

# Public Document Pack



To: Councillor Young, Convener; Councillor Thomson, Vice-Convener; and Councillors Allan, Cameron, Dickson, Donnelly, Jackie Dunbar, Forsyth, Len Ironside CBE, Laing, McCaig, Milne, Noble, Reynolds, Jennifer Stewart, Taylor, Townson and Yuill.

Town House,  
ABERDEEN 26 November 2014

## **FINANCE, POLICY AND RESOURCES COMMITTEE**

The Members of the **FINANCE, POLICY AND RESOURCES COMMITTEE** are requested to meet in Committee Room 2 - Town House on **THURSDAY, 4 DECEMBER 2014 at 2.00 pm.**

JANE G. MACEACHRAN  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

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

#### **DETERMINATION OF EXEMPT BUSINESS**

- 1.1 Determination of Exempt Items of Business

#### **REQUESTS FOR DEPUTATIONS**

- 2.1 None received at this stage

#### **MINUTES AND COMMITTEE BUSINESS STATEMENT**

- 3.1 Minute of Previous Meeting of 30 September 2014 (Pages 1 - 20)  
3.2 Committee Business Statement (Pages 21 - 28)

### **MOTIONS**

- 4.1 None Received

## **REFERRALS FROM OTHER COMMITTEES**

- 5.1 There are no reports under this heading

## **CORPORATE GOVERNANCE SERVICE ISSUES**

- 6.1 2014/15 Financial Monitoring - Corporate Governance (Pages 29 - 34)

## **FINANCE**

- 7.1 Council General Fund Monitoring 2014/15 (Pages 35 - 44)
- 7.2 General Fund Revenue and Capital Budget 2015-16 and Indicative 5 Year Budgets (Pages 45 - 66)
- 7.3 2014/15 Common Good Fund - Monitoring Report (Pages 67 - 70)
- 7.4 Draft Housing Revenue Account (HRA) Budget and Housing Capital Budget 2015/16 to 2019/20 (Pages 71 - 104)
- 7.5 Common Good Budget 2015-16 and Indicative 2016/17 to 2019/20 Budget (Pages 105 - 114)
- 7.6 North East Scotland Pension Fund 2015/16 and Indicative 2016/17 to 2019/20 Budget (Pages 115 - 122)
- 7.7 Treasury Management - Mid Year Review (Pages 123 - 128)
- 7.8 Small Financial Assistance Grants 2014/15 (Pages 129 - 132)

## **HUMAN RESOURCES**

- 8.1 Sickness Absence Update (Pages 133 - 156)
- 8.2 Holiday Pay - Legal Issue (Pages 157 - 176)

## **STAFFING - BUSINESS CASES**

- 9.1 Shared Services - s.95 Officer (Pages 177 - 194)

## **APPROVAL TO PROCURE**

- 10.1 Authority to Procure Under Framework Contracts - Scottish Procurement and Scotland Excel (Pages 195 - 218)
- 10.2 Provision of Indirect Tax Services - Exemption from Council's Standing Orders on Contracts and Procurement (to follow)

## **GENERAL BUSINESS**

- 11.1 Strategic Infrastructure Plan (Pages 219 - 224)
- 11.2 Corporate Information and Records Lifecycle Management Policy and Supporting Policies (Pages 225 - 264)
- 11.3 Corporate Archival Transfer and Acquisition Policy (Pages 265 - 272)
- 11.4 Aberdeen Heat and Power - Charitable Status (Pages 273 - 276)
- 11.5 Business Rates Appeals Sub-Committee (Pages 277 - 284)
- 11.6 Hydrogen Transport Economy for the North Sea Region (Pages 285 - 288)

## **ITEMS WHICH THE COMMITTEE MAY WISH TO CONSIDER IN PRIVATE**

### **GENERAL BUSINESS**

- 12.1 Housing Support Services Commissioning Plan (Pages 289 - 304)
- 12.2 Implementation of Prompt Payment Discount Scheme (Pages 305 - 308)

### **FINANCE**

- 13.1 There are no reports under this heading

### **HUMAN RESOURCES**

- 14.1 There are no reports under this heading

## **STAFFING - BUSINESS CASES**

15.1 There are no reports under this heading

## **APPROVAL TO PROCURE**

16.1 OpenText Licence Agreement (Pages 309 - 312)

16.2 Request for Authority to Procure Management Development to Assist in Delivery of Organisational Transformation (Pages 313 - 334)

16.3 Provision of an Employee Benefits Scheme - Exemption From Standing Orders On Contracts and Procurement Under Standing Order 1(6)(b), Contract For Service (Pages 335 - 354)

16.4 Museum Collections Centre (to follow)

16.5 Acquisition of Site - Greenbank Crescent, East Tullos (Pages 355 - 362)

16.6 Council House New Build Proposals - Manor Walk and Smithfield Primary School (Pages 363 - 368)

Please note that reports marked with an \* have implications for agreed Priority Based Budget (PBB) options.

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<http://committees.aberdeency.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13007&path=13004>

Should you require any further information about this agenda, please contact Mark Masson, tel. (52)2989 or email [mmasson@aberdeency.gov.uk](mailto:mmasson@aberdeency.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](mailto:sandrab@aberdeencity.gov.uk) or 01224 523039 or Faiza at [fnacef@aberrdeencity.gov.uk](mailto:fnacef@aberrdeencity.gov.uk) or 01224 523183.

## FINANCE, POLICY AND RESOURCES COMMITTEE

ABERDEEN, 30 September 2014. Minute of meeting of the FINANCE, POLICY AND RESOURCES COMMITTEE. Present: Councillor Young, and Councillors Allan, Cameron, Cooney (as a substitute for Councillor Forsyth), Crockett, Dickson, Graham (as a substitute for the Convener for articles 3, 32 and 38), Grant, Kiddie, (as a substitute for Councillor McCaig for articles 3 and 32 only, McCaig, Milne, Jean Morrison MBE (as a substitute for Councillor Crockett for article 38 only), Noble, Reynolds, Samarai (as a substitute for Councillor Jackie Dunbar), Taylor (as a substitute for Councillor Laing), Thomson (as a substitute for Councillor Donnelly) and Yuill.

The agenda and reports associated with this minute can be located at the following link:-

<http://committees.aberdeencity.gov.uk/ielistdocuments.aspx?cid=146&mid=2903&ver=4>

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be altered retrospectively.

### DETERMINATION OF EXEMPT ITEMS OF BUSINESS

1. The Convener proposed that the Committee consider those reports identified on the agenda as being for determination in private, with the press and public excluded.

#### **The Committee resolved:-**

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting from item 12.1 of the agenda (article 31 of this minute) onwards so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act: article 31 (paragraphs 8 and 10), article 32 (paragraphs 6 and 9) article 33 (paragraphs 4,6, 8 and 9), article 34 (paragraph 9), article 35 (paragraph 6), article 36 (paragraphs 6 and 8), article 37 (paragraphs 6 and 8) and article 38 (paragraph 9).

### REQUESTS FOR DEPUTATION

2. In terms of Standing Order 10(2), the Committee received a deputation from Mr John Main, Mrs Irene Milne and Mr Bob Gibb on behalf of Torry Heritage Group in respect of item 13.1 (Disposal – Former Victoria Road School) (article 32 refers) on today's agenda.

#### **The Committee resolved:-**

to hear the deputation by Mr John Main, Mrs Irene Milne and Mr Bob Gibb on behalf of Torry Heritage Group, in relation to item 13.1 (Disposal – Former Victoria Road School) as the first item of business.

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**DECLARATIONS OF INTEREST**

**Prior to consideration of the following item of business, the Convener declared an interest in the subject matter by virtue of knowing one of the parties involved in the marketing process. The Convener then withdrew from the meeting and was substituted by Councillor Graham, for this item. At this juncture, Councillor Thomson assumed the Chair.**

**Councillor McCaig declared an interest and withdrew from the meeting and was substituted by Councillor Kiddie, for this item.**

**REQUEST FOR DEPUTATION – DISPOSAL – FORMER VICTORIA ROAD SCHOOL**

3. Mr Main advised of the Torry Heritage Group's aspiration to retain the former Victoria Road School building, highlighted the importance of the building to Torry's heritage and provided an overview of the history of the building. Mr Main circulated aerial photographs of the building, as well as a petition of approximately 2300 signatures in support of retaining the building.

Mrs Milne also expressed the importance of the building to Torry's heritage and explained that in her opinion Victoria Road School was as important to Torry, as Marischal College was to Aberdeen.

Mr Gibb highlighted that although Historic Scotland had not considered the building as meeting the conditions for a listed building it had stated that the building made a contribution to the sense of place. He also referred to the Council's Policy D4 Aberdeen's Granite Heritage, which encouraged the retention of granite buildings throughout the city, even if not listed or in a conservation area. Finally, he proposed potential uses for the building should it be retained in the community.

Members asked questions of Mr Main, Mrs Milne and Mr Gibb and thanked them for their contribution.

**At this point the Convener resumed the Chair.**

**MINUTE OF PREVIOUS MEETING OF 19 JUNE 2014**

4. The Committee had before it the minute of its previous meeting of 19 June 2014.

**The Committee resolved:-**

to approve the minute as a correct record.



**FINANCE, POLICY AND RESOURCES COMMITTEE**  
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**DECLARATION OF INTEREST**

**Councillor Grant declared a pecuniary interest in relation to item 8 (Festive Period) of the Committee Business Statement the following item of business by virtue of being an employee of Aberdeen Inspired and withdrew from the meeting for this item.**

**COMMITTEE BUSINESS STATEMENT**

5. The Committee had before it a statement of pending and outstanding committee business, as prepared by the Head of Legal and Democratic Services.

**The Committee resolved:-**

- (i) in relation to item 1 (Joint Commissioning Strategy for Older People 2013-2012 – Financial Framework), to note the update contained in the statement and that a report in this regard would be considered by Council on 8 October and therefore to remove from the statement;
- (ii) in relation to item 3 (Access from the North Proposals (Third Don Crossing) Compulsory Purchase Order), to note that this matter had been concluded and therefore to remove from the statement;
- (iii) in relation to item 8 (Festive Period), to request that the winter festival programme be reported to the next meeting of the Committee;
- (iv) in relation to item 9 (Aberdeen-Japan Strategy), to note the contract had now been awarded and that a report would be presented to the next meeting of the Committee;
- (v) to note that reports on items 2 (Failure to Attend Work Due to Bad Weather), 4 (Haudagain Upgrade (Middlefield) Update) and 5 (General Fund Revenue Budget 14/15) were to be considered later on today's agenda and would be removed from the statement subject to the decision taken; and
- (vi) to otherwise note the updates contained therein.

**CORPORATE GOVERNANCE PERFORMANCE DASHBOARD PRESENTATION**

6. With reference to article 4 of the minute of its meeting of 19 June 214, the Committee received a presentation of the Corporate Governance Service's progress and performance as detailed in the performance indicators presented.

**The Committee resolved:-**

- (i) to note the Corporate Governance Service's reported progress and performance as detailed in the performance indicators presented at the meeting; and
- (ii) to note that all performance information presented to the Committee would be made available in entirety to the public and press in advance of future meetings.

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7. With reference to article 5 of the minute of its meeting of 19 June 2014, the Committee had before it a report by the acting Director of Corporate Governance which provided information to date on the current year's revenue budget for the Corporate Governance Service, and advised of any areas of risk and management action being taken in this regard.

**The report recommended:-**

that the Committee -

- (a) note the report and information on management action and risk that was contained therein; and
- (b) instruct officers to continue to review budget performance and report on Service strategies.

**The Committee resolved:-**

to approve the recommendations.

**DECLARATION OF INTEREST**

**Councillor Cameron declared an interest in the subject matter of the following article of business by virtue of his position as Board member of Aberdeen Sports Village, and withdrew from the meeting prior to any discussion taking place.**

**COUNCIL GENERAL FUND MONITORING 2014/15 (CG/14/120)**

8. With reference to article 6 of the minute of its meeting of 19 June 2014, the Committee had before it a report by the acting Director of Corporate Governance which (1) presented the current revenue position for the Council for the financial year 2014/2015 and advised of any areas of risk and management action being taken in this regard and (2) advised of the capital spend on the Aquatics Centre (50m Pool) to be converted to share capital.

**The report recommended:-**

that the Committee -

- (a) note the report;
- (b) agree to the use of any uncommitted revenue surplus towards funding the Council's capital investment requirements as set out in the capital programme, including the strategic infrastructure plan; and
- (c) agree to the conversion of £8.5million capital spend on the Aquatics Centre to share capital.

**The Committee resolved:-**

to approve the recommendations.

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**2014/15 COMMON GOOD BUDGET - MONITORING REPORT UPDATE (CG/14/111)**

9. With reference to article 7 of the minute of its meeting of 19 June 2014, the Committee had before it a report by the acting Director of Corporate Governance which presented the current income and expenditure position of the Common Good Fund for the financial year 2014/2015 to 31 July 2014, and provided a forecast position of cash balances as at 31 March 2014.

**The report recommended:-**

that the Committee -

- (a) note the income and expenditure position; and
- (b) note the estimated cash balances as at 31 March 2015 of £6.57million based on current estimates, which was within the recommended levels indicated by the Head of Finance.

**The Committee resolved:-**

to approve the recommendations.

**TREASURY MANAGEMENT POLICY AND STRATEGY (CG/14/103)**

10. With reference to article 11 of the minute of its meeting on 20 February 2014, the Committee had before it a report by the acting Director of Corporate Governance which provided an update on treasury management activities undertaken during the financial year 2013/2014.

**The report recommended:-**

that the Committee -

- (a) note the treasury management activities undertaken in 2013/2014 as detailed within the report; and
- (b) recommend that Council note the treasury management activities undertaken in 2013/2014.

**The Committee resolved:-**

to approve the recommendations.

**SMALL FINANCIAL ASSISTANCE GRANTS 2014/15 (CG/14/119)**

11. The Committee had before it a report by the acting Director of Corporate Governance which presented one application for financial assistance.

**The report recommended:-**

that the Committee -

- (a) agree to award grant funding of a maximum of £2,500 to Middlefield Community Project Women's Group; and

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- (b) consider the briefing note provided on the Anglo-Japan Collaboration – All Together Better Health Conference and determine whether (1) the attendance of the Project Leader at a future meeting of the Committee was required and (2) the remaining funds of £332.39 should be repaid to the Council.

### **The Committee resolved:-**

- (i) to approve recommendation (a); and  
 (ii) to note the briefing note provided on the Anglo-Japan Collaboration – All Together Better Health Conference and to agree that the remaining funds of £332.39 should be repaid to the Council and that attendance of the Project Leader at a future meeting of the Committee was not required.

### **UNRECOVERABLE DEBT (CG/14/110)**

**12.** With reference to article 17 of the minute of its meeting of 26 September 2013, the Committee had before it a report by the acting Director of Corporate Governance which (a) requested approval, in terms of financial regulation 11.3.7, to write off business rate debts in excess of £25,000 deemed to be unrecoverable during 2013/14 and (b) advised of the numbers and values of Council Tax, business rates, community charge and housing benefit overpayments of up to £10,000, deemed to be unrecoverable during 2013/14 after all approved recovery procedures had been followed, in terms of financial regulations 11.3.6 and 11.3.9.

### **The report recommended:-**

that the Committee -

- (a) note the value of Council Tax, business rates, community charge and housing benefit overpayments deemed by the Director of Corporate Governance as unrecoverable, as show in appendices 1 to 4 in the report; and  
 (b) agree that the business rates amounts over £25,000 (and as detailed at appendix 5 in the exempt section of the agenda) deemed as unrecoverable by the Director of Corporate Governance, also be written off.

### **The Committee resolved:-**

to approve the recommendations.

### **GUIDANCE ON FAILURE TO ATTEND WORK DUE TO BAD WEATHER – FOLLOW-UP (CG/14/117)**

**13.** With reference to article 20 of the minute of its meeting of 26 September 2013, the Committee had before it a report by the acting Director of Corporate Governance which provided information on the operation of the guidance on the Failure to Attend Work due to Bad Weather guidance.

### **The report recommended:-**

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that the Committee note the details on how the guidance had operated since its introduction.

**The Committee resolved:-**

to approve the recommendation.

**SOCIETY OF PERSONNEL AND DEVELOPMENT SCOTLAND (SPDS) 2014 CONFERENCE**

14. The Committee had before it details of the Society of Personnel and Development Scotland annual conference, to be held on 6 and 7 November 2014.

**The Committee resolved:-**

to agree that no elected members attend the Society of Personnel and Development Scotland (SPDS) 2014 conference and to note that officers would provide an information bulletin report on the conference.

**ESTABLISHMENT OF TWO POSTS OF BUILDING STANDARDS OFFICER (EPI/14/240)**

15. The Committee had before it a business case by the Director of Communities, Housing and Infrastructure which sought approval of the establishment of two new posts of Building Standards Officer.

