Derived Fuel Plant						1,497
	810G	Co-mingled MRF & Depot						24,762
	810H	Investment in WTS and existing HWRCs						94
	810J	Bridge of Don HWRC						1,400
	819	Tillydrone Community Hub						3,000
	827	SIP New Build Housing Programme						2,700
	691	Integrated Drugs Centre						0
	811	Social Care Facilities - Burnside						4,131
	812	Social Care Facilities - Replace / Upgrade Childrens Home						1,550
	813	Social Care Facilities - Quarry Centre Refurbishment						0
	999	Construction Inflation Allowance for existing projects						2,500
								302,315
		Total						397,996

APPENDIX 3

Non-Housing Capital Programme		Original 2015/16 - 2019/20	Updated 2015/16 - 2019/20		
5 Year Total		5 Year Total	5 Year Total	Movement	Reason for Movement
NHCP No.	Continuing Projects - Extend Rolling programmes	£'000	£'000		
294	Corporate Property Condition & Suitability	39,000	42,100	3,100	Reflects revised profile for completion of approved list of projects with existing resources.
551	Cycling Walking Safer Streets	338	338	0	No Change
765G	Nestrans Capital Grant	6,475	6,475	0	No Change
784	Fleet Replacement Programme	18,000	19,288	1,288	Service now focussed on dealing with challenges from Traffic Commissioner. Orders for new vehicles on hold; service is not permitted to change numbers on Vehicle Operators Licence.
789	Planned Renewal & Replacement of Roads Infrastructure	19,362	20,180	818	Rob Roy Bridge repairs delayed by requirement for CPO.
789E	Street Lighting	3,800	3,800	0	No Change
779	Private Sector Housing Grant (PSHG)	3,500	3,500	0	No Change
		90,475	95,681	5,206	
Non-Housing Capital Programme		Original 2015/16 - 2019/20	Updated 2015/16 - 2019/20		
5 Year Total		5 Year Total	5 Year Total	Movement	Reason for Movement
NHCP No.	Other Projects	£'000	£'000		
804	Data Centre Move	3,000	3,000	0	No Change
805	Technology Investment Requirements	2,600	3,430	830	Programme extended into future years to reflect resource capacity and demand for projects
759	Riverbank Extension	0	0	0	No Change
773	New Brimmond School	4,304	4,304	0	No Change
776	Centre of Excellence (formerly ASN)	17,084	18,084	1,000	Lease will be entered into for land held by Common Good Fund
799A	Art Gallery Redevelopment - Museums Collection Centre	3,485	4,732	1,247	Construction due to start in February 2015.
799B	Art Gallery Redevelopment - Main Contract (HLF)	28,200	28,568	368	Revised profiling based on tender submissions received in December 2014.
808	New Academy to the South	37,346	37,494	148	Refining of construction costs following discussion with HubCo.
809	New Milltimber Primary	11,500	11,500	0	No Change
823	Music Hall Refurbishment	1,000	1,000	0	No Change
828	Greenbrae Primary Extension and Internal Works	4,461	4,461	0	No Change
829	Middlefield Community Project Relocation (Henry Rae CC)	0	1,630	1,630	New project - awaiting formal grant award letter from Regeneration Capital Fund
831	Stoneywood Primary	13,000	13,000	0	No Change
832	Dyce 3G Pitch	0	748	748	New project - funding solution confirmed
587	Access from the North / 3rd Don Crossing	11,426	11,794	368	Profile adjusted for construction progress and CPOs.
627	Aberdeen Western Peripheral Route	24,138	38,980	14,842	Main contractor achieved financial close on 12 December 2014. Updated financial modelling has been released.
663	Corporate Office Accommodation	0	0	0	No Change
791	Strategic Land Acquisition	0	1,400	1,400	Wellington Road and Dyce land estimates
794	Hydrogen Buses	373	17	(356)	Civils works now forecast to be completed in 2014/15
795	Accelerate Aberdeen (City Broadband)	1,468	1,949	481	Voucher Scheme not attracting as many customers as hoped.
800	St Nicholas House Demolition	0	0	0	Budget re-profiled for other aspects of DCMS initiatives
806A	CATI - South College Street	5,450	5,490	40	Re-profiling of programme to reflect potential linkages to city centre masterplan.
806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	15,082	16,300	1,218	Re-profiling of programme to reflect potential linkages to city centre masterplan.
806C	CATI - Pedestrianise Union Street	8,950	9,121	171	Re-profiling of programme to reflect potential linkages to city centre masterplan.
807	A96 Park & Choose / Dyce Drive Link Road	11,889	13,750	1,861	Programme reflects anticipated construction timetable.
820	Investment in Tenanted Non-Residential Property Portfolio	2,800	2,870	70	Consultant due to be appointed to prioritise potential developments for 2015/16.
824	City Centre Regeneration	19,250	19,250	0	No Change
825	City Deal	0	170	170	Maximum spend with PwC for 2014/15 now expected to be £80k. Development working is continuing.
826	Aberdeen City Hydrogen Energy Storage (ACHES)	1,894	1,894	0	No Change
830	Free P1-3 School Meals Investment	0	0	0	New project - funding confirmed by finance circular December 2014. Scottish Government have sought assurance funds will be spent in 2014/15.
797	Victoria House	0	390	390	Construction not expected to be completed until May 2015. Liquidated damages being applied to contractor.
810A	Ness Landfill Leachate & Gas Control Measures	1,369	100	(1,269)	
810B	Energy from Waste (EFW) Procurement and Land Acq.	2,263	2,955	692	
810E	Investment in Waste Collection	2,110	2,300	190	To reflect latest information provided by SITA on Waste investment.
810F	Refuse Derived Fuel Plant	1,417	1,497	80	Tendering exercises are on-going, and regular updates are being provided.
810G	Co-mingled MRF & Depot	19,980	24,762	4,782	
810H	Investment in WTS and existing HWRCs	89	94	5	
810J	Bridge of Don HWRC	1,400	1,400	0	
819	Tillydrone Community Hub	3,000	3,000	0	No Change
827	SIP New Build Housing Programme	2,900	2,700	(200)	Advancing through works in relation to potential sites.
691	Integrated Drugs Centre	0	0	0	No Change
811	Social Care Facilities - Burnside	3,900	4,131	231	Construction programme currently forecast to commence autumn 2015. Only demolition costs of old building & design fees for new build will apply in 2014/15.
812	Social Care Facilities - Replace / Upgrade Children's Home	1,050	1,550	500	Programme pushed back one year to allow time to refine business case.
813	Social Care Facilities - Quarry Centre Refurbishment	0	0	0	No Change
999	Construction Inflation Allowance for existing projects	2,500	2,500	0	No Change
		270,678	302,315	31,637	
	Totals - Completed and Continuing Projects	361,153	397,996	36,843	

APPENDIX 3 (cont.)

Non-Housing Capital Programme		Original 2015/16 -	Updated 2015/16 -	Movement	Reason for Movement
Financed By:		5 Year Total	5 Year Total		
		£'000	£'000	£'000	
NHCP No.	1. Project Funding Streams				
773	New Brimmond School	(2,518)	(2,518)	0	No Change
799A	Contract (HLF)	(19,380)	(19,863)	(483)	HLF grant profile matched with forecast spend
808	New Academy to the South	(23,828)	(23,828)	0	No Change
809	New Milltimber Primary	(1,400)	(1,400)	0	No Change
823	Music Hall Refurbishment	(1,000)	(1,000)	0	No Change
828	Internal Works	(750)	(750)	0	No Change
829	Middlefield Project Relocation (Henry Rae CC)	0	(1,630)	(1,630)	New project - awaiting formal grant award letter from Regeneration capital Fund
831	Stoneywood Primary	(4,000)	(4,000)	0	No Change
832	Dyce 3G Pitch	0	(748)	(748)	New project - funding solution confirmed
294	Suitability	0	0	0	No Change
784	Fleet Replacement Programme	0	0	0	No Change
789	Roads Infrastructure	0	0	0	No Change
805	Technology Investment Requirements	(110)	(940)	(830)	Programme extended into future years to reflect resource capacity and demand for projects
794	Hydrogen Buses	(373)	0	373	Civils works now forecast to be completed in 2014/15
795	Accelerate Aberdeen (City Broadband)	0	0	0	No Change
826	Aberdeen City Hydrogen Energy Storage (ACHES)	(1,894)	(1,894)	0	No Change
827	SIP New Build Housing Programme	(3,000)	(3,000)	0	No Change
		(58,253)	(61,571)	(3,318)	
	2. Other Receipts				
	Receipt - Summerhill	(8,000)	(8,000)	0	No Change
	Receipt - Marischal Square	0	(9,000)	(9,000)	To reflect profiling of agreement with MUSE achieved in December 2014.
	Receipts - General	(12,600)	(12,600)	0	No Change
		(20,600)	(29,600)	(9,000)	
	3. Capital Grant	(125,839)	(126,856)	(1,017)	Updated finance circulars received from Scottish Government in December 2014.
	4. Other Financing	(154,221)	(177,729)	(23,508)	Re-profiled financing for changes in programme as identified above.
	Sub-total	(358,913)	(395,756)	(36,843)	
	Cashflow	(2,240)	(2,240)	0	No Change
	Net Position	0	0	0	

APPENDIX 4

ABERDEEN CITY COUNCIL 2014/15 to 2017/18

THE PRUDENTIAL CODE For Capital Finance in Local Authorities

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.

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

	Capital Expenditure				
	2013/14 £'000 Actual	2014/15 £'000 Estimate	2015/16 £'000 Estimate	2016/17 £'000 Estimate	2017/18 £'000 Estimate
Non HRA	43,524	65,039	123,740	133,293	73,587
HRA	37,331	41,762	35,385	34,197	28,966

	Ratio of Financing Costs to Net Revenue Stream				
	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Non HRA	7.2%	6.5%	6.8%	7.0%	7.3%
HRA	16.6%	15.7%	17.7%	18.5%	18.9%

	Capital Financing Requirement				
	2013/14 £'000 Actual	2014/15 £'000 Estimate	2015/16 £'000 Estimate	2016/17 £'000 Estimate	2017/18 £'000 Estimate
Non HRA	493,436	501,737	504,206	502,953	506,468
HRA	232,205	245,183	254,148	260,453	259,174
Total	725,641	746,920	758,354	763,406	765,642

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.”

APPENDIX 4 (cont.)

The Head of Finance reports that the Council can meet this requirement in 2014/15, 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.