**The report recommended:-**

that the Committee approve the establishment of two new posts of Building Standards Officers.

**The Committee resolved:-**

to approve the recommendation.

**ENVIRONMENTAL SERVICES OPERATIONS RESTRUCTURE (H&E/14/066)**

16. The Committee had before it a business case by the Director of Communities, Housing and Infrastructure which sought approval to make establishment changes to the Environmental Services team staff structure as detailed in the business case.

**The report recommended:-**

that the Committee -

- (a) approve the establishment of the following permanent posts:-
  - Assistant Operations Manger – 2 FTE;
  - Environmental Driver – 1 FTE
- (b) approve the change of job title as follows:-

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- Operations Officer to Operations Manager (Environmental Services) – 1 FTE;
  - Environmental Driver to Play Area Maintenance Driver – 1 FTE;
  - Technical Coordinator to Performance and Development Manager – 1 FTE; and
  - Area Officer to Parks and Countryside Manager – 1 FTE; and
- (c) approve the redesign of existing job – Technical Officer – 2 FTE.

**The Committee resolved:-**

to approve the recommendations.

### **CONVERSION OF AGENCY STAFF (H&E/14/069)**

**17.** The Committee had before it a business case by the Director of Communities, Housing and Infrastructure which sought approval to convert up to 60 agency workers to full time permanent employees.

**The report recommended:-**

that the Committee -

- (a) instruct officers to start the process to convert 60 agency workers to full time permanent employees;
- (b) agree to a budget virement of £0.891million from the agency budget to the draft workers budget within Building Services in 2014/15 and £1.782million in future years; and
- (c) increase the budgeted full time equivalents from 459.04 to 519.04.

**The Committee resolved:-**

to approve the recommendations.

### **MATTER OF URGENCY**

**The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency to enable the Council to consider the matter without delay.**

### **DELIVERY OF E-BUILDING STANDARDS**

**18.** The Committee had before it a business case by the Director of Communities, Housing and Infrastructure which sought approval of the establishment of two new posts to support the delivery of e-building standards.

**The report recommended:-**

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that the Committee approve the establishment of one post of Building Standards Officer and one post of Application Support Assistant.

**The Committee resolved:-**

to approve the recommendation.

### MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency to enable the Council to consider the matter without delay.

### ESTABLISHMENT OF TWO POSTS OF APPLICATION SUPPORT ASSISTANTS

19. The Committee had before it a business case by the Director of Communities, Housing and Infrastructure which sought approval of the establishment of two new posts of Application Support Assistant to complement the existing Application Support team.

**The report recommended:-**

that the Committee approve the establishment of two posts of additional Application Support Assistant.

**The Committee resolved:-**

to approve the recommendation.

### MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency to enable the Council to consider the matter without delay.

### ESTABLISHMENT OF TWO SENIOR PLANNER POSTS AND ONE PLANNER POST

20. The Committee had before it a business case by the Director of Communities, Housing and Infrastructure which sought approval of the establishment of two new posts of Senior Planner and one post of Planner.

**The report recommended:-**

that the Committee approve the establishment of two posts of Senior Planners and one post of Planner.

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**The Committee resolved:-**

to approve the recommendation.

### **MATTER OF URGENCY**

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency to enable the Council to consider the matter without delay.

### **RE-GRADE - APPLICATION SUPPORT ASSISTANT**

21. The Committee had before it a business case by the Director of Communities, Housing and Infrastructure which sought approval of the re-grading of the post of Application Support Assistant.

**The report recommended:-**

that the Committee approve the re-grading of the vacant post of Application Support Assistant from G8 to G9.

**The Committee resolved:-**

to approve the recommendation.

### **PROVISION OF INSURANCE SERVICES (CG/14/107)**

22. The Committee had before it a report by the acting Director of Corporate Governance which sought permission to (1) incur an estimated spend of £1.5 million per year on insurance services, utilising the Crown Commercial Service framework and (2) disestablish the post of Insurance Officer to allow a post to be established jointly with Aberdeenshire Council as part of a shared insurance service.

**The report recommended:-**

that the Committee -

- (a) agree that a tendering exercise for the renewal of the Council's Insurance cover utilising the Crown Commercial Service framework be undertaken;
- (b) approve the award of a contract estimated to be in the region of £1.5million per year following such a tendering exercise, to the bidder who submitted the most economically advantageous tender in accordance with the award criteria stated in the Invitation to Tender and subject to satisfactory conclusion of the contractual documentation;
- (c) agree that the contract be awarded for a period of up to five years; and



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- (d) agree that the post of Insurance Officer be disestablished from the Council structure to allow the appointment of a joint officer with Aberdeenshire Council to carry out the duties on a combined basis.

**The Committee resolved:-**

to approve the recommendation.

### **PROCUREMENT OF PAYMENT PROCESSING SERVICES (CG/14/108)**

**23.** The Committee had before it a report by the acting Director of Corporate Governance which sought approval (1) to extend the current payment processing contract, including the expenditure for the extension and (2) to participate in a collaborative tender exercise for the provision of payment processing services together with the approval of the total estimated expenditure.

**The report recommended:-**

that the Committee -

- (a) approve the extension of the current contract to 31 March 2015 and the expenditure for the extension;
- (b) approve participation in a collaborative tender exercise in line with Council Standing Orders, financial regulations and EU legislation for the provision of payment processing services; and
- (c) approve the total estimated expenditure of approximately £378,700 (£94,675 annually) as indicated in the financial implications section contained within the report.

**The Committee resolved:-**

to approve the recommendations.

### **MATTER OF URGENCY**

**The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency to enable the Council to consider the matter without delay.**

### **TRAVEL POLICY, PROCEDURE AND GUIDANCE (CG/14/127)**

**24.** The Committee had before it a report by the acting Director of Corporate Governance which sought approval of the amended Travel Policy which covered the arranging of travel for staff and elected members.

**The report recommended:-**

that the Committee -

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- (a) approve the Travel Policy, Procedure and Guidelines as appended to the report; and
- (b) agree that these come into effect immediately.

**The Committee resolved:-**

to approve the recommendations.

### **CORPORATE INFORMATION MANAGEMENT STRATEGY (CG/14/098)**

**25.** The Committee had before it a report by the acting Director of Corporate Governance which presented a revised Corporate Information Management Strategy and Improvement Programme for approval.

**The report recommended:-**

that the Committee -

- (a) note the detail of the revised Strategy and Improvement Programme as detailed in appendix 1 to the report; and
- (b) approve the revised Corporate Information Management Strategy and Improvement Programme as detailed in appendix 1 to the report.

**The Committee resolved:-**

to approve the recommendations.

### **MANAGEMENT OF INFORMATION SECURITY POLICY (CG/14/104)**

**26.** The Committee had before it a report by the acting Director of Corporate Governance which presented an updated Management of ICT Security Policy which was to be renamed "Management of Information Security Policy" to take account of the recommendation from the Information Commissioner's Office audit.

**The report recommended:-**

that the Committee approve the updated Management of Information Security Policy.

**The Committee resolved:-**

to approve the recommendation.

### **COMMUNITY ASSET TRANSFER - POLICY DEVELOPMENT (CHI/14/008)**

**27.** The Committee had before it a report by the Director of Communities, Housing and Infrastructure which (1) provided information on developing the Council's process for assessing requests for community asset transfers (2) outlined a number of areas for further consideration in light of the Community Empowerment Bill and (3) identified opportunities to establish a governance framework to develop a formal policy both internally within the Council and across the Community Planning Partnership.

## **FINANCE, POLICY AND RESOURCES COMMITTEE**

30 September 2014

### **The report recommended:-**

That the Committee -

- (a) instruct officers to develop an approach to Community Asset Transfer which was consistent as possible across the organisations within the Community Planning Partnership; and
- (b) otherwise note the content of the report.

### **The Committee resolved:-**

to approve the recommendations.

### **HAUDAGAIN UPGRADE (MIDDLEFIELD) UPDATE (H&E/14/067)**

**28.** With reference to article 3 of the minute of its meeting of 6 May 2014, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on the actions taken in relation to the Committee's previous decisions regarding the Haudagain upgrade – Middlefield project.

### **The report recommended:-**

that the Committee -

- (a) note the content of the report;
- (b) note the actions taken as a result of instructions given by the Finance, Policy and Resources Committee at its meeting on 6 May 2014; and
- (c) instruct officers to report progress to future Communities, Housing and Infrastructure Committees as appropriate.

### **The Committee resolved:-**

to approve the recommendations.

### **MATTER OF URGENCY**

**The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency to enable the Council to consider the matter without delay.**

### **PHASE 3 RESTRUCTURE - INTERIM PROPOSALS (CG/14/125)**

**29.** With reference to article 5 of the minute of the meeting of Council of 20 August 2014, the Committee had before it a report by the acting Director of Corporate Governance which presented phase three of the organisational review in respect of the Corporate Governance Directorate for approval.

## **FINANCE, POLICY AND RESOURCES COMMITTEE**

30 September 2014

### **The report recommended:-**

that the Committee -

- (a) note progress in relation to the implementation of approved phase two recommendations within Corporate Governance;
- (b) approve the creation of a post of Business Manager within Corporate Governance;
- (c) approve the creation of two posts of Transformation and Improvement Adviser (grade assessment pending);
- (d) approve the re-designation and re-profiling of a number of posts within the Directorate as set out in the report;
- (e)
  - (a) note the comprehensive review of the ICT function and the significant employee engagement process which had accompanied the review; and
  - (b) agree to delegate power to the Chief Executive and Director of Corporate Governance, in consultation with the Convener and Vice Convener of the Finance, Policy and Resources Committee, to finalise the review on the understanding that the Trade Unions and the employees concerned were consulted fully on the proposals and that the final outcome of the review was reported to the Committee at its next meeting;
- (f)
  - (a) note the intention to modify the structure of the Pensions Section in response to new regulations and to transfer six staff from Revenues and Benefits to Communities, Housing and Infrastructure; and
  - (b) agree to delegate power to the Chief Executive and Director of Corporate Governance, in consultation with the Convener and Vice Convener of the Finance, Policy and Resources Committee, to finalise the structural changes on the understanding that the Trade Unions and employees concerned were consulted fully on the proposals and that the final outcome of the review was reported back to the Committee at its next meeting; and
- (g) note that the various support functions within Corporate Governance had been re-aligned within Corporate Governance to ensure continued direct professional support to all Directorates.

### **The Committee resolved:-**

to approve the recommendations.

### **STRATEGIC INFRASTRUCTURE PLAN PROGRESS UPDATE (H&E/14/071)**

**30.** With reference to article 19 of the minute of its meeting of 19 June 2014, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on progress of the delivery of the Strategic Infrastructure Plan.

### **The report recommended:-**

that the Committee note the content of the report and the progress made to date.

**FINANCE, POLICY AND RESOURCES COMMITTEE**  
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**The Committee resolved:-**

to approve the recommendation.

**In accordance with the decision recorded under article 1 of this minute, the following items were considered with the press and public excluded.**

**PROVISION OF INTERNAL AUDIT SERVICES**

**31.** With reference to article 22 of the minute of meeting of the Audit and Risk Committee of 23 September 2014, the Council had before it, by way of remit, a report by the acting Director of Corporate Governance which set out an options appraisal and sought support for the future provision and delivery of Internal Audit Services when the current contract ended on 31 March 2015.

**The Audit and Risk Committee recommended that the Committee –**

agree, subject to satisfactory clarifications, to support the proposal for a shared Internal Audit Service with Aberdeenshire Council as the preferred option for the delivery of Internal Audit function beyond the end of the current contract.

**The Committee resolved:-**

to approve the recommendation.

**MATTER OF URGENCY**

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency to enable the Council to consider the matter without delay.

**DECLARATIONS OF INTEREST**

Prior to consideration of the following item of business, the Convener declared an interest in the subject matter by virtue of knowing one of the parties involved in the marketing process. The Convener then withdrew from the meeting and was substituted by Councillor Graham, for this item. At this juncture, Councillor Thomson assumed the Chair.

Councillor McCaig declared an interest and withdrew from the meeting and was substituted by Councillor Kiddie, for this item.

**DISPOSAL - FORMER VICTORIA ROAD SCHOOL**

## FINANCE, POLICY AND RESOURCES COMMITTEE

30 September 2014

**32.** With reference to article 5 of the minute of the meeting of the Property Sub Committee of 22 April 2014, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which (1) advised on the outcome of marketing activities in relation to the surplus property known as the former Victoria Road School and the offers subsequently received and (2 ) highlighted the outcome of a listing proposal submitted by a third party to Historic Scotland.

**The report recommended –**

that the Committee -

- (a) accept the offer submitted by Raeburn Christie Clark and Wallace, on behalf of BDW Trading Ltd;
- (b) instruct the Head of Legal and Democratic Services to conclude missives for the sale of the property incorporating various qualifications as were necessary to protect the Council's interests; and
- (c) agree that a sum of £125,000 be earmarked for the necessary asset base and startup costs to be put in place for the new South of the City transportation of children costs.

Councillor Thomson moved, seconded by Councillor Crockett:-

That the Committee approve the recommendations contained in the report.

Councillor Noble moved as an amendment, seconded by Councillor Dickson:-

That the Committee:

- (1) note the outcome of the marketing exercise;
- (2) reject all of the offers received; and
- (3) instruct officers to work with Torry Development Trust to retain the building as part of a community asset transfer.

**At this juncture, Councillor Grant declared an interest in the subject matter by virtue of being the Chair of Tillydrone Development Trust. Councillor Grant considered that the nature of his interest did not require him to leave the meeting.**

On a division, there voted:-

For the motion by the Councillor Thomson (9) – Councillors Allan, Cooney, Crockett, Graham, Grant, Milne, Reynolds, Taylor and Thomson; For the amendment by Councillor Noble (6) – Councillors Cameron, Dickson, Kiddie, Noble, Samarai and Yuill.

**The Committee resolved:-**

to adopt the motion.

**In terms of Standing Order 36(3), Councillor Noble intimated he would like this matter to be referred to full Council in order for a final decision to be taken. Councillor Noble was supported by Councillors Cameron, Kiddie, Dickson and Samarai.**

**FINANCE, POLICY AND RESOURCES COMMITTEE**  
30 September 2014

**At this point the Convener resumed the Chair.**

**GARTHDEE SNOWSPORTS BUSINESS PLAN (EC&S/14/052)**

**33.** With reference to article 13 of the minute of the meeting of the Culture and Sport Sub Committee of 7 May 2014, the Committee had before it a report by the Director of Education and Integrated Children's Services which presented the updated Garthdee Alpine Sports Limited Business Plan 2014/2015.

**The report recommended:-**

that the Committee -

- (a) note the contents of the report;
- (b) authorise officers to process the Council's budgeted grant payment to Garthdee Alpine Sports Limited for the quarters October to December 2014 and January to March 2015; and
- (c) approve the Garthdee Alpine Sports Limited Business Plan 2014/2015.

**The Committee resolved:-**

to approve the recommendations.

**UNRECOVERABLE DEBT - EXEMPT APPENDIX**

**34.** With reference to article 12 of this minute, the Committee had before it an appendix containing details of business case write offs above £25,000.

**The Committee resolved:-**

- (i) to agree that the Convener write to the Scottish Government, to advise that whilst recognising that officers were looking into the procedure to recover business rates, the Council would welcome any measures to address this issue;
- (ii) to agree to delegate power to the Head of Legal and Democratic Services and the Head of Finance, in consultation with the Convener and Vice Convener of the Finance, Policy and Resources Committee, to publically release details of the business rates deemed as unrecoverable and written off by the Council if lawful; and
- (iii) to note that this matter had been dealt with at article 16 of this minute.

**PROCUREMENT OF MANAGED PRINT SERVICES (CG/14/109)**

**35.** The Committee had before it a report by the acting Director of Corporate Governance which advised of the intention to go out to tender for the provision of managed print services and thereby sought approval of (1) the estimated expenditure as detailed in Section 2 (b) of the report; and (2) the estimated expenditure relating to an extension to the current provision as detailed in Section 2 (a) of the report to allow this tender to be completed jointly with Aberdeenshire Council and the Moray Council.

## **FINANCE, POLICY AND RESOURCES COMMITTEE**

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**The report recommended:-**

that the Committee -

- (a) approve the estimated expenditure of £778,000 for the extension of the current managed print contract for a period of up to 15 months; and
- (b) in accordance with Standing Order 1(3) of the Council's Standing Orders relating to Contracts and Procurement, approve the estimated expenditure of between £12,377,000 and £17,835,000 over a four year period with up to a further two year optional extension from 2015 for managed print, bulk mailing and hybrid mail and the carrying out of appropriate tendering exercises to this end.

**The Committee resolved:-**

to approve the recommendations.

### **EXPENDITURE FOR ONLINE LEARNING MANAGEMENT SYSTEM AND DESIGN SOFTWARE – ORGANISATIONAL DEVELOPMENT (CG/14/116)**

**36.** The Committee had before it a report by the acting Director of Corporate Governance which (1) sought approval of the estimated expenditure for an Online Learning Management System and Design Software and (2) advised of a contract awarded to Brightwave Ltd by South Lanarkshire Council on behalf of the Clyde Valley Learning and Development Group (CVLDG), of which the Council was one of 14 Associate Members.

**The report recommended:-**

that the Committee approve the estimated expenditure of £15,750 per annum for the provision of an annual licence fee for an online Learning Management System and Interactive Learning Development Software. The estimated expenditure for the maximum seven-year term of this contract was £110,250.

**The Committee resolved:-**

to approve the recommendation.

### **TENDER FOR REPLACEMENT OF NETWORK CIRCUITS (CG/14/102)**

**37.** The Committee had before it a report by the acting Director of Corporate Governance which sought approval to undertake a tender process and award a contract for replacement network connectivity circuits.

**The report recommended:-**

That the Committee -

- (a) approve the undertaking of an appropriate tender process for the replacement of unsuitable network connectivity services and, following such a process, the award of a contract for a one year period, with the option to extend for a period



## **FINANCE, POLICY AND RESOURCES COMMITTEE**

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- or periods of up to a further 12 months in total (so that the maximum potential contract duration was two years); and
- (b) approve the total maximum estimated expenditure of £640,000 in respect of the proposed contract, subject to such expenditure not exceeding that allocated in the service revenue budgets.

**The Committee resolved:-**

to approve the recommendation.

### **DECLARATIONS OF INTEREST**

The Convener and Councillor Crockett each declared an interest in the subject matter of the following article by virtue of their positions as members of the Board of the North East Scotland Japan Trust. Councillor Reynolds declared an interest by virtue of his position as a Trustee of the North East Scotland Japan Trust in a personal capacity. All of the Councillors considered that the nature of their interest required them to leave the meeting and took no part in the Committee's deliberations thereon.

The Convener was substituted by Councillor Graham and Councillor Crockett was substituted by Councillor Jean Morrison for this item only.

At this juncture, Councillor Thomson assumed the Chair.

### **UPDATE ON THE FUTURE OF THOMAS BLAKE GLOVER HOUSE (EP1/14/258)**

**38.** With reference to (1) article 34 of the minute of the meeting of Council of 14 May 2014 and (2) article 30 of the minute of its meeting of 6 May 2014, the Committee had before it a report by the Transitional Director which provided an update on the actions related to the ownership of Glover House.

**The report recommended:-**

That the Committee -

- (a) instruct the Head of Legal and Democratic Services, in consultation with the Head of Finance and the Director of Enterprise, Planning and Infrastructure, to set up a company limited by guarantee to be appointed as sole trustee ("Company Trustee") of the Trust, and to assume responsibility for Glover House in accordance with the conditions and purposes of the Trust;
- (b) instruct the Head of Legal and Democratic Services to review the Trust Deed for the property in full and ensure that any suitable variations were carried out to enable the assumption of the Company Trustee and the resignation of the current trustees; and

**FINANCE, POLICY AND RESOURCES COMMITTEE**

30 September 2014

- (c) approve the transfer of responsibility of operating the building to the Council once the Company Trustee was sole Trustee of the Trust.

**The Committee resolved:-**

to approve the recommendations.

- **COUNCILLOR WILLIE YOUNG, Convener.**

**FINANCE, POLICY AND RESOURCES COMMITTEE**

**COMMITTEE BUSINESS**

2014

Please note that this statement contains a note of every report which has been instructed for submission to this Committee. All other actions which have been instructed by the Committee are not included, as they are deemed to be operational matters after the point of committee decision. Where a report instructed requires no decision to be made this will be reported in the Committee's information bulletin.

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
1.	Property Sub Committee 24/9/13 article 14	<b><u>Station House Community Centre</u></b> The Sub Committee agreed to authorise officers to negotiate a temporary License to Occupy in favour of the Station House Media Unit, in the meantime to run on a month to month basis, with a report being brought back before the Sub Committee as soon as arrangements for the future of the occupation and control of the building had been agreed.	Negotiations are ongoing in terms of the long term future of the property. A temporary license is in place with SHMU.  Future arrangements for the disposal, either by lease or Community Asset Transfer (CAT) are still in discussion. Work on the policy of CAT is still underway.  <b>A report on the Station House Community Centre will be reported at a future date.</b>	Head of Asset Management and Operations	4/12/14	18/2/15
2.	Finance, Policy and Resources 6/5/14 Article 19	<b><u>Geographical Weighting Allowance</u></b> The Committee resolved: (i) to instruct that the Director of Corporate Governance (or appropriate representative) participates on behalf of the	The North east group has met and has asked IDS to submit a proposal detailing how they would prepare a report on the issue which would include a recommendation on a level of allowance. A report will be submitted once progress has	Head of Human Resources and Organisational Development	04/12/14	04/12/14

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		<p>Council in a pan-public sector group which is to be established to consider the feasibility of introducing a weighting allowance and to report back on the outcomes to a future Finance, Policy and Resources Committee; and</p> <p>(ii) to note that a major problem that the city had in relation to the cost of living was the price of housing and to instruct officers to consider, with its public sector partners, if the delivery of more affordable housing might have greater benefit for employees and employers, in both public and private sectors, than the introduction of an Aberdeen weighting allowance.</p>	<p>been made.</p> <p><b>A report is included within the agenda.</b></p>			
3.	Finance, Policy and Resources 6/5/14 Article 22	<p><b>Festive Period</b></p> <p>The Committee resolved, amongst other things, to instruct officers to work with Aberdeen Inspired to maximise the festive experience within the city centre for residents and visitors to Aberdeen and to report back to the next meeting of the Committee with a detailed joint vision for the festive period, including any financial commitments required to enhance the city's reputation as a place to invest, live and visit.</p>	<p>At its meeting on 30 September 2014 the Committee resolved to request that the winter festival programme be reported to the next meeting of the Committee.</p> <p><b>It is recommended that the winter festival programme be reported via the information bulletin as no decision is required.</b></p>	City Promotions Manager	<b>19/6/14</b>	4/12/14 – information bulletin

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
4.	Finance, Policy and Resources 6/5/14 Article 24	<p><b><u>Aberdeen-Japan Strategy</u></b></p> <p>The Committee resolved to note the update and accept a further update to Committee on 19 June, with the findings of the final study being reported to Committee on 30 September, 2014.</p>	<p>Due to lack of interest (zero submissions received by the original deadline of 27 June) we have re-issued and re-promoted the opportunity to commission an external consultant to produce an Aberdeen Japan Strategy. The new deadline for submissions is 21 July. Assuming there is a successful bid, given the delay in starting the work, it is likely that the report to 30 September Committee will only be interim findings, with a final report brought forward to the following cycle.</p> <p>Following two unsuccessful rounds, officers are now updating, simplifying and re-circulating the Invitation to Quote for an Aberdeen Japan Strategy in order to try and secure a successful bid from an external specialist, as per the original Committee instruction. Subject to receipt of a successful bid, officers hope to be able to report on findings from the study to the December Committee.</p> <p>At its meeting on 30 September 2014, the Committee noted that the contract had now been awarded and that a report would be presented to the next meeting of the Committee.</p>	Economic Business Development	30/09/14	18/2/15

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
			Work on the Aberdeen Japan Strategy by an external consultant is well underway but will not be complete in time for the December cycle. A full report of the Strategy findings and recommendations will be brought forward to the February 2015 cycle.			
5.	Finance, Policy and Resources 6/5/14 Article 27	<b><u>Review of Access to Leisure Scheme</u></b> The Committee resolved, amongst other things, to approve the policy recommendations as set out in the report, subject to a further report on the proposed implementation of the changes being considered by the Committee.	Work on the proposed implementation of the changes is ongoing and will be reported to the Committee in December 2014.	Communities, Culture and Sport	<b>30/09/14</b>	18/2/15
6.	Finance, Policy and Resources 19/6/14 Article 12	<b><u>Art Gallery Redevelopment Programme - Procurement of the Construction Works</u></b> The Committee resolved, amongst other things, to instruct officers to submit a report to the Finance, Policy and Resources Committee and the Education, Culture and Sport Committee, in six months, advising on progress with the public and philanthropic fundraising campaign to raise £10m towards the redevelopment.		Communities, Culture and Sport	<b>4/12/14</b>	18/2/15

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
7.	Finance, Policy and Resources 30/09/14 Article 12	<p><b><u>Phase 3 Restructure - Interim Proposals</u></b></p> <p>The Committee resolved, amongst other things:</p> <p>(i) note the comprehensive review of the ICT function and the significant employee engagement process which had accompanied the review; and to agree to delegate power to the Chief Executive and Director of Corporate Governance, in consultation with the Convener and Vice Convener of the Finance, Policy and Resources Committee, to finalise the review on the understanding that the Trade Unions and the employees concerned were consulted fully on the proposals and that the final outcome of the review was reported to the Committee at its next meeting; and</p> <p>(ii) to note the intention to modify the structure of the Pensions Section in response to new regulations and to transfer six staff from Revenues and Benefits to Communities, Housing and Infrastructure and agree to delegate power to the Chief Executive</p>		Director of Corporate Governance  Head of Human Resources and Organisational Development	4/12/14	18/2/15

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		and Director of Corporate Governance, in consultation with the Convener and Vice Convener of the Finance, Policy and Resources Committee, to finalise the structural changes on the understanding that the Trade Unions and employees concerned were consulted fully on the proposals and that the final outcome of the review was reported back to the Committee at its next meeting.				
8.	Enterprise, Strategic Planning and Infrastructure 12.11.13 (article 32)	<b><u>Galas and Festive Community Grants</u></b> The Committee agreed that officers identify an appropriate Council service to support the delivery of Galas and Festive Community Grants and report back to the Committee in this regard.	This information will be contained within the standard annual City Events report for future financial year.	Economic Business Development	18/2/15	
9.	Enterprise, Strategic Planning and Infrastructure 13.03.14 (article 15)	<b><u>Sponsorship of Roundabouts</u></b> The Committee agreed to report back after one year of operation to evidence the comparison between internal and external delivery and to recommend how such sponsorship could be delivered in future.		Economic Business Development	23/4/15	
10	Council 08.10.14	<b><u>Smithfield Primary School Site</u></b> The Council agreed to instruct	<b>A report is included within the agenda.</b>	Communities, Housing and Infrastructure	4/12/14	



<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		<p>officers to report to the Finance, Policy and Resources Committee on 4 December 2014 on the detail of the Smithfield Primary School site and Manor Walk proposals and the process for their development.</p>				

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 December 2014
DIRECTOR	Ewan Sutherland (Acting)
TITLE OF REPORT	2014/15 Financial Monitoring - Corporate Governance
REPORT NUMBER:	CG/14/149
CHECKLIST RECEIVED	Yes

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to:
- i) Inform the Committee of the 2014/15 revenue and capital budget's financial performance for the period to 30 September 2014 for the services within Corporate Governance; and
  - ii) Advise on any areas of risk and management action.

### 2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee
- i) Note this report and the information on management action and risks that is contained herein; and
  - ii) Instruct that officers continue to review budget performance and report on Service strategies.

### 3. FINANCIAL IMPLICATIONS

- 3.1 Financial Implications are detailed in section 5 Background/Main Issues

### 4. OTHER IMPLICATIONS

- 4.1 None

## 5. REPORT

5.1 This report provides a high level summary of actual expenditure to period 6, September 2014.

### **Revenue Financial Position and Risks Assessment**

5.2 The Service report is attached at Appendix A which shows forecast net outturn overspend of £420K (1.4%), across the current net budget of £29M. The following items are of note and they have been incorporated into the net outturn:-

- Housing Benefits forecast of an additional cost of £730K over budget as a result of demand. Officers are examining potential means of recovery following recent government announcements.
- Net savings forecast of £190K within staff costs.
- Savings of £100K forecast within the Corporate Training Budget.
- Income, excluding Housing Benefit Income, is forecast to be £150K over budget, with the main variances being in income from Scottish Water of £80K and a variety of Legal Services incomes forecast to be over budget by £110K and a variety of smaller offsetting variances in a range of areas accounting for the balance.
- Other smaller variances within non-staff budgets account for the remainder of the movement from budget.

### **Management Actions and Risk Assessment**

5.3 Heads of Service in conjunction with the line managers continue to monitor budgets and manage services to achieve savings, whilst maintaining and developing service delivery.

5.4 The Finance team in conjunction with budget holders continue to look at areas of variance to identify action to control these variances in the next financial year.

### **Capital Financial Position**

5.5 Included at Appendix B is a summary of the Corporate Governance capital programme projects and the spend to date plus forecast position for the full financial year.

### **Management Actions**

5.6 Continued focus on the technology investment requirements will ensure that Corporate Governance brings the necessary capital projects to fruition to deliver service improvements based on the Corporate Governance business case, previously reported to the committee.

## 6. COMMUNITY & SERVICE IMPACT

6.1 The Service must manage its financial responsibilities in addition to its service delivery priorities and demand. Decisions are made by the

Director and officers to ensure financial resources are committed appropriately and in line with those priorities.

- 6.2 The issues referred to in this report impact on the overall financial position of the Council which are included in another report on the agenda.

7. REPORT AUTHOR DETAILS

James Hashmi, Reporting & Monitoring Team Leader  
[jhashmi@aberdeencity.gov.uk](mailto:jhashmi@aberdeencity.gov.uk)  
01224-346400

8. BACKGROUND PAPERS

Financial ledger data extracted for the period 6 (not attached).

## Appendix A

As at end of September 2014		Year to Date			Forecast to Year End		
Accounting Period 6	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Outturn £'000	Variance Amount £'000	Variance Percent %
Head of Finance - S.95 Officer	5,691	3,386	2,963	(423)	5,536	(155)	(2.7%)
Head of Legal and Democratic Services	1,687	830	580	(251)	1,633	(54)	(3.2%)
Head of Human Resources and Organisational Development	4,687	2,415	2,267	(148)	4,444	(243)	(5.2%)
Head of Procurement	2,473	1,218	1,412	194	2,733	261	10.5%
Head of Customer Service and Performance	13,617	6,816	6,530	(286)	13,497	(120)	(0.9%)
Housing Benefits	911	455	409	(47)	1,643	732	80.4%
<b>TOTAL</b>	<b>29,065</b>	<b>15,121</b>	<b>14,160</b>	<b>(961)</b>	<b>29,486</b>	<b>421</b>	<b>1.4%</b>

### \*Assumptions

Staffing Pay – The year to date actual figure include the 1% pay award and budgets and outturns for staff costs have been amended accordingly.

Accruals – Actual Expenditure and Income has been adjusted to account for goods and services received but not paid by the end of accounting period and goods or services supplied but not yet invoiced by the end of the accounting period.

As at end of September 2014		Year to Date			Forecast to Year End		
Accounting Period 6	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Outturn £'000	Variance Amount £'000	Variance Percent %
STAFF COSTS	24,818	12,459	11,895	(565)	24,633	(185)	(0.7%)
PROPERTY COSTS	596	306	295	(11)	594	(2)	(0.4%)
ADMINISTRATION COSTS	2,644	1,218	1,025	(193)	2,518	(126)	(4.8%)
TRANSPORT COSTS	483	242	220	(22)	471	(13)	(2.6%)
SUPPLIES & SERVICES	6,283	3,108	3,168	59	6,507	224	3.6%
COMMISSIONING SERVICES	1,607	803	800	(4)	1,598	(9)	(0.5%)
TRANSFER PAYMENTS TOTAL	51,179	25,590	27,219	1,629	55,905	4,726	9.2%
<b>GROSS EXPENDITURE</b>	<b>87,612</b>	<b>43,726</b>	<b>44,621</b>	<b>895</b>	<b>92,227</b>	<b>4,615</b>	<b>5.3%</b>
LESS: INCOME							
GOVERNMENT GRANTS	(50,442)	(25,221)	(26,781)	(1,560)	(54,216)	(3,774)	7.5%
OTHER GRANT-REIMBURSE-CONTRIB	(1,869)	(917)	(1,030)	(113)	(2,090)	(221)	11.8%
CUSTOMER & CLIENT RECEIPTS	(1,260)	(630)	(755)	(125)	(1,344)	(84)	6.7%
INTEREST	(24)	(12)	(14)	(2)	(25)	(1)	4.2%
RECHARGES TO OTHER HEADS	(4,247)	(1,473)	(1,583)	(110)	(4,496)	(249)	5.9%
OTHER INCOME	(704)	(352)	(297)	55	(570)	134	(19.1%)
<b>TOTAL INCOME</b>	<b>(58,546)</b>	<b>(28,605)</b>	<b>(30,460)</b>	<b>(1,856)</b>	<b>(62,741)</b>	<b>(4,194)</b>	<b>7.2%</b>
<b>NET EXPENDITURE</b>	<b>29,065</b>	<b>15,121</b>	<b>14,160</b>	<b>(961)</b>	<b>29,486</b>	<b>421</b>	<b>1.4%</b>

## Capital Monitoring – Corporate Governance projects 2014-15 to end of September 2014

<b>Project Description</b>	<b>Revised budget 2014/15 £'000</b>	<b>Spend to Sept. 2014 £'000</b>	<b>Profiled out - Turn 2014/15 £'000</b>	<b>Total Project Budget £'000</b>
Technology Investment Requirements	2,162	408	1,868	2,700



## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources
DATE	4 December 2014
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	Council General Fund Monitoring 2014/15
REPORT NUMBER:	CG/14/157
CHECKLIST RECEIVED	Yes

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### 1. PURPOSE OF REPORT

The purpose of this report is to:-

- i) inform Elected Members on the current financial position for the Council and the forecast outturn for financial year 2014/15, highlighting areas of risk and management action that have been identified by directors.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:-

- i) notes the report;
- ii) notes the prior agreement to the use of any uncommitted revenue surplus towards funding the Council's capital investment requirements as set out in the capital programme, including the strategic infrastructure plan;
- iii) approves that a sum of £2.93m be earmarked from the 2014/15 underspend for the restructuring of children's services; and
- iv) approves the Council's engagement with the external advisors appointed by the Hub North partnering authorities to provide legal, financial and technical support for the new South of the City Academy project, with the cost of these advisors to a maximum of £200,000 being funded by a Scottish Government grant.