	Authorised Limit for External Debt			
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Operational Boundary	754,360	765,794	770,846	773,082
10% Margin	75,436	76,579	77,085	77,308
Total	829,796	842,373	847,931	850,390

	Operational Boundary for External Debt			
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Borrowing	646,523	659,730	667,260	672,107
Other Long Term Liabilities	107,837	106,064	103,586	100,975
Total	754,360	765,794	770,846	773,082

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 Band D Council Tax

2015/16	2016/17	2017/18
£0	£0 (Prov)	£0 (Prov)

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

2015/16	2016/17	2017/18
£1.03	£0.90	£0.42

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Equality and Human Rights Impact Assessment - the Form

There are separate guidance notes to accompany this form – “Equality and Human Rights Impact Assessment – the Guide.” Please use these guidance notes as you complete this form. Throughout the form, **proposal** should be understood broadly to include the full range of our activities and could refer to a decision, policy, strategy, plan, procedure, report or business case, embracing a range of different actions such as setting budgets, developing high level strategies and organisational practices such as internal restructuring. Essentially everything we do!

STEP 1: Identify essential information

1. Committee Report No.

2. Name of proposal.

3. Officer(s) completing this form.

Name	Designation	Service	Directorate
Helen Valentine	Finance Manager (Projects)	Finance	Corporate Governance

4. Date of Impact Assessment.

5. When is the proposal next due for review?

6. Committee Name.

7. Date the Committee is due to meet.

8. Identify the Lead Council Service and who else is involved in delivering this proposal (for example other Council services or partner agencies).

Whilst the Lead in the preparation of the budget and the monitoring of expenditure to budget thereafter is Corporate Governance, ALL Directorates are responsible for the delivery of their services within the budget provided.

9. Please summarise this Equality and Human Rights Impact Assessment (EHRIA). This must include any practical actions you intend to take or have taken to reduce, justify or remove any adverse negative impacts. This must also include a summary of how this proposal complies with the public sector equality duty for people with protected characteristics - see Step 2. **Please return to this question after completing the EHRIA.**

This EHRIA is to highlight to Council that within the proposed budget for 2015/16, and the indicative years there-after, there are currently no additional savings to be made.

Within the budget presented to this February 2015 Council there are no new savings for which approval is sought.

The impact on equality groups was addressed in the approval of the indicative 5 year position in February 2011 & February 2012– EHRIA's having been prepared and published at that time. Services review and amend EHRIA as required in the implementation of the PBB Savings.

10. Where will you publish the results of the Equality and Human Rights Impact Assessment? Tick which applies.

- Para 9 of EHRIA will be published in committee report in Section 6 "Impact"
- Full EHRIA will be attached to the committee report as an appendix
- Copied to Equalities Team to publish on the Council website

STEP 2: Outline the aims of the proposal

11. What are the main aims of the proposal?

To provide Council with details of the 2015/16 general fund revenue budget along with indicative five year budget.

12. Who will benefit most from the proposal?

Aberdeen citizens will benefit from fiscal certainty for 2015/16. Aberdeen City Council have a defined framework which reflects priorities and provides a degree of continuity as it is a rolling five year plan for the period 2015/16 to 2019/20.

13. You should assess the impact of your proposal on equality groups and tell us how implementing this proposal will impact on the needs of the public sector equality duty to: eliminate discrimination, harassment and victimisation; advance equality of opportunity; and foster good relations.

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. This led to the production of a five-year business plan outlining the financial position over the five years and this has been updated to reflect a more detailed understanding of the cost pressures, financial out-turn and Scottish Government settlement figures.

Within the budget presented to this Council February 2015 there are no new savings for which approval is sought.

The impact on equality groups was addressed in the approval of the indicative 5 year position in February 2011 & February 2012– EHRIA’s having been prepared and published at that time. Services review and amend EHRIA as required in the implementation of the PBB Savings.

STEP 3: Gather and consider evidence

15. What **evidence** is there to identify any potential positive or negative impacts in terms of involvement, consultation, research, officer knowledge and experience, equality monitoring data, user feedback and other? You must consider relevant evidence, including evidence from equality groups.

This EHRIA informs the Council that the impact on equality groups was addressed in the approval of the indicative 5 year position in February 2011 & February 2012– EHRIA’s having been prepared and published at that time. Services review and amend EHRIA as required in the implementation of the PBB Savings.

STEP 4: Assess likely impacts on people with Protected Characteristics

16. Which, if any, people with protected characteristics and others could be affected positively or negatively by this proposal? Place the symbol in the relevant box. Be aware of cross-cutting issues, such as older women with a disability experiencing poverty and isolation.

Please note that as expressed above no additional savings require approval by Council in February 2015; any impact upon “protected characteristics” was addressed in the published EHRIA for already approved savings included in the baseline budget for the rolling 5 year period.

(Positive +, neutral 0, - negative)

Protected Characteristics					
Age - Younger Older		Disability		Gender Reassignment*	
Marriage or Civil Partnership		Pregnancy and Maternity		Race**	
Religion or Belief		Sex (gender)***		Sexual orientation****	
Others e.g. poverty					

Notes:

- * Gender Reassignment includes Transsexual
- ** Race includes Gypsy/Travellers
- *** Sex (gender) i.e. men, women
- **** Sexual orientation includes LGB: Lesbian, Gay and Bisexual

17. Please detail the potential positive and/or negative impacts on those with protected characteristics you have highlighted above.