### 3. FINANCIAL IMPLICATIONS

- 3.1 In relation to revenue, the early indications are that with expenditure and income for the period to the end of September 2014 being controlled and the delivery of savings options progressing positively the Council will generate an underspend against budget of £5 million.
- 3.2 Whilst assumptions have been made around the delivery of savings options there is a risk that changes during the year have a detrimental financial affect. However, at this early stage of the year, contingency funds remain uncommitted which provides assurance that the forecast outturn can be achieved should any such unanticipated financial pressure arise.
- 3.3 If expenditure can be maintained within budget throughout the year and contingencies remain unrequired an opportunity exists for the Council to deliver an increased contribution to the General Fund and this will be monitored on a monthly basis by the Corporate Management Team.
- 3.4 The recommended level of uncommitted General Fund revenue reserves is £11.3 million, as approved by the Committee in October 2012 and this will continue to be maintained.
- 3.5 In relation to capital, the projected funding for the General Fund capital programme comes from a range of sources, including Scottish Government capital grant, capital receipts, revenue contributions, usable capital reserves and borrowing.
- 3.6 The projected capital expenditure of £95 million and previous capital expenditure has an impact on the General Fund revenue budget, through the repayment of borrowing. Projected capital financing costs is currently in line with budget. This amounts to 6.75% of the overall net revenue budget.

### 4. OTHER IMPLICATIONS

- 4.1 Managing the Council's financial position in a stable and sustainable way means that its legal responsibilities can be met. It enables the Council to be confident in preparing for the future and planning ahead.

### 5. BACKGROUND/MAIN ISSUES

- 5.1 This is the second opportunity for the Committee to consider the overall financial position, with specific reference to the General Fund, for the financial year 2014/15. The Corporate Management Team receive monthly reports on financial performance and is aware of the current forecast and the risks that exist.
- 5.2 This report considers the forecast outturn for the Council as a whole, building on information and analysis provided to the individual Service Committees during the current cycle of meetings.

5.3 The information in this report presents the actual financial figures to the end of September 2014 and the full year forecasts based thereon for the consideration of Elected Members.

5.4 Appendix A includes a summary of the overall Council projected position.

#### **General Fund Revenue Position**

5.5 In overall terms the statement at Appendix A shows the Council is managing expenditure within the overall budget and the forecast shows that by the year end initial indications are that a contribution to usable General Fund reserves will be possible. The value attached to this at present is £5 million which represents an underspend of approximately 1.3% of the net expenditure budget.

5.6 The underspend forecast remains the same as the last report prepared for the Committee and it is worth reminding Elected Members of the most significant risks and matters arising from the figures that are presented include the following:

5.6.1 Corporate Governance (CG) shows an adverse full year forecast of £0.3 million due to a currently predicted overspend on Housing Benefits. This is a demand led service which makes it difficult to predict costs and whilst the majority of expenditure is recovered from the DWP there is a cost to the Council. This position is offset by favourable variances in other areas, particularly staff costs. Income is forecast to be above budget, this arising from recharges for support and shared services.

5.6.2 Enterprise, Planning and Infrastructure (EP&I) presents a favourable forecast of £1 million arising largely from staff costs which provide considerable savings through vacancy management arrangements and strong income generation from planning and building warrant application fees. The net operating costs catering, school transport and roads are also forecast to be lower than budget. Conversely, there is a cost pressure in relation to the achievement of savings in fleet services due to the progress in reducing the age of the vehicle fleet, which will take time to have an impact.

5.6.3 The key risk for EP&I is in relation to the timing of forecasts and the fact that there remains a degree of uncertainty in relation to key areas such as income for the design team based on the capital programme, property repairs and school catering where there may be an adverse impact from the introduction of free school meals in January 2015 if the funding from the Scottish Government, which will be calculated on a national average price per meal, does not fully fund the cost.

5.6.4 Housing and Environment (H&E) forecast that an under spend against budget of £0.9 million is achievable. This is largely due to savings from on-going staff vacancies, lower repairs and maintenance costs and from reduced use of the Furniture Purchase Scheme as furniture can be obtained free for the Scottish Welfare Fund.

- 5.6.5 H&E has key risks in relation to assumptions made around staffing levels, generation of fee income and levels of homeless presentations.
- 5.6.6 Education, Culture and Sport (EC&S) is forecast to keep expenditure within its budget and generate an overall saving of approximately £0.1 million. Specific savings around probationer teachers and vacancy management along with a number of centrally held education budgets have been offset by costs associated with out of authority placements which based on current commitment levels is in excess of the budget. There is potential for this overspend to reduce but at this stage it is prudent to include this in the forecast.
- 5.6.7 In addition to the volatility of out of authority placements, the key risks for EC&S are in relation to pupil rolls and associated teacher number where it has been assumed that any additional costs can be met from existing budgets and that cost pressures identified but not included in the budget can be met from existing resources.
- 5.6.7 Social Care & Wellbeing (SC&W) currently reports an adverse full year forecast budget position of £0.5 million which incorporates a number of significant over and underspends. There is a particular cost pressure in the commissioning of services (£3.4 million), particularly in relation to children placed in residential schools outside the authority and in adults' needs services where there is an anticipated shortfall in savings to be achieved from service redesign. Conversely income forecasts are strong particularly through grants and contributions that are now expected (£1.4 million), whilst running cost including staff costs are predicted to show favourable variances across a number of areas (£1.5 million).
- 5.6.7 The key risks for SC&W are in relation to the purchasing of care, both the volatility of out of authority placements for children and the need for care of older people, whether delivered by internal or external services. The fluctuations in demand make this a difficult area to predict.
- 5.6.8 The Corporate budgets, which are made up of funding of Capital Financing Costs, the Joint Grampian Valuation Board, Council Expenses, Trading Account surpluses and funding set aside for contingencies, shows an underspend of £4.4 million. This reflects additional income from both the Car Parking and Property Letting trading accounts and the anticipated reduced use of corporate contingencies. The costs of borrowing (capital financing costs) are in line with budget at this time but will continue to be reviewed to take account of capital expenditure profiles.

### **General Fund Capital Programme**

- 5.7 The overall position of the General Fund capital programme for 2014/15 is reported at a high level to enable Elected Members to see the progress that is being made in the delivery of the programme.
- 5.8 In relation to funding the programme a range of options are available to the Council and many of these are used on an annual basis to ensure that the most effective way of funding capital investment is found both in-year and in planning for the future.
- 5.9 The total anticipated expenditure for the year as at the end of September 2014 is £95 million and this is broken down by Service in Appendix B, along with the anticipated funding arrangements.
- 5.10 The main reason for the significant variance from budget (which includes approved projects carried forward from 2013/14) is because a number of roads related and zero waste strategy projects are going to be re-profiled for commencement / delivery in the next financial year.
- 5.11 In relation to funding this expenditure the Scottish Government general capital grant of £23 million will be the first funding stream to be utilised.
- 5.12 The other capital financing options that the Council will consider will be contributions from the revenue budget, use of capital receipts and use of the usable capital reserves that exist in the capital fund and capital grants unapplied account.
- 5.13 Borrowing will also be considered and, as borrowing has a long term revenue cost, it is the strategy of the Council to reduce the level of debt it carries to ensure a sustainable revenue position for the future.
- 5.14 With regard the project to deliver the South of the City Academy, one of the Scottish Government's funding conditions is the appointment of external advisors to support the legal, financial and technical aspects of the contract. The cost of these advisors will be supported by a grant from the Scottish Government to a maximum of £200,000. The partnering authorities in the North Hub area issued joint tenders for these supports and have appointed the following advisors for elements of the project:

Financial – Caledonian Economics  
Legal – CMS  
Technical - AECOM

The specification used by other partnering authorities has seen the cost of these advisors being approximately £100,000 and Committee approval is required before officers can engage the appointed advisors.

### **Management Actions**

- 5.15 As the financial year progresses it is imperative that Services continue to deliver the Priority Based Budgeting savings options that are included within Service budgets. Early indications are that there are two significant risk areas in terms of savings options not being delivered (namely Fleet Services and Social Care & Wellbeing) but that these are being managed overall through the careful management of other budget areas.
- 5.16 Services should be looking ahead with planning and implementation activity being in place to continue to provide robust financial forecasts, to progress operational changes and savings included in the 5 year business plan and to mitigate risks as far as possible.
- 5.17 Further progress reports will be provided to the Committee throughout the year on both the financial position, the risks that exist of the council and the action being taken by management.

### **Reserves Position**

- 5.18 The Council has a reserves strategy (approved by Finance and Resources Committee in October 2012) that means that £11.3 million of uncommitted reserves on the General Fund should be maintained, with the express intention of ensuring that the Council can deal with unexpected and unplanned expenditure should the need arise.
- 5.19 The impact on reserves of the current full year forecasts for expenditure and income is that additional resources can be secured to contribute towards the funding of the capital investment requirements of the Council, as incorporated in the 5 year capital programme and the Strategic Infrastructure Plan.
- 5.20 Aberdeen City Council is currently transforming children's social work services in Aberdeen under the Reclaiming Social Work Model.
- 5.21 There are additional costs associated with the implementation of this model and therefore it is recommended that a sum of £2.93 million be earmarked from the 2014/15 underspend to cover these costs in the early years until the new structure is embedded and predicted savings are released.

### **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.
- 6.2. Each Director reports on a regular basis to their service committee, providing the opportunity to consider the financial position and impact in more detail.

## 7. MANAGEMENT OF RISK

7.1 Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Elected Members. This report is part of that framework and has been produced to provide an overview of the current operating position.

7.2 The risks that remain in relation to the year-end financial position and closure of the accounts arise due to the potential for unexpected matters to emerge through the process or where the external auditor identifies material issues during their work.

## 8. BACKGROUND PAPERS

8.1 Financial ledger data extracted for the period and service committee reports on financial monitoring

## 9. REPORT AUTHOR DETAILS

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**ABERDEEN CITY COUNCIL  
2014/15**

**General Fund Revenue Position  
As at 30 September 2014**

As at end of September 2014 Accounting Period 6	Full Year Revised Budget £'000	Year to Date			Forecast to Year End		
		Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Forecast Outturn £'000	Variance Amount £'000	Variance Percent %
<b>Services</b>							
Office of Chief Executive	943	464	427	(37)	842	(101)	(10.71%)
Corporate Governance	29,065	15,121	14,160	(961)	29,486	421	1.45%
Enterprise Planning and Infrastructure	40,735	22,396	22,344	(52)	39,608	(1,127)	(2.77%)
Housing and Environment	36,458	18,229	16,686	(1,543)	35,739	(719)	(1.97%)
Education Culture and Sport	171,319	87,964	83,176	(4,788)	171,222	(97)	(0.06%)
Social Care and Wellbeing	123,346	62,051	61,791	(260)	123,816	470	0.38%
<b>Total Service Budgets</b>	<b>401,866</b>	<b>206,225</b>	<b>198,584</b>	<b>(7,641)</b>	<b>400,713</b>	<b>(1,153)</b>	<b>(0.29%)</b>
Miscellaneous Services	44,794	8,038	3,702	(4,336)	44,945	151	0.34%
Council Expenses	2,137	806	616	(190)	2,133	(4)	(0.19%)
Joint Boards	1,512	756	775	19	1,555	43	2.84%
Contingencies	2,954	1,321	0	(1,321)	2,954	0	0.00%
Trading Surpluses	(13,619)	(6,811)	(8,269)	(1,458)	(14,786)	(1,167)	8.57%
Use of Reserves & Balances	(10,487)	(5,243)	0	5,243	(10,487)	0	0.00%
Other	0	0	0	0	(3,500)	(3,500)	0.00%
<b>Total Corporate Budgets</b>	<b>27,291</b>	<b>(1,133)</b>	<b>(3,176)</b>	<b>(2,043)</b>	<b>22,814</b>	<b>(4,477)</b>	<b>(16.40%)</b>
<b>Total Net Expenditure</b>	<b>429,157</b>	<b>205,092</b>	<b>195,408</b>	<b>(9,684)</b>	<b>423,527</b>	<b>(5,630)</b>	<b>(1.31%)</b>
<b>Funding:</b>							
<u>Government Support-</u>							
General Revenue Grant & Non-Domestic Rates	(328,813)	(137,005)	(137,476)	(471)	(328,813)	0	0.00%
<u>Local Taxation-</u>							
Council Tax & Community Charge Arrears	(100,344)	(41,810)	(48,940)	(7,130)	(100,354)	(10)	(0.01%)
<b>Total Funding</b>	<b>(429,157)</b>	<b>(178,815)</b>	<b>(186,416)</b>	<b>(7,601)</b>	<b>(429,167)</b>	<b>(10)</b>	<b>(0.00%)</b>
<b>Net Impact on General Fund (Surplus)/Deficit</b>	<b>0</b>	<b>26,277</b>	<b>8,992</b>	<b>(17,285)</b>	<b>(5,640)</b>	<b>(5,640)</b>	
Transfer to / (from) Earmarked GF Reserve	0	0	0	0	5,640	5,640	
Transfer to / (from) Uncommitted GF Reserve	0	0	0	0	0	0	
<b>Net Impact on Budget (Surplus)/Deficit</b>	<b>0</b>	<b>26,277</b>	<b>8,992</b>	<b>(17,285)</b>	<b>0</b>	<b>0</b>	

Assumptions:

**Year to date**

- In the Service and Corporate Budgets accruals have been applied as at the end of September for material items and significant areas of service; and
- Council Tax income is generally collected over the first 10 months of the year therefore is shown to be ahead of budget as at the end of September.

**Forecast Outturn** - Known commitments and expenditure plans have been taken into account in relation to the forecasts; and

- Accounting staff have undertaken regular meetings with budget holder and have sought to confirm as far as possible the planned expenditure within Services, the outcome of these discussions are included in the forecast outturn.



**ABERDEEN CITY COUNCIL  
2014/15**

**General Fund Capital Programme  
As at 30 September 2014**

As at end of September 2014					
Accounting Period 6	Approved Budget £'000	Service Determined Minimum Required £'000	Actual Expenditure £'000	Variance Amount £'000	Percent Spend %
<b>Services</b>					
Corporate Governance	2,162	1,867	408	(1,459)	21.8%
Education Culture and Sport	13,976	12,745	1,614	(11,131)	12.7%
Enterprise Planning and Infrastructure	80,073	71,434	23,808	(47,626)	33.3%
Housing and Environment	13,435	7,632	1,429	(6,203)	18.7%
Social Care and Wellbeing	2,307	1,657	72	(1,585)	4.4%
<b>Total Service Budgets</b>	<b>111,953</b>	<b>95,335</b>	<b>27,332</b>	<b>(68,003)</b>	<b>28.7%</b>
<b>Funding:</b>					
General Capital Grant	(23,088)	(23,088)	(7,696)	15,392	33.3%
Specific Capital Grant	(13,268)	(6,354)	(2,132)	4,222	33.6%
Other Capital Financing	(75,597)	(65,893)	(17,504)	48,389	26.6%
<b>Total Funding</b>	<b>(111,953)</b>	<b>(95,335)</b>	<b>(27,332)</b>	<b>68,003</b>	<b>28.7%</b>
<b>Slippage Required/ (Underspend)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Assumptions:

**Actual Expenditure** - Expenditure has been shown on a cash basis, i.e. transactions completed prior to the end of September are reflected in the values shown; and

- The total value of grant received has been recorded and this is balanced by other capital financing, which will be finalised at the year end.