In making the assessment you must consider relevant evidence, including evidence received from individuals and equality groups. Having considered all of these elements, you must take account of the results of such assessments. This requires you to consider taking action to address any issues identified, such as removing or mitigating any negative impacts, where possible, and exploiting any potential for positive impact. If any adverse impact amounts to **unlawful discrimination**, the policy must be amended to avert this. Detail the impacts and describe those affected.

Positive impacts (describe protected characteristics affected)	Negative Impacts (describe protected characteristics affected)
---	---

Please note that as expressed above no additional savings require approval by Council in February 2015; any impact upon “protected characteristics” was addressed in the published EHRIA for already approved savings included in the baseline budget for the rolling 5 year period.

STEP 5: Human Rights - Apply the three key assessment tests for compliance assurance

18. Does this proposal/policy/procedure have the potential to interfere with an individual's rights as set out in the Human Rights Act 1998? State which rights might be affected by ticking the appropriate box(es) and saying how. **If you answer "no", go straight to question 22.**

- Article 3 – Right not to be subjected to torture, inhumane or degrading treatment or punishment
- Article 6 – Right to a fair and public hearing
- Article 8 – Right to respect for private and family life, home and correspondence
- Article 10 – freedom of expression
- Other article not listed above

How?

Not applicable

Legality

19. Where there is a potential negative impact is there a legal basis in the relevant domestic law?

Not applicable

Legitimate aim

20. Is the aim of the policy identified in Steps 1 and 2 a legitimate aim being served in terms of the relevant equality legislation or the Human Rights Act?

Not applicable

Proportionality

21. Is the impact of the policy proportionate to the legitimate aim being pursued? Is it the minimum necessary interference to achieve the legitimate aim?

Not applicable

STEP 6: Monitor and review

22. How will you monitor the implementation of the proposal? (For example, customer satisfaction questionnaires)

A formal monitoring and reporting process exists for regular spend to budget information being presented to Corporate Management Team and Committees/Council as required.
Individual savings within the budget are monitored via the Sponsoring Group.

23. How will the results of this impact assessment and any further monitoring be used to develop the proposal?

The EHRIA prepared for the already approved savings are reviewed and amended as necessary should there be any change in the method of implementation of the savings or where there are significant changes in the demographics relating to individual options.

STEP 7 SIGN OFF

The final stage of the EHRIA is formally to sign off the document as being a complete, rigorous and robust assessment.

Person(s) completing the impact assessment.

Name	Date	Signature
Helen Valentine (Finance Manager)	27/1/15	

Quality check: document has been checked by

Name	Date	Signature
Steven Whyte (Head of Finance)	27/1/15	

Head of Service/ Director (Sign-off)

Name	Date	Signature
Ewan Sutherland (Interim Director of Corporate Governance)	27/1/15	

Now –

Please send an electronic copy of your completed EHRIA - without signatures - together with the proposal to:

Equalities Team
Customer Service and Performance
Corporate Governance
Aberdeen City Council
Business Hub 13
Second Floor North
Marischal College
Broad Street
Aberdeen
AB10 1AB

Telephone 01224 523039 Email sandrab@aberdeencity.gov.uk

COMMITTEE	Council
DATE	5 th February 2015
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Common Good Budget 2015/16 and indicative 2016/17 to 2019/20 Budget
REPORT NUMBER:	OCE/15/003

1. PURPOSE OF REPORT

This report submits for Elected Members' consideration the draft Common Good budget for 2015/16, along with an indicative 2016/17-2019/20 budget.

2. RECOMMENDATIONS

It is recommended that the Council: -

- a) approves the Common Good budget for 2014/15 as detailed in appendix 1 to this report;
- b) notes the 2016/17 – 2019/20 indicative Common Good budgets set out in appendix 1; and
- c) notes the intention to undertake a review of the Common Good budget during 2015/2016 by way of a zero based budget appraisal

3. FINANCIAL IMPLICATIONS

- 3.1 The report outlines proposals for the Common Good budget for the financial year 2015/16 and indicative figures for the following 4 years.
- 3.2 It also contains details of the value of the Common Good's cash balances, projected over the 5 year period.
- 3.3 A full review of the Common Good budget has been undertaken in line with priority based budgeting principles.

4. OTHER IMPLICATIONS

- 4.1 Common Good funds provide support to a range of services and projects both internal and external to the Council. If funding was not provided there may be a risk that services and projects would no longer be delivered.

5. REPORT

Introduction

- 5.1 In preparing a draft Common Good budget for 2015/16, the financial strategy approved by the Finance & Resources Committee of 6th December 2012 has been applied.
- 5.2 A report on the origin, history and purposes for which the Common Good may be used was prepared on 15th 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 for the use of Common Good monies: -
- 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 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 which Aberdeen City Council or any other public body has a statutory duty to support.

Projected Out-turn 2014/15

- 5.5 The projected outturn for 2014/15 shows a deficit of £1,095,000 compared with a budgeted deficit of £1,005,000.
- 5.6 The detrimental movement of £90,000 comparing budget to out-turn is primarily due to the unbudgeted commitment for debt charges for the Duthie Park Project.