**Service Determined Minimum** - Known commitments and expenditure plans have been taken into account in relation to the Service Determined Minimum values;

- Accounting staff have undertaken regular meetings with budget holders and have sought to confirm as far as possible the planned expenditure within Services, the outcome of these discussions are included in the forecast outturn; and
- The Corporate Asset Group reviews the values on a regular basis.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources
DATE	4 December 2014
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	General Fund Revenue and Capital Budget 2015/16 and Indicative 5 Year Budgets
REPORT NUMBER:	CG/14/133
CHECKLIST RECEIVED	Yes

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

- 1.1 The purpose of this report is to provide the Committee with details of the 2015/16 General Fund Revenue budget along with indicative 5 year budgets for the General Fund and an indicative investment level of £361 million for the Non Housing Capital Programme during the same time frame, incorporating the recently approved Strategic Infrastructure Plan.
- 1.2 These budgets are based on the current settlement information from the Scottish Government (Finance Circular 6/2014) and are therefore subject to change once an updated settlement position is announced.

### **2. RECOMMENDATIONS**

- 2.1 It is recommended that the Committee:
  - a) Notes the attached 2015/16 draft revenue and capital budget proposal which will be presented to the 5 February 2015 Budget Setting Council meeting;
  - b) Notes the continuation of a Risk Fund (held as an earmarked sum) to mitigate against any in year cost pressures subject to final Council approval in February 2015; and
  - c) 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 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 6/2014. 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 begun in previous years, to ensure that the Council places 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 A major element within the budget process is that of workforce planning. The workforce plan is strategically aligned to the Council's budget process and will be provided to Council as part of the budget report in February 2015 in order to provide a holistic view of the Council's position.
- 3.6 The five year position shows a net projected deficit by 2019/20 of in excess of £50 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, focusing on improving the outcomes for the people of Aberdeen by transforming services. Areas for consideration include, but are not restricted to:

Procurement: The Procurement Team are actively working in conjunction with all Service areas to identify further efficiencies through new contract design, contract management and collaboration.

PACE (Procurement Achieving Commercial Excellence): Six projects have been identified and will be progressed to achieve benefits for both Aberdeen City and Aberdeenshire Councils.

Reclaiming Social Work: This provides for a systemic unit model approach for the delivery of children's services, with the aim of reducing the number of children in care, and providing better outcomes and more consistent support for children and families.

Inclusion Review –The review is likely to suggest ways of realigning and remodelling existing education services in order to meet the requirements of children with additional support needs more effectively.

Property rationalisation – the introduction of our smarter working policy, changing the way in which the Council’s assets are utilised, should generate efficiencies; also a review of the Council’s sport and leisure assets is ongoing.

3.7 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 rising 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.

3.8 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.

3.9 In line with this approved strategy officers continue to monitor and examine the opportunities and need for increasing the level of working balances.

3.10 As part of the Council’s year end process the optimum position will be identified and further review will be undertaken as part of the report to Council in February 2015.

3.11 The numbers presented are currently in the format of the Council’s previous directorate structure. Officers are currently working on migrating the budgets into the Council’s new structure and this will be incorporated into the report to be presented to Council in February 2015.

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

- 4.1 The Council is required to set its Council Tax levels before the 11 March in the financial year preceding that for which it is set as governed by the Local Government Finance Act 1992.
- 4.2 A continued major impact on the Council's position for 2015/16 and future year budgets is the current prolonged economic down turn of the United Kingdom economy and the subsequent impact this has had on the level of funding available to the public sector.
- 4.3 In setting the General Fund budget it is assumed that a funding envelope of approximately £361 million will be provided for capital investment over the 5 year period. The Council has a process for identifying and ranking projects, or bids, and the proposed plan is attached at Appendix 3. This includes projects within the Strategic Infrastructure Plan as appropriate.
- 4.4 There is an increasingly challenging financial position over the next 5 years, together with wider uncertainty regarding the longer term global, UK wide and Scottish funding environment. This, together with increasing customer expectations for higher quality services results in the need for a stronger evidence base regarding the level of cost and quality of service.
- 4.5 The Council's new budget process will ensure that this evidence is aligned to our community and corporate planning objectives and outcomes. The new process will allow for wider engagement and ownership of the budget throughout the Council. Review and effective challenge will add value to the quality of our plans.
- 4.6 The core aims of our new budget approach will therefore be to ensure that we are making the best use of limited resources; delivering to our priority outcomes; and that this is backed up by robust evidence.
- 4.7 Pilot areas for this new approach are currently being considered and the evidence will be developed during the early part of 2015.

## 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	120.562
1	Non Domestic Rates	217.237
2	Council Tax (including Arrears)	<u>102.903</u>
		440.702
	Add:	
	Trading Services/Other Grants	<u>13.329</u>
	<b>Total Funding</b>	<b>454.031</b>
	<b><u>Projected Expenditure</u></b>	
	Current Estimated Spend	454.031
	<b>Total Projected Expenditure</b>	<u><b>454.031</b></u>
	<b>Net Spend</b>	<u><b>0</b></u>
3	Risk Fund	<b>5.514</b>

**Note 1** – This is the total funding notified to the Council per the current Finance Circulars available based on Non Domestic Rates and General Revenue Grant (GRG). The GRG figure is represented by £109.311m GRG plus £11.251m for the 85% floor.

**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 is expecting that it has to ensure that it has adequate budgetary provision to:

- Maintain a Council Tax freeze for the financial year 2015/16; and
- Maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme. It is understood that this measure is being looked at and may well be replaced with an outcome based metric.

Note: The potential loss of revenue grant for not maintaining the council tax freeze would be £3.2m, and for not maintaining the pupil number ratio it would be approximately £1.8m.

5.3 The Council has received the Finance Circular for 2015/16 (Local Government Finance Circular no. 6/2014) 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**

5.4 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 2012/13 prices until 2016/17 when it is assumed that the charge will increase by 2% per annum;
- The number of Band D equivalent properties has been increasing in recent years and the assumed level of Council Tax reflects this, particularly in 2017/18 where an additional 1,000 properties are expected to be inhabited.



## 5 Year Investment

- 5.5 As part of the overall direction of travel in delivering the 5 year budget the Council undertook wide reviews of its areas of spend and re-aligned this to its Corporate Priorities.
- 5.6 The table below shows the net movement within each of the Service Directorates.

### Net Movement by Service:

	2014/15	2015/16	2016/17	2017/18	2018/19
	to	to	to	to	to
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
<b>Service</b>					
Corporate Governance	(153)	418	335	329	299
Social Care and Wellbeing	3,950	2,499	2,299	2,099	2,349
Education, Culture and Sport	4,991	6,078	2,526	2,496	2,161
Housing and Environment	(2,383)	3,159	928	397	825
Enterprise, Planning and Infrastructure	1,774	1,613	1,618	1,548	2,274
Office of Chief Executive	(82)	1	318	(352)	35
Council Expenses	0	0	0	0	0
Miscellaneous Services	3,202	5,348	6,601	3,965	4,031
Joint Boards	0	0	0	0	0
	<b>11,300</b>	<b>19,116</b>	<b>14,625</b>	<b>10,483</b>	<b>11,974</b>
Trading Services Surplus	245	217	606	67	67
	<b>11,545</b>	<b>19,333</b>	<b>15,231</b>	<b>10,550</b>	<b>12,041</b>

- 5.7 The net movement above includes previously approved PBB service options, growth items and investment, (see Appendix 2) and corporate adjustments such as realignment of rates budgets.
- 5.8 For Corporate Governance and Housing & Environment the reason for a reduction in annual movement between 2014/15 through to 2015/16 is again primarily due to the continued delivery of Priority Based Budget service options, as previously reported.
- 5.9 The Miscellaneous Services budget contains provision for the financial impact of assumptions made around energy, pay awards and capital financing costs.

- 5.10 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
<b><u>Current Movement</u></b>	
Corporate Governance	839
Social Care and Wellbeing	7,716
Education, Culture and Sport	6,252
Housing and Environment	458
Enterprise, Planning and Infrastructure	2,407
Office of the Chief Executive	35
Miscellaneous Services	5,444
Trading Services	942
	<b><u>24,093</u></b>

- 5.11 The table above, in which Appendix 2 to this report provides further detail, demonstrates the Council's commitment to delivering front line services in line with the vision set out in Aberdeen – The Smarter City.
- 5.12 It further demonstrates the Council to be in a strong financial position to deliver this level of investment despite the current austerity measures that are in place by various governments within Europe.
- 5.13 Also contained within the overall five year budget are allowances for the following assumptions:
- 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 £361 million over the next 5 years, the detail of which will be reported back to Council in February 2015;
  - Increased investment to reflect the increasing demographic factors impacting on the delivery of Social Care and Wellbeing 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.

## Adult Health and Social Care Integration

- 5.14 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 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.
- 5.15 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.
- 5.16 Work is now taking place to finalise a draft Integration Scheme which will be the partnership agreement for the developing IJB. This will be formally consulted upon over December 2014 and January 2015 and will be submitted to the Scottish Government 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.
- 5.17 The current proposed budget for the services to be transferred to the IJB is attached at Appendix 4. This is still subject to final verification.

## **Reclaiming Social Work**

- 5.18 Aberdeen City Council is transforming children's social work services in Aberdeen under the Reclaiming Social Work Model. This is in order to:
- Meet the increase in demand
  - Improve outcomes for children and young people
  - Ensure that work with families helps them make positive changes to their lives
  - Enable practitioners to spend more time working directly with families
  - Give staff the tools (systems, reflective space, support, training and kit) to do the job well
  - Ensure relationships with partners support effective work with families
  - Create a culture to support social work practice to thrive
- 5.19 The proposed model ensures a robust level of intervention to support sustainable change. The Service will be redesigned into small units of professionals who work directly with families. Services will be provided to complement the work of the fieldwork units – these services will not hold case responsibility. The benefits of this will be less looked after children, better staff recruitment and retention, and reduced staff sickness levels.
- 5.20 There are additional costs associated with the implementation of this model. To this end an earmarked reserve will be set aside to cover these costs in the early years until the new structure is embedded and predicted savings are released.

## **Capital Programme**

- 5.21 The capital programme has been developed and is attached at Appendix 3. In preparing the capital programme, officers have worked through a number of workstreams, including scoring the projects which allowed them to be ranked against one another. The profiling for the City Centre Regeneration Programme will be reviewed as part of the ongoing budget process.
- 5.22 The South of the City Academy has now been fully funded through revenue support from the Scottish Government, on the assumption that the Council allocate the £10m previously set aside for this, to a new school. This has allowed the Council to fund Stoneywood school.
- 5.23 The cost profile for Greenbrae primary school now reflects an anticipated £750,000 of developer's contributions, and £750,000 contained within the 2015/16 Condition & Suitability programme of £7m, giving a net cost of £3.711m over the 5 year period.

- 5.24 An allowance of inflation for existing projects has been introduced into the capital programme. This is due to recent tenders being priced by contractors at higher than expected levels, due to the demands on the construction industry within the City. There are a large number of major projects currently ongoing within the City, such as Prime 4 and Dyce Business Park. When coupled with the AWPR and the Council's capital programme, this places huge pressure on a geographically limited workforce, leading to increased costs for both staff and accommodation, amongst other things.
- 5.25 Whilst not exhaustive, the major projects which will be going to tender in 2015/16 include the Art Gallery Redevelopment, the new Academy to the South of the City, and the Altens East Waste Facility.
- 5.26 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.
- 5.27 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.
- 5.28 Regarding Marischal Square, the programme assumes that the capital receipt will be made in 2014/15, however officers are currently exploring when the most opportune moment to take the receipt is, as by delaying the receipt, the Marischal Square development would benefit at no cost to the Council, and thereby mitigate against any cost pressures or reduce the call on the profit development account.
- 5.29 In noting the General Fund budget, it assumes, in principle, a £361 million programme and all capital financing charges, charged to the revenue account, are allowed for in the 5 year business plan.

### **Long Term Financial Plan**

- 5.30 Officers are currently preparing a long term financial plan, the purpose of which is to provide Aberdeen City 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.
- 5.31 Appendix 5 shows a possible financial projection for Aberdeen City Council over the next 10 years.

5.32 These figures continue with the assumptions already included in the 5 year model, with the following variations in years 6-10:

- A small reduction in General Revenue Grant (GRG) Funding;
- A small increase in Non Domestic Rates (please note that no increase has been allowed for the rating revaluation in 2017/18; however an uplift of 25% has been applied for the revaluation due in 2022/23)

5.33 An increase in GRG of 1% per annum would reduce the financial pressures in Year 10 by £6m; similarly a pay award of 2% per annum in Years 6-10 would continue to add financial pressures.

5.34 In looking at the long term it is essential that the Council understands its cost drivers and where the demand for those cost drivers stem from. The demand comes from, primarily, two areas. These areas are either households or businesses. As such, all Council services are provided to meet the needs of these two stakeholder groups.

5.35 This demand provides the basis for then understanding the secondary demand drivers flowing from these primary elements. For example, the secondary drivers would include such items as: the number of school children, social work demographics, number of waste collections, new roads etc. These drivers in essence provide the determination of the outcomes the Council wants to achieve and this in turn requires staff. Combining these two elements allows the cost to be derived.

5.36 This is the underpinning principle of the Council in constructing the “Shaping Aberdeen Triangle” which is shown below. What this shows, pictorially, is how the stakeholder and the staff experience drives the cost base, or the funding, element of the triangle.



- 5.37 While it is understood that these two stakeholder groups provide the basis for the cost drivers for the Council it is also recognised that there are other drivers. For example, the wider economic impact, whilst directly impacting on these two stakeholder groups, will also impact on the investment returns for the North East of Scotland Pension Fund which in turn drives the employer's superannuation contribution rate.
- 5.38 The other main driver for a City is daily migration. This can in essence be tied back to business and the migration of people out with the City commuting daily to work within the City boundary. It is also recognised that the City provides regional facilities and demand needs to be adjusted to reflect this.
- 5.39 Where these other external drivers impact on the Council's cost base they will be looked within the context of the Long Term Financial Plan, to be presented to Council on 5 February 2015.

## **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

## **8. REPORT AUTHOR DETAILS**

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<b>Appendix 1</b>							
<b>General Fund Revenue Budget 5 Year Position</b>							
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	
<b>Service</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Corporate Governance	29,065	28,912	29,330	29,666	29,995	30,294	
Social Care and Wellbeing	123,346	127,296	130,225	133,354	135,518	137,792	
Education, Culture and Sport	171,320	176,311	182,390	184,916	187,412	189,573	
Housing and Environment	36,458	34,030	37,188	38,116	38,513	39,338	
Enterprise, Planning and Infrastructure	40,542	42,316	43,929	45,546	47,094	49,368	
Office of Chief Executive	943	861	863	1,180	829	864	
Council Expenses	2,136	2,136	2,136	2,136	2,136	2,136	
Miscellaneous Services	37,454	40,656	46,004	52,605	56,570	60,601	
Joint Boards	1,512	1,512	1,512	1,512	1,512	1,512	
<b>Net Cost of Service</b>	<b>442,776</b>	<b>454,031</b>	<b>473,577</b>	<b>489,032</b>	<b>499,580</b>	<b>511,479</b>	
<b>Funding</b>							
General Revenue Grant	(135,075)	(109,311)	(109,311)	(109,311)	(109,311)	(109,311)	
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)	
Teachers Induction Scheme Grant		0	0	0	0	0	
Council Tax	(100,344)	(102,903)	(105,314)	(108,696)	(108,696)	(108,696)	
Trading Services Surplus	(13,619)	(13,329)	(13,112)	(12,506)	(12,439)	(12,372)	
<b>Funding</b>	<b>(442,776)</b>	<b>(454,031)</b>	<b>(456,225)</b>	<b>(459,001)</b>	<b>(458,934)</b>	<b>(458,867)</b>	
<b>Budget (Surplus)/Deficit</b>	<b>(0)</b>	<b>(0)</b>	<b>17,352</b>	<b>30,031</b>	<b>40,646</b>	<b>52,613</b>	