Draft Budget 2015/16

- 5.7 In developing the draft Common Good budget for 2015/16, input has been sought from those external bodies currently supported by the Common Good and from various Council officers responsible for the different expenditure and income lines.
- 5.8 Rental income is based on projections provided by the Asset Management team within Communities, Housing & Infrastructure.
- 5.9 The draft budget for 2015/16 is provided at **Appendix 1**. The figures assume that £500,000 can be invested in the Loans Fund, thereby generating additional income for the Common Good Fund. If approval is given for this level of expenditure, the balance on the Common Good Fund at 31st March 2016 is estimated to be £6.1m. This meets the

requirements of the cash balances strategy approved by the Finance & Resources Committee on 6th December 2012 and set out below.

Indicative Budgets 2016/17-2019/20

- 5.10 The budgets shown in Appendix 1 for the 4 years 2016/17 to 2019/20 are for indication only, and will be reviewed during the 2016/17 budget process, which will focus on improving the outcomes for the people of Aberdeen by transforming services.

Cash Balances

- 5.11 Based on the budget projections for 2015/16, there are projected cash balances of £6.1 million as at 31st March 2016.
- 5.12 The strategy for cash balances for the Common Good Fund is to limit expenditure to a level which will allow for working balances to be maintained to a point whereby two years' worth of future Common Good expenditure could be met if required.
- 5.12 Current draft budgeted expenditure for the two year period 2016/17 and 2017/18 totals £6.09m. Given the estimated budgeted balances on 31st March 2016 of £6.1m, the requirements of the strategy are met and the budget is fully committed for 2015/16.
- 5.13 Committee will note and be mindful that it is the duty of the Council as trustees of the Common Good to ensure that the cash balances are maintained, and that 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 as to allow it to continue to be able to support in the long term an extensive portfolio of activities, projects, services and events.

7. BACKGROUND PAPERS

Common Good Budget 2014/15 and indicative 2015/16 – 2018/19 Budget (OCE/13/034)

8. REPORT AUTHOR DETAILS

Helen Valentine
Finance Manager (Projects)
☎ (52)2098
Email hvalentine@aberdeencity.gov.uk

Ciaran Monaghan
Head of Service, Office of Chief Executive
☎ (52)2293
Email cmonaghan@aberdeencity.gov.uk

Common Good Fund Budget					*	*	*	*
Appendix 1		2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Note		Budget	Outturn	Budget	Budget	Budget	Budget	Budget
		£000	£000	£000	£000	£000	£000	£000
General Properties/Estates								
1	Insurance Costs	16	16	16	17	17	17	17
2	Repairs and Maintenance	85	85	85	85	85	85	85
		101	101	101	102	102	102	102
Other Expenses								
3	St Nicholas Carillon	6	6	6	6	6	6	6
4	Printing and Other Sundries	3	3	3	3	3	3	3
5	Official Catering	17	17	17	17	17	17	17
		26	26	26	26	26	26	26
Donations, Grants, Contributions								
6	Aberdeen Citizen's Advice Bureau	276	276	281	281	281	281	281
7	Twinning Activities	137	137	137	137	137	137	137
8	Contributions to Trusts & Festivals	325	325	325	325	325	325	325
9	Techfest	37	37	37	37	37	37	37
10	Satrosphere Rent	39	39	39	39	39	39	39
11	Bulawayo Trust	45	45	45	45	45	45	45
12	Gornel Trust	22	22	22	22	22	22	22
13	Mary Garden Prize	2	2	2	2	2	2	2
14	Quincentenary Prizes	3	3	3	3	3	3	3
15	Aberdeen Performing Arts Contribution - Stage 1 Agreement	75	75	75	75	75	75	75
16	Aberdeen Safer Community Trust	58	58	58	58	60	60	60
17	Youth Activities Small Grant Funding	50	50	50	50	50	50	50
18	Castlegate Arts Rent	8	8	8	8	8	8	8
19	Events Funding							
	- Armed Forces/Veterans Day	10	10	0	0	0	0	0
	- Galas	10	10	0	0	0	0	0
	- Aberdeen Winter Festival - Fireworks Display	25	25	0	0	0	0	0
	- Aberdeen Winter Festival - Nativity Scene	6	6	0	0	0	0	0
	- Aberdeen Day	20	20	0	0	0	0	0
19	Events	0	0	71	71	71	71	71
20	Lemon Tree Rent	36	36	36	36	36	36	36
21	Lemon Tree Office Rental	10	10	10	10	10	10	10
22	Crematorium Bus	48	48	38	39	40	42	43
23	Hogmanay Celebrations	200	200	200	200	200	200	200
24	Hazlehead Park - Maintenance & Upgrade Works	30	30	30	30	30	30	0
25	Commonwealth Travel Bursary Scheme	15	15	15	20	0	0	0
		1,486	1,486	1,481	1,488	1,470	1,473	1,444
Promoting Aberdeen								
26	Festive Community Grants	4	4	4	4	4	4	4
27	Civic Support	268	243	246	246	246	246	246
28	Christmas Illuminations and Festivals	169	169	164	173	168	168	175
29	Entertainment for Elderly/Disabled Citizens	215	215	215	215	215	215	215
30	Older Persons Development Officer	18	18	19	19	19	19	19
31	Civic Receptions	150	150	150	150	150	150	150
32	Civic Hospitality	20	20	20	20	20	20	20
		845	819	818	827	822	822	829
Other Expenditure								
33	Archivist Unit	199	189	203	203	203	205	210
34	Central Support Services	120	120	120	120	120	120	120
		319	309	323	323	323	325	330
Other Projects								
35	Home Safety Check Scheme	71	71	71	71	71	71	71
36	Charity Shop	16	16	16	16	16	16	16
37	Community Safety Initiatives	2	2	2	2	2	2	2
		89	89	89	89	89	89	89
Other Recurring Expenditure								
38	Civic Gift Fund	18	18	18	18	18	18	18
39	Lord Lieutenancy and other duties	7	7	7	7	7	7	7
40	Armistice Day Expenses	6	6	6	6	6	6	6
41	Picture Loan Scheme	15	15	15	15	15	15	15
42	Business Investment Fund	25	25	25	25	25	25	25
43	Duthie Park Capital Charges	0	100	126	126	126	126	126
		70	170	196	196	196	196	197
	Recurring Expenditure	2,935	3,000	3,034	3,051	3,028	3,032	3,016
Non Recurring Expenditure Items								
44	Steading at Kepplestone & Kirkhills Farm	127	127	0	0	0	0	0
	Fernhill Farm Replacement Building	40	40	0	0	0	0	0
	Consultancy Costs	100	100	0	0	0	0	0
	4 Scots Homecoming Parade	6	6	0	0	0	0	0
	Auchmill Golf Course (Greenfern)	239	239	0	0	0	0	0
	Repairs & Maintenance - Electrics/Asbestos	323	323	0	0	0	0	0
	Lord Provost Portrait	0	0	0	5	5	0	0
	Commemoration of WW1, Cove Play Park	75	75	0	0	0	0	0
	Christmas Lights - Contribution to Community Councils	10	10	0	0	0	0	0
	Union Terrace Gardens Repairs & Activities	50	50	0	0	0	0	0
	March Stone Upkeep	5	5	0	0	0	0	0
	Stewart Park Upgrade Marking 120th Anniversary	30	30	0	0	0	0	0
	Hallfield Park Upgrade	20	20	0	0	0	0	0
	Torry Battery Plaque	3	3	0	0	0	0	0
	Cromwell Wall, Marischal Court Repairs	5	5	0	0	0	0	0
	Senior Citizens Clubs-Contribution to Programme Costs	10	10	0	0	0	0	0
	Art Gallery - Display of Thomas Blake Glover Related Material	20	20	0	0	0	0	0
	Games Legacy	0	25	0	0	0	0	0
		1,062	1,087	0	5	5	0	0
	ORDINARY EXPENDITURE	3,997	4,087	3,034	3,056	3,033	3,032	3,016
45	Invested in Loans Fund	3,000	3,000	3,500	3,200	3,200	3,200	3,200
	TOTAL EXPENDITURE	6,997	7,087	6,534	6,256	6,233	6,232	6,216
46	Income from Properties and Estates	(2,833)	(2,833)	(2,860)	(2,900)	(2,927)	(2,927)	(2,927)
47	Interest on Invested Funds	(89)	(89)	(123)	(188)	(220)	(254)	(286)
48	Lands of Skene/Torry (Share of Surplus)	(70)	(70)	(70)	(70)	(70)	(70)	(70)
49	Burgesses of Guild and Trade	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	ORDINARY INCOME	(2,992)	(2,992)	(3,053)	(3,158)	(3,217)	(3,251)	(3,283)
50	Income from sale of land Pinewood/Hazledene	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
	TOTAL INCOME	(5,992)	(5,992)	(6,053)	(6,158)	(6,217)	(6,251)	(6,283)
	Net (Surplus)/Deficit	1,005	1,095	481	98	16	(19)	(67)
*	These figures are shown for illustrative purposes only							
Projected Balance at 31 March 2014		(7,700)	(7,700)					
51	Estimated Movement in 2014/15	1,005	1,095					
Projected Balance at 31 March 2015		(6,695)	(6,605)	(6,605)				
	Estimated Movement in 2015/16			481				
Projected Balance at 31 March 2016				(6,124)	(6,124)			
	Estimated Movement in 2016/17				98			
Projected Balance at 31 March 2017					(6,026)	(6,026)		
	Estimated Movement in 2017/18					16		
Projected Balance at 31 March 2018						(6,011)	(6,011)	
	Estimated Movement in 2018/19					(19)		
Projected Balance at 31 March 2019						(6,030)	(6,030)	
	Estimated Movement in 2019/20						(67)	
Projected Balance at 31 March 2020							(6,097)	

Appendix 1

Notes to accompany Common Good Budget

Note 1

This budget is used to insure properties owned by the Common Good.

Note 2

This is a budget for repairs and maintenance costs for properties owned by the Common Good.

Note 3

This represents a contribution towards the fees paid to the Carillonneur.

Note 4

This budget is for items including the 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 Council 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 wishing to become involved in twin city projects, and also contributes to the costs of a Twinning Officer.

Note 8

This is a contribution towards the costs of Aberdeen International Youth Festival, Aberdeen Performing Arts and Peacock Visual Arts.

Note 9

This represents a contribution towards the running costs of the City's annual Techfest festival, held in various venues throughout the City during September.