<b>APPENDIX 2</b>		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Reference</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>CORPORATE GOVERNANCE</b>						
RCG01	Staffing movements	323	597	871	1,145	1,419
RCG03	ICT Contract Reviews	158	302	363	418	443
RCG10	Replacement of Network Circuits	358	358	358	358	358
	<b>Corporate Governance Total</b>	<b>839</b>	<b>1,257</b>	<b>1,592</b>	<b>1,921</b>	<b>2,220</b>
<b>SOCIAL CARE &amp; WELLBEING</b>						
RSCW01	Staffing Movements	677	1,162	1,647	2,132	2,617
RSCW09	Older People - Increase in National Care Home Rate	950	1,900	2,850	3,800	4,750
RSCW22	Children's Services - 2% year on year increase in demand for Alternative Family Services	166	332	498	664	830
RSCW31	Fund 1% inflationary increase in commissioned services across whole service	748	1,496	2,244	2,992	3,740
RSCW38	Non achievement of 15/16 element of Learning Disability restructuring saving	1,500	1,500	1,500	1,500	1,500
RSCW39	Non achievement of 15/16 element of Out of Authority Placement saving	240	240	240	240	240
RSCW40	Pressure on aligned (SC&W and EC&S) out of authority and specialist fostering budgets	2,200	2,200	2,200	2,200	2,200
RSCW43	Remove vacancy factor from home care service (now with Bon Accord Care)	347	347	347	347	347
RSCW44	Fund Bon Accord Care pay awards/increments	888	1,338	1,788	2,238	2,238
	<b>Social Care &amp; Wellbeing Total</b>	<b>7,716</b>	<b>10,515</b>	<b>13,314</b>	<b>16,113</b>	<b>18,462</b>
<b>EDUCATION, CULTURE &amp; SPORT</b>						
RECS01	Staffing Movements	2,671	4,647	6,224	8,200	9,776
RECS11	Unitary Charge	185	435	685	935	1,185
RECS12	Amendments to Nursery Hours	900	900	900	900	900
RECS22	Out of Authority Placements	300	300	300	300	300
RECS24	Redesign of Art Gallery	66	66	306	456	731
RECS26	Provision of ASN school	0	660	990	990	990
RECS27	Transport for new South of the City Academy	0	0	100	160	160
RECS29	Additional running costs for new schools	0	0	100	150	200
RECS30	Rent at Catholic Primary School	500	500	500	500	500
RECS32	Head Teacher Appointment - new school	0	80	0	0	0
RECS09	Incentivisation Payments	50	60	70	80	90
RECS10	Recruitment Advertising	45	45	45	45	45
RECS33	Extension of free childcare provision	1,300	1,300	1,300	1,300	1,300
RECS34	Regradings - school admin staff	235	235	235	235	235
	<b>Education, Culture &amp; Sport Total</b>	<b>6,252</b>	<b>9,228</b>	<b>11,755</b>	<b>14,251</b>	<b>16,412</b>
<b>HOUSING &amp; ENVIRONMENT</b>						
RHE-WS01	Landfill Tax Increase	(33)	154	342	529	717
RHE-WS02	Waste Services Contract RPI	358	578	804	1,037	1,276
RHE-WS03	Food Waste Collections	(259)	(259)	(259)	(259)	(259)
RHE-WS04	Growth in Household Numbers	0	0	406	274	563
RHE-WS05	Separation of Food and garden waste Collections	0	0	0	0	0
RHE-WS07	Grove Recycling Centre Management Fee	265	265	265	265	265
RHE-DIR01	Movement in H&E General Fund Staffing Budgets	127	236	345	454	563
	<b>Housing &amp; Environment Total</b>	<b>458</b>	<b>975</b>	<b>1,904</b>	<b>2,301</b>	<b>3,125</b>
<b>ENTERPRISE, PLANNING &amp; INFRASTRUCTURE</b>						
REPI_AMO02	Surface Dressing	0	160	360	600	880
REPI_AMO03	Carriageway Patching for Pothole Repair Prior to Surface Dressing	0	133	300	500	733
REPI-AMO04	Lining Works for Parking Restrictions	133	293	293	293	293
REPI-AMO05	Repairs to Collapsed Gullies Pipework and Manholes	0	207	455	455	455
REPI_AMO06B	Column Corrosion Testing and Replacement	254	571	949	1,388	1,888
REPI-AMO07	Repairs & Maintenance of Public Buildings (Corporate R&M budget)	318	715	1,191	1,691	2,191
REPI-AMO06	Catering Services - Free meals for P1 to P3	1,368	1,368	1,368	1,368	1,368
REPI-AMO41	On-going maintenance costs of former trunk roads following opening of AWPR	0	0	0	0	593
RHE-DIR01	Movement in EP&I General Fund Staffing Budgets	334	507	680	853	1,026
	<b>Enterprise, Planning &amp; Infrastructure Total</b>	<b>2,407</b>	<b>3,954</b>	<b>5,596</b>	<b>7,148</b>	<b>9,427</b>
<b>OFFICE OF THE CHIEF EXECUTIVE</b>						
ROCE_03	2015 UK Parliamentary Election	35	0	0	0	0
	<b>Office of the Chief Executive Total</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>APPENDIX 2 (cont)</b>		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Reference</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>MISCELLANEOUS SERVICES</b>						
RCW01	Cultural Program	310	400	315	290	290
RCW-WATER	Council Wide - Increase in Water Rates	50	80	112	144	177
RCW-WATERD	Council Wide - Loss of Discount on Water Contract	0	0	0	0	0
RCW-GAS	Council Wide - Increase in Gas Price	185	419	672	944	1,237
RCW-OIL	Council Wide - Increase in Gas Oil Heating Price	(32)	(11)	12	37	64
RCW-ELEC	Council Wide - Increase in Electricity Price	510	1,117	1,810	2,550	3,345
RCW-HEAT	Council Wide - Increase in Other Fuel and Heating Prices	47	64	82	144	166
RCW-FUEL	Council Wide - Increase in Vehicle Fuel Costs	0	30	60	90	120
RCW08	Provision for Pay Award	2,717	5,461	11,004	13,803	16,630
RCW09	Bring Contingency Levels up to Previous amount	464	464	464	464	464
RCW10	Sistema Programme	200	275	369	399	403
RCW11	"Intrinsic to the Job" Costs of Holiday Pay	900	900	900	900	900
RCW12	Insurance renewal	93	93	93	93	93
	<b>Miscellaneous Services Total</b>	<b>5,444</b>	<b>9,292</b>	<b>15,893</b>	<b>19,858</b>	<b>23,889</b>
<b>TRADING SERVICES</b>						
RHE-CWP1	Banking Charges for Parking income	60	60	60	60	60
RHE-TRA1	Movement in H&E Trading Staffing Budgets	67	127	187	247	307
REPI-AM011	Preparation for EPC Requirement of Energy Act on Lettable property	50	50	50	50	50
REPI-TRA1	Movement in EP&I Trading Staffing Budgets	0	5	10	15	20
EPI_TRA2	Pricing Policy for Residents Parking permits	150	300	300	300	300
EPI_TRA4	Car Parking Pricing policies	614	614	614	614	614
REPI-TRA5	Impact of City Centre Regeneration on Denburn Car Park	0	0	550	550	550
	<b>Trading Services Total</b>	<b>942</b>	<b>1,156</b>	<b>1,771</b>	<b>1,836</b>	<b>1,901</b>
	<b>Grand Totals</b>	<b>24,093</b>	<b>36,377</b>	<b>51,825</b>	<b>63,428</b>	<b>75,436</b>

APPENDIX 3								
Forecast	Non-Housing Capital Programme							
Outturn			Budget	Budget	Budget	Budget	Budget	5 Year
2014/15			2015/16	2016/17	2017/18	2018/19	2019/20	Total
£'000	NHCP No.	Continuing Projects - Extend Rolling programmes	£'000	£'000	£'000	£'000	£'000	£'000
8,000	294	Corporate Property Condition & Suitability (details will be provided in February paper)	7,000	8,000	8,000	8,000	8,000	39,000
341	551	Cycling Walking Safer Streets	338	0	0	0	0	338
1,295	765G	Nestrans Capital Grant	1,295	1,295	1,295	1,295	1,295	6,475
3,274	784	Fleet Replacement Programme	3,200	3,400	3,600	3,800	4,000	18,000
3,893	789	Planned Renewal & Replacement of Roads Infrastructure	3,362	4,000	4,000	4,000	4,000	19,362
300	789E	Street Lighting	1,300	500	500	500	1,000	3,800
680	779	Private Sector Housing Grant (PSHG)	700	700	700	700	700	3,500
<b>17,783</b>			<b>17,195</b>	<b>17,895</b>	<b>18,095</b>	<b>18,295</b>	<b>18,995</b>	<b>90,475</b>
Forecast								
Outturn			Budget	Budget	Budget	Budget	Budget	Total
2014/15			2015/16	2016/17	2017/18	2018/19	2019/20	
£'000	NHCP No.	Other Projects	£'000	£'000	£'000	£'000	£'000	£'000
0	804	Data Centre Move	2,500	500	0	0	0	3,000
1,867	805	Technology Investment Requirements	1,850	750	0	0	0	2,600
40	759	Riverbank Extension	0	0	0	0	0	0
5,625	773	New Brimmond School	3,971	333	0	0	0	4,304
1,220	776	Centre of Excellence (formerly ASN)	2,588	7,765	6,176	555	0	17,084
* 2,365	799A	Art Gallery Redevelopment - Museums Collection Centre	3,318	167	0	0	0	3,485
1,161	799B	Art Gallery Redevelopment - Main Contract (HLF)	11,832	15,000	872	496	0	28,200
334	808	New Academy to the South	9,265	16,240	10,826	1,015	0	37,346
0	809	New Milltimber Primary	0	0	0	500	11,000	11,500
0	823	Music Hall Refurbishment	1,000	0	0	0	0	1,000
0	828	Stoneywood Primary	709	8,901	3,390	0	0	13,000
30	829	Greenbrae Primary Extension and Internal Works	2,620	1,685	156	0	0	4,461
6,568	587	Access from the North / 3rd Don Crossing	9,226	2,200	0	0	0	11,426
28,921	627	Aberdeen Western Peripheral Route	10,506	6,709	4,923	500	1,500	24,138
471	663	Corporate Office Accommodation	0	0	0	0	0	0
666	791	Strategic Land Acquisition	0	0	0	0	0	0
5,920	794	Hydrogen Buses	373	0	0	0	0	373
5,945	795	Accelerate Aberdeen (City Broadband)	500	500	468	0	0	1,468
1,209	800	St Nicholas House Demolition	0	0	0	0	0	0
70	806A	CATI - South College Street	4,000	1,200	250	0	0	5,450
436	806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	1,000	6,100	5,000	2,982	0	15,082
206	806C	CATI - Pedestrianise Union Street	285	255	2,240	4,170	2,000	8,950
2,819	807	A96 Park & Choose / Dyce Drive Link Road	9,831	1,750	308	0	0	11,889
100	820	Investment in Tenanted Non-Residential Property Portfolio	900	1,000	750	150	0	2,800
750	824	City Centre Regeneration	0	19,250	0	0	0	19,250
250	825	City Deal	0	0	0	0	0	0
0	826	Aberdeen City Hydrogen Energy Storage (ACHES)	1,894	0	0	0	0	1,894
1,819	797	Victoria House	0	0	0	0	0	0
* 529	810A	Ness Landfill Leachate & Gas Control Measures	969	400	0	0	0	1,369
* 2,700	810B	Energy from Waste (EfW) Procurement and Land Acq.	1,763	500	0	0	0	2,263
* 190	810E	Investment in Waste Collection	2,110	0	0	0	0	2,110
* 80	810F	Refuse Derived Fuel Plant	1,417	0	0	0	0	1,417
* 580	810G	Co-mingled MRF	19,180	800	0	0	0	19,980
* 40	810H	Investment in WTS and existing HWRCs	89	0	0	0	0	89
* 1,000	810J	Bridge of Don HWRC	1,400	0	0	0	0	1,400
100	827	SIP New Build Housing Programme	2,900	0	0	0	0	2,900
650	691	Integrated Drugs Centre	0	0	0	0	0	0
500	811	Social Care Facilities - Burnside	3,460	440	0	0	0	3,900
500	812	Social Care Facilities - Replace / Upgrade Childrens Home	850	200	0	0	0	1,050
7	813	Social Care Facilities - Quarry Centre Refurbishment	0	0	0	0	0	0
0	819	Tillydrone Community Hub	500	500	2,000	0	0	3,000
0	999	Construction Inflation Allowance for existing projects	2,500	0	0	0	0	2,500
<b>75,668</b>			<b>115,306</b>	<b>93,145</b>	<b>37,359</b>	<b>10,368</b>	<b>14,500</b>	<b>270,678</b>
<b>93,451</b>		<b>Totals - Completed and Continuing Projects</b>	<b>132,501</b>	<b>111,040</b>	<b>55,454</b>	<b>28,663</b>	<b>33,495</b>	<b>361,153</b>

APPENDIX 3 (cont)								
Forecast								
Outturn	Non-Housing Capital Programme		Budget	Budget	Budget	Budget	Budget	5 Year
2014/15	Financed By:		2015/16	2016/17	2017/18	2018/19	2019/20	Total
£'000			£'000	£'000	£'000	£'000	£'000	£'000
	<b>NHCP No.</b>	<b>1. Project Funding Streams</b>						
0	759	New Brimmond School	(2,518)	0	0	0	0	(2,518)
(581)	799A	Art Gallery Redevelopment - Main Contract (HLF)	(9,000)	(10,380)	0	0	0	(19,380)
0	808	New Academy to the South	0	(11,987)	(10,826)	(1,015)	0	(23,828)
0	809	Milltimber Primary (Developers Contributions)	0	0	0	0	(1,400)	(1,400)
0	823	Music Hall Refurbishment	(1,000)	0	0	0	0	(1,000)
0	828	Stoneywood Primary	0	(4,000)	0	0	0	(4,000)
0	829	Greenbrae Primary (Developers Contributions)	(750)	0	0	0	0	(750)
(333)	294	Corporate Property Condition & Suitability	0	0	0	0	0	0
(77)	784	Fleet Replacement Programme	0	0	0	0	0	0
(9)	789	Planned Renewal & Replacement of Roads Infrastructure	0	0	0	0	0	0
(1,867)	805	Technology Investment Requirements	(110)	0	0	0	0	(110)
(3,920)	794	Hydrogen Buses	(373)	0	0	0	0	(373)
(5,432)	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)
(12,219)			(15,645)	(29,367)	(10,826)	(1,015)	(1,400)	(58,253)
		<b>2. Other Receipts</b>						
0		Receipt - Summerhill	0	(2,000)	(2,000)	(2,000)	(2,000)	(8,000)
(10,000)		Receipt - Marischal Square	0	0	0	0	0	0
(4,000)		Receipts - General	(4,000)	(2,600)	(2,000)	(2,000)	(2,000)	(12,600)
(14,000)			(4,000)	(4,600)	(4,000)	(4,000)	(4,000)	(20,600)
(23,429)		<b>3. Capital Grant</b>	(25,839)	(25,000)	(25,000)	(25,000)	(25,000)	(125,839)
(25,803)		<b>4. Other Financing</b>	(55,208)	(24,322)	(23,027)	(20,634)	(31,030)	(154,221)
(75,451)		<b>Sub-total</b>	(100,692)	(83,289)	(62,853)	(50,649)	(61,430)	(358,913)
(18,000)		<b>Cashflow</b>	(31,809)	(27,751)	7,399	21,986	27,935	(2,240)
0		<b>Net Position</b>	0	0	0	0	0	0

The value of projects marked with \* have changed but this is still subject to Committee approval

Appendix 4 - 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 (Head of Service)	304	0	38		161	(621)		378	(748)				(7)	(495)
Learning Disabilities	4,616	145	26	32	483	(35)		21,285	(1,367)		(148)	(6,691)	(72)	18,274
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 Rehabilitation					171				(123)		(39)	(82)	(279)	(352)
Older People - Resources	196	1	10	8	40				(148)				(735)	(628)
Housing Aids and Adaptations														
					1,250									1,250
					700									700
TOTALS	15,539	656	175	272	3,063	(656)	32	104,730	(11,848)	(4,659)	(187)	(17,517)	(1,120)	88,480

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

<b>Appendix 5 - 10 Year Model</b>											
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Service</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Corporate Governance	29,065	28,912	29,330	29,666	29,995	30,294	30,565	30,840	31,120	31,401	31,684
Social Care and Wellbeing	123,346	127,296	130,225	133,354	135,518	137,792	141,852	146,064	150,519	155,056	159,734
Education, Culture and Sport	171,320	176,311	182,390	184,916	187,412	189,573	194,150	198,841	204,943	209,806	214,762
Housing and Environment	36,458	34,030	37,188	38,116	38,513	39,338	39,700	40,068	40,510	40,894	41,286
Enterprise, Planning and Infrastructure	40,542	42,316	43,929	45,546	47,094	49,368	50,469	51,616	53,387	54,648	55,966
Office of Chief Executive	943	861	863	1,180	829	864	874	883	1,210	868	913
Council Expenses	2,136	2,136	2,136	2,136	2,136	2,136	2,149	2,163	2,176	2,190	2,203
Miscellaneous Services	37,454	40,657	46,004	52,605	56,571	60,603	61,080	61,564	62,053	62,546	63,045
Joint Boards	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512
<b>Net Cost of Service</b>	<b>442,776</b>	<b>454,031</b>	<b>473,577</b>	<b>489,031</b>	<b>499,580</b>	<b>511,480</b>	<b>522,351</b>	<b>533,551</b>	<b>547,431</b>	<b>558,920</b>	<b>571,104</b>
<b>Funding</b>											
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Revenue Grant	(134,190)	(119,677)	(119,677)	(119,677)	(119,677)	(119,677)	(118,480)	(117,295)	(116,122)	(114,961)	(113,812)
Non Domestic Rates	(193,738)	(217,237)	(217,237)	(217,237)	(217,237)	(217,237)	(221,799)	(226,457)	(283,071)	(289,015)	(295,085)
Teachers Induction Scheme Grant	(885)	(885)	(885)	(885)	(885)	(885)	(885)	(885)	(885)	(885)	(885)
Council Tax	(100,344)	(102,903)	(105,314)	(108,696)	(108,696)	(108,696)	(108,696)	(108,696)	(109,239)	(109,239)	(109,239)
Trading Services Surplus	(13,619)	(13,329)	(13,112)	(12,506)	(12,439)	(12,372)	(12,372)	(12,372)	(12,372)	(12,372)	(12,372)
<b>Funding</b>	<b>(442,776)</b>	<b>(454,031)</b>	<b>(456,225)</b>	<b>(459,001)</b>	<b>(458,934)</b>	<b>(458,867)</b>	<b>(462,232)</b>	<b>(465,705)</b>	<b>(521,690)</b>	<b>(526,473)</b>	<b>(531,393)</b>
<b>Budget (Surplus)/Deficit</b>	<b>(0)</b>	<b>(0)</b>	<b>17,352</b>	<b>30,030</b>	<b>40,646</b>	<b>52,613</b>	<b>60,119</b>	<b>67,846</b>	<b>25,741</b>	<b>32,447</b>	<b>39,711</b>



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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 <sup>th</sup> December 2014
CHIEF EXECUTIVE	Angela Scott
TITLE OF REPORT	2014/15 Common Good Fund – Monitoring Report Update
REPORT NUMBER:	CG/14/150
CHECKLIST RECEIVED	Yes

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to:
- Inform the Committee of the income and expenditure position of the Common Good Fund for the year to 31 March 2015.
  - Provide a forecast position of the cash balances as at 31 March 2015.

### 2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- Notes the income and expenditure position as at 31 March 2015; and
  - Notes the estimated cash balances as at 31 March 2015 of £6.6M based on current estimates, which is within the recommended levels indicated by the Head of Finance.

### 3. FINANCIAL IMPLICATIONS

- 3.1 The financial implications are detailed in the report at section 5.

### 4. OTHER IMPLICATIONS

- 4.1 None.

## 5. REPORT

### **Income and Expenditure – Forecast Outturn**

- 5.1 The outturn figures for the year to 31 March 2015 show a deficit position of £1.1M which is an unfavourable variance from budget of £90K. A table summarising income and expenditure is given in Appendix A to this report.
- 5.2 The main variances from budget are:-

	£'000s
Duthie Park Project - F&R 21.04.11	100
Games Legacy - FP&R 06.05.14	25
Civic Support - Staff vacancies	(25)
Archivist - Staff vacancies	(10)
	90

### **Cash Balances**


- 5.3 The cash balance as at 31 March 2015 is £6.6M. Included in this amount is a sum of £4K remaining for the Greenfern Development within earmarked reserves. A total budget of £450K was agreed at the Resources Management Committee on 18<sup>th</sup> January 2008 for the Greenfern Development and this money will be paid back into the Common Good Fund at a later date.
- 5.4 The Council agreed at the budget setting meeting on 6<sup>th</sup> February 2014 that the minimum cash balance should be the equivalent of two years worth of expenditure. This equates to £6.3M.
- 5.5 As trustee of the Common Good Fund, the Council has a duty to ensure that cash balances are maintained at levels to generate sufficient annual income to fund any future expenditure from the Common Good deemed appropriate.

## 6. COMMUNITY & SERVICE IMPACT

- 6.1 To enable the Common Good Fund to support the wide range of ventures that it does, it is essential that it is managed effectively, it's value maintained and investment returns improved to ensure it's sustainability for the future.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

None.

## Appendix A

COMMON GOOD FUND		Figures in Brackets represent income or a favourable variance						
As at end of September 2014		Year to Date				Forecast to Year End		
Accounting Period 6	Full Year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn Note 1	Variance Amount	Variance Percent	
	£'000	£'000	£'000	£'000	£'000	£'000	%	
Recurring Expenditure	2,935	567	567	-	3,001	66	0.0	
Recurring income	(2,992)	(1,459)	(1,459)	-	(2,992)	0	0.0%	
<b>Budget after Recurring Items</b>	<b>(57)</b>	<b>(892)</b>	<b>(892)</b>	-	<b>9</b>	<b>66</b>	<b>(115.8%)</b>	
Non Recurring Expenditure	1,062	15	15	-	1,087	25	2.4%	
<b>TOTAL</b>	<b>1,005</b>	<b>(877)</b>	<b>(877)</b>	-	<b>1,096</b>	<b>91</b>	<b>9.1%</b>	
<b>Cash Balances as at 1 April 2014 (unaudited)</b>	<b>(7,700)</b>				<b>(7,700)</b>			
<b>Estimated Cash Balances as at 31 March 2015</b>	<b>(6,695)</b>				<b>(6,604)</b>			
<b>Minimum cash balance requirement per budget report (Council 6th February 2014)</b>	<b>(6,330)</b>				<b>(6,330)</b>			
<b>Note 1</b>	The forecast outturn figure takes into account £1.74M of expenditure that takes place at year end e.g Funding of Twinning activities, Entertainment for the Elderly and Disabled and Contributions to Trusts and Festivals.							

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources Committee
DATE	4 December 2014
DIRECTOR	Ewan Sutherland (Director of Corporate Governance); Pete Leonard (Director of Communities, Housing & Infrastructure)
TITLE OF REPORT	Draft Housing Revenue Account (HRA) Budget and Housing Capital Budget 2015/16 to 2019/20
REPORT NUMBER:	CG/14/134

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

- 1.1.1 To provide elected members with information to allow the setting of the rent level for the financial year 2015/16 as well as provisional rent levels for the financial years 2016/17 to 2019/20. In turn, this will allow a capital programme for 2015/16 as well as a provisional programme for 2016/17 to 2019/20.

### **2. RECOMMENDATIONS**

It is recommended that Committee consider the draft Housing Revenue Account Budget and refer it to Council on 17 December 2014 to:

- a. Approve the budget as attached in Appendix 1 of this report;
- b. Approve the weekly unrebated rents for municipal houses, as detailed in Appendix 1 of this report, to take effect from Monday 6 April 2015;
- c. Approve the level of revenue contribution to the Housing Capital budget for 2015/16 as well as a provisional contribution for the subsequent four financial years as detailed in Appendix 1 of this report;
- d. To continue to increase the level of working balances to 10% to meet future contingencies;
- e. To agree the continuation of the practice that all capital receipts, from the disposal of Council houses under right to buy, continue to be used to repay debt for 2015/16 and future years;
- f. Approve the level of miscellaneous rents and service charges, including Heat with Rent as detailed in Appendix 1 of this report;
- g. Set a capital programme for the financial year 2015/16 based on the rent strategy adopted as well as the indicative level of programme for the financial years 2016/17 and 2019/20;

- h. In order for work to commence on the capital programme approves as estimated expenditure in terms of Standing Order 1(3) (of the Council's Standing Orders relating to Contracts and Procurement) the sums shown against each heading of the Housing Capital Expenditure budget set out in Appendix 1 to this report; and
- i. Authorises the Director of Communities, Housing and Infrastructure to undertake or instruct appropriate procedures to procure the works referred to in Appendix 1 for the capital programme and award contracts relating thereto.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 Voids and rent arrears continue to be the main cost pressures to the HRA.
- 3.2 Given this report is to set the HRA budget for 2015/16 the financial implications are contained within the report and the attached Appendix 1.

### **4. OTHER IMPLICATIONS**

- 4.1 Without adequate investment there is the possibility that the housing stock could fail to meet health and safety regulations as well as the Scottish Housing Quality Standard.
- 4.2 The Scottish Government issued guidance on the operation of the Local Authority Housing Revenue Account in Scotland in February 2014. The purpose of this guidance is to consolidate information on the role of the HRA: how it must operate; who the resources contained within it are meant to benefit; and what outcomes can be expected from these resources.
- 4.3 The guidance details that there should be a robust, written methodology for calculating and allocating HRA costs (including internal costs charged by the Council to the HRA) in sufficient financial details for tenants to understand why costs are being charged and who is benefiting from the services these costs relate to.
- 4.4 The Council is in the process of ensuring all the internal costs charged to the HRA are reviewed and documented, reviewing the treatment of the Building Services surplus and all non residential assets held on the HRA to ensure compliance with the guidance.

## 5. BACKGROUND/MAIN ISSUES

- 5.1 The Council is required to give its tenants 28 days notice of any change in the level of rent. Further, the Housing (Scotland) Act 2001 requires the Council to consult with tenants on any proposed rent increase. This consultation was in the form of a tenant questionnaire on the possible rent increase.
- 5.2 The tenants were asked if the rent policy of inflation plus 1% should continue in order to maintain investment in the housing stock and improve services.
- 5.3 The results are shown on page 19 of Appendix 1. The number of tenants who responded and agreed with this rent policy was 79.61% with 20.39% not agreeing.
- 5.4 Schedule 15 of the Housing (Scotland) Act 1987 requires expenditure in the under noted main areas to be charged to the HRA:
- Capital Financing Costs in respect of monies borrowed for the purpose of providing and improving the Council's housing stock;
  - Management, administration and maintenance of the Council's housing stock;
  - Other expenditure such as loss of rents for vacant periods, insurance, communal lighting and heating, cleaning and security.
- 5.5 Items of income that must be credited to the HRA are:
- Council house rents;
  - Other income attributable to the HRA. For example, income recovered from tenants for heating, interest on revenue balances and, when available, transfers from working balances generated by the HRA in previous years.
- 5.6 In the absence of any central or local authority financial support for the HRA, the HRA is regarded as "ring-fenced". In addition, consideration of the level of capital to be financed from current revenue (CFCR) within the HRA budget will have an impact on the Housing Capital Budget. This report therefore, whilst indicating a proposed HRA Budget, also provides information on the Capital Budget.
- 5.7 Consideration of the out-turn on the HRA for 2015/16 and the 2016/17 budget is dealt with in detail in Appendix 1. **Based on the annual rent consultation and Council policy the budgeted figures have assumed a Council house rent increase of 3.3%** (RPIX at September 2014 of 2.3% plus 1%).

- 5.8 In the UK, the recovery has remained strong, however there is evidence of a slowing of growth in the UK and prospects for the global economy have deteriorated. The Bank of England inflation target remains at 2%.
- 5.10 It is worth looking at the future projections for inflation in setting the rent increase for 2015/16:

FORECAST						
End period %	Oct 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
RPI inflation	2.3	1.8	1.9	2.2	2.3	2.7
RPIX inflation	2.3	1.8	1.8	2.1	2.1	2.5
CPI inflation	1.2	0.8	0.9	1.2	1.3	1.8

Source – Capital Economics – Forecasts (Oct 2014)

- 5.11 The above table indicates that inflation is expected to fall to 1.8 in Q4 2014 and to increase in Q2 2015 to 2.1, therefore close to the Bank of England's target of 2%.

#### 5.12 **Welfare Reform and Working Balances**

The full impact of Welfare Reform has not been felt and it is now likely that Aberdeen will not be involved in the first tranche of the roll out of Universal Credit in March 2015, it is expected that Aberdeen will be involved in the second tranche in May 2015. Tenants continue to be sheltered from the effect of the Welfare Reforms today by the use of Discretionary Housing Payments.

The Head of Finance must be confident that the level of working balances is adequate to meet any unforeseen contingencies during the financial year particularly with regard to the introduction of Welfare Reform.

Based on projected income and expenditure that is likely to be generated for 2014/15, this opening figure for 2015/16 should be approximately £7.2 million as detailed below:



<b>MOVEMENT IN WORKING BALANCES</b>		<b>£000</b>
Working Balances as at 1 April 2014		8,808
Less: Ear marked sums (2013/14)		
Housing repairs	(1,543)	
House Sales – Non RTB	( 245)	
Land Transfer	( 305)	
Finance Lease Liability	( 454)	(2,547)
<hr/>		
Projected Uncommitted Working Balances		6,261
14/15 Contribution to the Working Balance		1,000
Projected Uncommitted Working Balances as at 31 March 2015		7,261
15/16 Contribution to the Working Balance		1,000
Projected Uncommitted Working Balance as at 31 March 2016		8,261

**Given the continued inherent uncertainty it is proposed the Council continues to work towards increasing the working balance to 10% over the next year as demonstrated in the table above and review is undertaken there after to establish if further increases are required.**

#### 5.13 **Capital Expenditure**

The draft budget for 2015/16 (and the subsequent four financial years) is attached as Appendix 1 of this report. This shows gross expenditure of £40 million financed through £15 million of borrowing and £20 million by way of a revenue contribution to fund the net programme of £34.8 million.

5.14 This capital budget reflects and includes a proposed rent increase of 3.3%. The details of the potential projects to be included in this programme are contained in Appendix 1 – pages 24 to 26.

#### 5.15 **Miscellaneous Rents**

The budget attached in Appendix 1 also requires the miscellaneous rents and service charges to be set. As way of indication on possible increases, page 17 gives indicative increases that the Council may wish to consider. **The Council will have to decide on any possible increment to these charges in line with their rent setting strategy.**

**5.16 Prudential Code**

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

5.17 In setting a capital programme, members will be aware that under the Prudential Code, the level of capital investment is determined at a local authority level. The base programme for consideration, subject to final rent levels is £39 million. This is attached in Appendix 1 at pages 24 to 26.

5.18 As part of the rent setting process of determining the average rent payable for a Council house, the Council must ensure that this is affordable and sustainable over the long term.

5.19 The fundamental objective, in the consideration of the affordability of the Council's capital programme, is to ensure that the total capital investment of the authority remains within sustainable limits and in particular to consider the impact on the "bottom line". That is, affordability is determined by a judgement about acceptable levels of rent.

**5.20 2016/17 to 2019/20 Budget**

Included within Appendix 1 is an indicative budget for 2016/17 to 2019/20 with an assumed rent increase of 3.5% for all years. There is also an analysis of the management and administration, the repairs and maintenance and capital budgets.

5.21 In setting a 3 year rent strategy, Council must pay cognisance to the level of capital investment required to maintain and improve the overall housing conditions available to the citizens of Aberdeen. The Council is required to meet the Scottish Housing Quality Standard by 2015.

**5.22 Summary**

The Council is required to determine the average weekly unrebated rents (and other miscellaneous rents and service charges) for municipal houses to take effect from Monday 6 April 2015 which in turn will allow decisions to be taken on the level of capital investment.

**6. IMPACT**

The City Council will operate within overall financial constraints taking into account recommended accounting practice and policies. Rent increase will be notified to tenants providing them with 28 days notice.

**7. MANAGEMENT OF RISK**

Risk is being managed through the increase of working balances as detailed in 5.12.

**8. BACKGROUND PAPERS**

HRA 30 Year Business Plan  
Bank of England Inflation report: August 2014

**9. REPORT AUTHOR DETAILS**

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Aberdeen City Council  
Draft Housing Revenue Account  
2015/16 – 2019/20 Budget

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



Steven Whyte  
Head of Finance

Pete Leonard  
Director of Communities, Housing and Infrastructure

## DRAFT HOUSING REVENUE ACCOUNT

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## **Revenue Assumptions**

In preparing the information for the draft Housing Revenue Account budget for the financial year 2015/16, a number of assumptions have been made and these are given below.

Should you require an electronic version of the budget contained within this documentation, please contact Helen Sherrit, Finance Partner (Housing & Environment ) on (34)6353 or e-mail [hsherrit@aberdeencity.gov.uk](mailto:hsherrit@aberdeencity.gov.uk). The budget information is available as a set of Excel spreadsheets.

### **Inflation**

In preparing the budget no general inflationary uplift has been added which is in line with the base assumptions used in preparing the General Fund Budget for 2014/15, (there are some exceptions to this rule such as utility costs and contractual uplifts etc. and these are stated in the variance notes). Inflation is currently running at approximately 2.3% (RPIX at September 2014). (Source: Office of National Statistics)

### **Housing Stock**

The number of Council houses owned by the Council, as at 31 October 2014, is 22,378. It has been assumed that there will be a further 98 sales during the financial year 2014/15, bringing total sales for the year to 200. The average selling price for the period 1 April 2014 to 31 October 2014 is approximately £56,400.