Note 10

This is a grant to cover the cost of Satrosphere's rental of premises 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, currently presented as part of the Aberdeen International Youth Festival.

Note 14

This budget covers 3 annual £1,000 awards for the Quincentenary Prize, presented by the University of Aberdeen since 1995 to commemorate the 500th Anniversary of King's College.

Note 15

This provides match funding for Aberdeen Performing Arts in relation to a grant awarded by Creative Scotland towards the costs of programming at His Majesty's Theatre.

Note 16

This represents core funding for Aberdeen Safer Community Trust.

Note 17

This is funding for the City Council 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 grant to cover the cost of the rental of the Arts Centre.

Note 19

This is funding towards the costs of organizing the events as listed in the financial statement.

Note 20

This is a grant to cover the cost of the rental of the Lemon Tree.

Note 21

This is a grant to cover the cost of renting an office next to the Lemon Tree Theatre.

Note 22

This is a budget to provide for a bus service to the crematorium.

Note 23

This is to fund the City's Hogmanay celebrations.

Note 24

This is a budget towards the costs of maintenance and upgrade works at Hazlehead Park.

Note 25

This is to fund the Diamond Jubilee Commonwealth Travel Bursary for young people.

Note 26

This is a budget towards the costs of festive events held at the Council's leased community centres.

Note 27

This is a budget for the Civic Support team, incorporating the Lord Provost's secretariat, Town Sergeants and civic transportation.

Note 28

This is a budget for the cost of the Christmas illuminations.

Note 29

This is a budget to cover the costs of administering and delivering the 50+ development programme and entertainment for the elderly and disabled.

Note 30

This is a budget to cover the salary costs of a development officer to work with elderly citizens.

Note 31

This is a budget to cover the costs of hosting civic receptions.

Note 32

This is a budget for promotional civic hospitality.

Note 33

This is a contribution towards the costs of running the City Archive Unit.

Note 34

This is a budget to cover the allocation of central support costs such as Finance, HR and office accommodation.

Note 35

This is funding for the Home Safety Check Scheme run by Aberdeen City Council.

Note 36

This is a budget to cover the rental and running costs for a charity shop in George Street.

Note 37

This is funding for the Personal Alarms distributed on behalf of the City Council by Aberdeen Safer Community Trust.

Note 38

The Civic Gift Fund provides a budget for the purchase of gifts presented to guests and visitors by the Lord Provost on behalf of the City.

Note 39

This budget covers the costs incurred by the Lord Provost in discharging his duties as Lord Lieutenant.

Note 40

This budget covers the costs of the annual Armistice Day event.

Note 41

This is a budget to cover funding for pictures loaned from the Art Gallery for display in other Council buildings.

Note 42

This is a fund towards the costs of the Depute Provost's activities in building and enhancing business links for the benefit of the City of Aberdeen.

Note 43

This is a budget for the servicing of the capital debt for the upgrade to Duthie Park.

Note 44

These items are one-off items approved by Council for expenditure in 2014/15.

Note 45

This is the investment of the income from the sale of land at Pinewood/Hazledene.

Note 46

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 Pitfodells, Kincorth, Kepplehills, Tullos and Mastrick, all of which generate income for the Common Good and which is reflected in this budget.

Note 47

This is a budget to cover interest received on invested funds.

Note 48

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 49

This is a budget to represent income from admission fees for Burgesses of Guild and Trade.

Note 50

This is the income from the sale of land at Pinewood/Hazledene and is offset against line 45.

Note 51

This line represents the movement in the Common Good's cash reserves.

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	5 February 2015
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	North East Scotland Pension Fund Budget 2015/16 and indicative 2016/17-2019/20 Budget
REPORT NUMBER	CG/15/09
CHECKLIST RECEIVED	Yes

1. **PURPOSE OF REPORT**

- 1.1 The purpose of this report is to provide Council with details of the budget included in the 2015/16 General Fund budget that relates to the North East Scotland Pension Fund (NESPF) and an indicative 2016/17-2019/20 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. **RECOMMENDATIONS**

- 2.1 It is recommended that Council:
 - a) Notes the provision contained within the Councils General Fund budget for 2015/16;
 - b) Notes the 2016/17 to 2019/20 indicative budget;
 - c) Instructs the Head of Finance to recover the actual costs from the NESPF; and
 - d) Notes progress on the introduction of a Service Level Agreement (SLA).

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 staff time is required both during the year 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 The Pension Fund Manager has drafted a Service Level Agreement which is a substantial document and is currently out for consultation across the Council's services. This document 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 Aberdeen City Council implemented auto-enrolment on 1 April 2013. This is part of the Government's policy to encourage people to save more for retirement.
- 4.2 Aberdeen City Council is the first local authority to have introduced this fully of all the North East Scotland Pension Fund admitted bodies. Aberdeenshire and Moray Councils are expected to join in September 2017.

5. REPORT

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.
- 5.1.3 Employees of admitted bodies can join the scheme subject to their individual admission criteria which are outwith 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 Committee who have delegated powers. Support for the Pension Committee in investment matters is provided by the Joint Investment Advisory Committee. Support to both committees is provided by the Head of Finance and the Head of Legal & Democratic Services of Aberdeen City Council.

5.3 KEY FACTS – as at 31 March 2014

5.3.1 The Fund has 57,253 members and 57 employers.

5.3.2 There are three main categories of membership, comprising of actively contributing members (22,880), members who have left employment but who have a deferred entitlement (17,267) and members in receipt of pensions (17,106).

5.3.3 A diversified portfolio of assets amounting to £2.8 billion is managed externally by a number of appointed fund managers.

5.3.4 Total pension contributions in 2013/14 were £107.7 million comprising employer contributions of £81.7 million and employee contributions of £26 million.

5.3.5 The fund made payments to retired members during 2013/14 amounting to £84 million. During the same period a total of £17 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.

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. Following the 31 March 2011 valuation the NESPF had a funding position of 88%.

5.4 KEY ACHIEVEMENTS – 2013/14

- 5.4.1 The Fund's outstanding achievement during 2013/2014 was the implementation of our Pensions Administration Strategy (PAS). This was developed and published in July 2013 following a consultation with employers. The strategy specifies the levels of service and performance measures for participating employers and the NESPF. Over two thirds of the Fund's employers have already signed up, with work to finalise agreements for the remaining employers continuing.
- 5.4.2 In conjunction with the PAS and following the implementation of secure remote access to our administration system via Employer Services, the Fund has continued to develop and roll out the facility. The number of employers using the service increased from 10 to 34 in 2013/2014 with file submissions increasing 5 fold. Long term this will help to reduce processing times and costs.
- 5.4.3 Year End data checks were carried out on approximately 22,000 member records with benefit statements being issued to over 36,000 active and deferred members.
- 5.4.4 In 2013/2014, new task allocation procedures were introduced to enable benefits staff to better prioritise their workloads. This resulted in an 82% reduction in outstanding tasks over a 9 week period.
- 5.4.5 New accounting and governance requirements saw the Fund publish its fourth Annual Report and Accounts separately from the accounts of Aberdeen City Council who acted as the Administering Authority for the financial year 2013/14.
- 5.4.6 The Pension Fund has produced an Annual Report of its performance and activities for the last 12 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.
- 5.4.7 The North East Scotland Pension Fund exceeded its customised benchmark over the year with a return of 10.39% versus a benchmark of 9.06%. This surpassed our aim of performing 1% over our benchmark target. The Fund continues to outperform its benchmark over the longer term.
- 5.4.8 The Fund was shorted listed in four categories at the Professional Pensions Scheme Awards. This included Public Sector Scheme of the Year, Best use of IT & Technology, Best Administration and Large Scheme of the Year. The awards recognise high standards of service

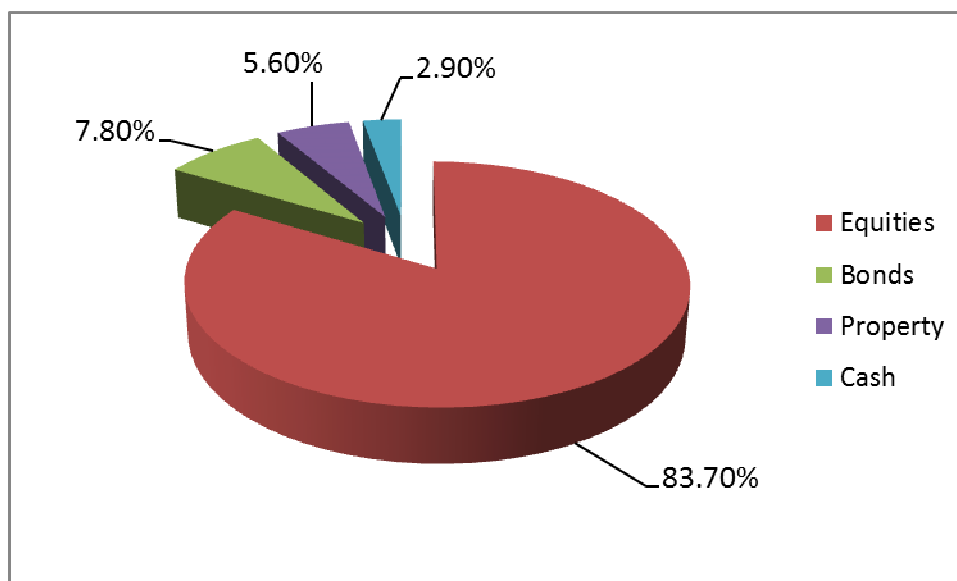
delivery to members, use of technology and overall investment performance.

5.4.9 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.

5.4.10 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 Committee, in terms of investment performance measurement and governance by the custodian.

5.4.11 The asset allocation of NESPF 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 2014, as per the NESPF Annual Report 2014.

Asset allocation - Main Fund as at 31 March 2014



5.5 2015/16 BUDGET

5.5.1 The budget for Aberdeen City Council (ACC) for 2015/16 is estimated at £1.4 million and primarily relates to direct staff costs. Indicative budgets for the next 5 years are shown below.

Budget - cost areas	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Salary costs Direct salaries and costs for the management of the Fund	1,186	1,201	1,216	1,231	1,246
Support Costs <i>Property, ICT, Payroll, Legal, Human Resources, Accounting Services</i>	259	263	267	271	275
Total estimate recharge	1,445	1,464	1,483	1,502	1,521

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 Committee 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 & Accounts (2013/14) and Fund Governance Policy Statement.

8. **REPORT AUTHOR DETAILS**

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