### **Set Aside Rules**

For the financial year 2014/15 the Council budgeted for 100% of all Council house sales to be utilised to repay debt. The Council is free to decide on how the proceeds from the disposal of Council houses are used. **The Head of Finance recommends that all capital receipts continue to be used to repay debt for the financial year 2015/16 and future years.**

### **Council House Sales**

It has been assumed that the level of house sales will be 140 in 2015/16. The average selling price for 2014/15 is currently estimated at £56,400. The average number of houses for the financial year 2014/15 is therefore estimated to be 22,206 properties.

### **Rental Income**

The income available in 2014/15 to fund the proposed budgeted level of expenditure has been calculated by taking the projected income under the revised rent structure plus 3.3% (RPIX at September 2014 + 1% which is the Council's current rent strategy/policy).

### **Heat with Rent**

A detailed analysis has been carried out on the utility bills for Heat with Rent to ensure that the charging policy introduced in the 2006/07 budget setting process can be continued into 2015/16. No increase of income has been built into the proposed budget.

## **Working Balances**

In developing a rent setting strategy it is important to ensure that there are adequate working balances. The Head of Finance must be confident that the level of working balances is adequate to meet any unforeseen contingencies particularly as regards the uncertainty surrounding welfare reform and the impact this could have on viability of the business plan of the Housing Revenue Account. Given this inherent uncertainty it is **proposed that the working balances continues to be increased to 10% over the 3 year period.**

## **Housing Capital Expenditure Programme**

### **Housing Investment Programme**

2014/15 will see continued major investment in tenants' homes to make sure that they meet their needs and expectations as well as the requirements of the Scottish Housing Quality Standard (SHQS). Aberdeen City continues to make steady progress towards SHQS compliance with 97.2% of our stock now meeting the standard (as at 5 November 2014).

As at 31 March 2014 Aberdeen City Council compared favourably with other cities for SHQS completion –Aberdeen 89%, Local authority average 84% and Large Local authorities 86%.

**It is unclear as to any future obligations beyond the SHQS completion date of 2015 it is anticipated this may relate to energy efficiency.**

The Council will continue to provide funding for the provision of combined heat and power in our multi storey stock with the completion of the 7 Tillydrone multi's in 2015/16. These actions will improve the energy performance of the council housing stock and prevent potentially hundreds of tenants from falling into or remaining in fuel poverty.

The Council is continuing work on a major over-cladding scheme for High Rise buildings with blocks in Cornhill being completed in 2015/16 with work commencing on further blocks in Linksfield, Regent and Promenade Courts. In addition work will be undertaken on the following during 2015/16, major repair to 770 -852 Great Northern Road, structural repairs and re-rendering of Stewart Park and Hilton Courts and structural repairs at 2-138 Wales Street.

To ensure that the Council can meet its priorities in terms of its housing stock the capital programme for the next five years (inclusive of slippage) is proposed as follow:

2015/16 - £35.385 Million  
2016/17 - £34.197 Million  
2017/18 - £28.966 Million  
2018/19 - £25.686 Million  
2019/20 - £28.239 Million

The above figures make no allowance for the potential new build at Smithfield and Manor Walk or Regeneration.



<b>Housing Revenue Account</b>					
<b>Draft 2015/16 Budget</b>					
		<b>Budget</b>	<b>Out-turn</b>	<b>Budget</b>	<b>Notes</b>
		<b>2014/15</b>	<b>2014/15</b>	<b>2015/16</b>	
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	
	<b>Premises Costs</b>				
1	Rates	19	23	28	
2	Rent – Other	141	215	215	1
3	Repairs and Maintenance	22,407	21,713	22,462	2
4	Maintenance of Grounds	3,075	3,260	3,293	3
5	Gas	1,014	1,014	765	4
6	Electricity	2,512	2,512	3,405	5
7	Cleaning Service	495	495	435	6
8	Security Service	376	376	380	7
9	Window Cleaning	24	24	25	
10	Refuse Collection	328	328	345	8
11	Cleaning – Sheltered Housing	499	499	504	9
12	Premises Insurance	57	57	57	10
13	Other Property Costs - Council Tax	201	201	201	11
		<b>31,148</b>	<b>30,717</b>	<b>32,115</b>	
	<b>Administration Costs</b>				
14	Downsizing Grants/Direct Debit Incentives	52	52	52	12
15	Legal Expenses	201	201	201	
16	Office Tel / Rent	88	88	90	
17	Former Tenants Arrears	2,000	1,300	2,000	13
18	Charges - Services Admin & Management.	8,657	8,059	8,963	14
19	General Consultancy	85	85	55	15
20	Training for Front Line Staff	100	100	100	15
21	Benefits Staff	141	141	142	15
22	Charges - Tenants Participation	208	208	210	16
23	Charges for Environmental Health	227	201	229	
		<b>11,759</b>	<b>10,435</b>	<b>12,042</b>	
	<b>Supplies &amp; Services</b>				
24	Provision of Meals	194	232	234	17
25	Equipment Purchase	0	0	0	
26	Television Licence	5	5	5	
27	Integrated Housing System	295	295	302	18
		<b>494</b>	<b>532</b>	<b>541</b>	
	<b>Agencies</b>				
28	Mediation Service	99	99	100	19
29	Energy Advice	82	82	83	20
30	Citizens Advice Bureau	14	14	14	15
31	Disabled Persons Housing Service	39	39	39	15
32	Ethnic Minority Worker	0	12	12	15
		<b>234</b>	<b>246</b>	<b>248</b>	

	<b>Housing Revenue Account</b>	<b>Budget</b>	<b>Out-turn</b>	<b>Budget</b>	
	<b>Draft 2014/15 Budget</b>	<b>2014/15</b>	<b>2014/15</b>	<b>2015/16</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
	<b>Transfer Payments</b>				
33	Aberdeen Families Project	418	418	465	21
34	Loss of Rent - Council Houses	900	1,602	1,274	22
35	Loss of Rent - Garages, Parking etc	218	352	226	
36	Loss of Rent - Modernisation Works	100	100	104	
37	Haudagain Home Loss & Disturbance Payment		0	184	23
38	Supporting People Contribution	406	406	406	24
39	CFCR	22,362	23,841	20,681	
		<b>24,404</b>	<b>26,719</b>	<b>23,340</b>	
	<b>Capital Financing Costs</b>				
40	Loans Fund Instalment	5,228	4,967	5,860	
41	Loans Fund Interest	9,026	8,501	9,124	
42	Heating Leasing Payment	0	0	0	
		<b>14,254</b>	<b>13,468</b>	<b>14,984</b>	25
	<b>Expense Total</b>	<b>82,293</b>	<b>82,117</b>	<b>83,276</b>	
	<b>Income</b>				
43	Ground Rentals	(27)	(27)	(27)	
44	Dwelling Houses Rent Income	(79,017)	(78,719)	(80,000)	26
45	Housing - Heat with Rent Income	(2,047)	(2,134)	(2,047)	27
46	Housing - Garages Rent Income	(1,176)	(1,177)	(1,176)	28
47	Housing - Parking Spaces Rent	(180)	(214)	(180)	28
48	Housing - Insurance Income	(2)	(2)	(2)	
49	Housing - Other Service Charge	(489)	(489)	(489)	28
50	Legal Expenses	(225)	(225)	(225)	
51	Revenue Balance Interest	(130)	(130)	(130)	29
	<b>Income Total</b>	<b>(83,293)</b>	<b>(83,117)</b>	<b>(84,276)</b>	
	<b>Net Expenditure</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	
	<b>Projected Working Balance at 1 April 2015</b>			<b>7,261</b>	

## HOUSING REVENUE ACCOUNT 2014/15 BUDGET

### Variance Notes Comparing Draft Budget 2015/16 to Estimated Out-turn 2014/15

#### Expenditure Movements

##### **1. Rent**

This budget is for the rent of Accommodation for Community Groups and Housing Offices.

##### **2. Repairs and Maintenance**

An analysis is contained at page 12.

##### **3. Maintenance of Grounds**

Maintenance of Grounds budget has two elements: Ground Maintenance and cleansing/weed control. The budget for 2015/16 has been calculated by using the anticipated out-turn for 2014/15 uplifted by 1% (the budgeted salary uplift).

##### **4. Gas**

The Council moved on to the Scottish Government National Procurement for Gas Supply on 1 April 2010 with the contract price reviewed on an annual basis. The budget has been calculated using the actual consumption from 2014/15 and an anticipated rates increase in the contract price as advised by the Council's energy unit.

##### **5. Electricity**

This will be the first year of the new contract (previously a four year contract was in place). The budget has been calculated by using an assumed uplift of 29.6% as advised by the Council's energy unit and the actual consumption from 2013/14.

##### **6. Cleaning Service**

This budget is for communal cleaning. The cleaning contract commenced on 5 July 2010 and ran for three years, with an extension. To date the contract has not been agreed therefore the annual contract of £428K has been increased by 1.6% (CP July 2014).

##### **7. Security Service**

This budget is for the Security Service which started in 2012/13 and runs for three years. The cost of the security included in the budget for 2015/16 is £380,000, and includes the control room team.

##### **8. Refuse Collection**

The budget for 2015/16 has been calculated by using the actual for 2013/14 uplifted for salary increases.

### **9. Cleaning – Sheltered Housing**

This is the budget for the cleaning of Sheltered Housing and has been calculated by using the anticipated out-turn for 2014/15 uplifted by 1%.

### **10. Premises Insurance**

The budget for 2015/16 has been maintained at the 2014/15 level.

### **11. Other Property Costs – Council Tax on void properties**

This budget is for the cost of Council Tax due on void properties. The budget for 2015/16 has been maintained at the 2014/15 level and is based on the assumption that there will be no increase in Council Tax for 2015/16 based on the terms and conditions of the award of the General Revenue Grant.

### **12. Downsizing Grants/Direct Debit Incentives**

There are currently two schemes within this budget line which are Downsizing grants (£50,000) and Direct Debit Incentives (£2,000). Budgets have been maintained at the 2014/15 level.

The Downsizing scheme provides assistance and a financial incentive to Council tenants occupying 3+ bedroom family properties in high demand areas to move to smaller more suitable housing in order to increase the supply of large family housing. This budget is being maintained at the current level as there could be a potential rise in requests to downsize.

The Direct Debit Incentive scheme was introduced on 5 April 2010. Each month there is a draw for all new and existing direct debit payers for a chance to win a week free rent period, to encourage more people to switch to paying by direct debit.

### **13. Former Tenants Arrears**

The budget has been maintained at £2M to reflect the increasing rent arrears being experienced (Current arrears have increased from £3.236M at the end of April 2014 to £3.945M at the end of October 2014). The budget for former tenant arrears is for the write off of uncollectable arrears and any increase in the debt provision.

### **14. Management & Administration**

The staffing budget is based on the current structure of the Housing Revenue Account and includes central support recharges. A pay award of 1% has been allowed for which is in line with the assumptions contained within the Council's General Fund.

### **15. General Consultancy, Training for Front Line Staff, Benefits staff, Citizens Advice Bureau, Disabled persons Housing Service and Ethnic minority worker**

All of the above budgets have assumed no uplifts.

General Consultancy allows the Housing Revenue Account to fund one off projects. An example of this type of expenditure would include work on the Housing Business Plan. In 2014/15 an addition £30,000 was required for a tenant

satisfaction survey requested by the Scottish Housing Regulator, this is carried out every three years therefore will not be required in 2015/16.

Training for Front line Staff allows, for example, Housing Assistants to participate in professional staff development programmes with the opportunity of gaining membership of the Chartered Institute of Housing.

The costs of the Benefits staff are recharged from the Benefits team for the time spent with Council House Tenants on maximising income and tackling financial exclusion, it is anticipated that the recharge will increase.

The contribution to the Citizens Advice Bureau (CAB) provides funding to the service at ARI/Woodend Hospitals.

Disabled Persons Housing Service (Aberdeen) (DPHS) is a charitable organisation that provides specialist information, advice and advocacy on housing matters to disabled people, their families and carers and professionals working in housing, social work, health and the voluntary sector.

The funding covers the funding of the Development Officer's post, plus an allowance for running costs. This will enable the DPHS to continue to develop and expand the range of services that it offers to people of Aberdeen in line with the objectives set out within the Disability Action Group (DAG), DAG Homes Sub-Group Action Plan, the Local Housing Strategy and the Community Care Housing Strategy.

Ethnic minority housing outreach worker funding was agreed at 14 January 2014 Housing & Environment Committee.

#### **16. Tenants Participation**

This is the budget allocated for the provision of Tenants Participation and includes the employment costs of two Tenant Participation Officers, Newsbite and training for tenant representatives.

#### **17. Provision of Meals**

The out-turn for 2014/15 plus 1% is the basis for the 2015/16 budget. This budget is for the provision of meals at Denmore and Kingswood extra care housing. The income for this service is contained in line 49 of the budget statement above which is shown as "Housing Other Service Charge". No increase to this charge is being recommended (this is contained in miscellaneous rents page 17) as this is an outstanding action of the Housing for varying needs review. A pay as you go system is being considered as part of this review.

#### **18. Integrated Housing System**

This budget is based on the IT requirements for 2015/16 which includes all the support and maintenance costs.

#### **19. Mediation Service**

For 2015/16 budget has been uplifted by 1%.

## **20. Energy Advice**

The Energy Advice budget is currently a payment to SCARF (Save Cash and Reduce Fuel). SCARF encourage the sustainable use of energy, achieving affordable warmth, eradicating fuel poverty and extending the life of natural energy resources across the North East of Scotland.

## **21. Aberdeen Families Project**

This budget is used to fund the Aberdeen Families Project. The Families project is based in the Torry area and provides intensive support and supervision to families (mainly council tenants) who are involved in serious antisocial behaviour which could result in their eviction and subsequent homelessness. The service aims to reintegrate tenants or former tenants who are homeless and have a history of not sustaining a satisfactory tenancy, back into a tenancy without requiring intensive housing management. The budget is based on the anticipated cost increase of the service.

## **22. Loss of Rent Council Houses**

The budget has been calculated using void targets and known movement of tenants between sheltered and main stream tenancies.

## **23. Haudagain Home loss and disturbance payments**

This budget is for home loss and disturbance payments for those tenants effected by the Haudagain road improvements, this was approved at Housing & Environment Committee on 26 August 2014. The payments have been allocated over three years as no further information is known at this time.

## **24. Supporting People Contribution**

This budget is a contribution to cover the costs of providing the former Wardens salaries for people who were not in receipt of Housing Benefit as at 31 March 2003. The contribution in 2015/16 is based on the actual expenditure for 2014/15.

This does not reflect the costs associated with the former warden's salaries as this forms part of the General Fund.

The contribution is being considered as part of the review for Housing for Varying Needs and therefore will be subject to change.

## **25. Capital Financing Costs**

The budget for Capital Financing Costs is based on the likely level of capital spend in 2014/15 as at the end of September 2014 and a possible future programme for 2015/16 of £35.3 million as well as the level of historic debt that has to be financed. It also assumes that the consolidated loans pool rate (the rate used to calculate debt charges) is 4.22%.

## **Income**

## **26. Dwelling Houses Rent Income**

The budgeted income from Dwelling House Rent has increased by the potential rent increase of 3.3% (RPIX at September 2014 +1%) which is in line with current

Council policy on rent setting. This budget also takes into consideration movements in rent capping.

## **27. Housing – Heat with Rent Income**

A review was undertaken of the income and expenditure of Heat with Rent.

- **Gas**  
The projected energy consumption and contract rates were provided by the Council's Energy Management Unit for each sheltered complex. As from 1 April 2011 the Gas Supply is through Scottish Government National Procurement and is reviewed on an annual basis. The revised consumption has been multiplied by the agreed rate to be paid on the gas contract.
- **Electricity**  
The projected energy consumption and rates were provided by the Council's Energy Management Unit for each sheltered complex. The new electricity contract will start on 1 April 2015. The consumption has been multiplied by the agreed rate on the electricity contract.
- **Combined Heat & Power (CHP)**  
Aberdeen Heat and Power are to advise the Council of the rate increase in November, indications are that there will be no increase.

## **28. Housing – Garages Rent Income, Housing Parking Spaces Rent, Housing – Other Service Charges**

This line will move depending on the level that miscellaneous rents are set at, as covered on page 17. The current budget therefore assumes that there will be no increase at present.

## **29. Interest on Revenue Balances**

This is akin to bank interest received on the HRA's cash flow during the year. Budget is based on the income received in 2013/14 and current economic conditions.

HOUSING REPAIRS DRAFT BUDGET		Approved Budget 2014/15 £'000	Projected Spend 2014/15 £'000	Base Budget 2015/16 £'000
<b>PLANNED AND CYCLICAL MAINTENANCE</b>				
1	External Joiner work Repairs including external painter work etc.	1,500	1,244	1,275
2	Boiler Maintenance – Sheltered Housing	310	350	359
3	Controlled Entry Systems – Maintenance	240	397	407
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	400	187	192
5	Flat Roofs/Dormers – Renewal & Insulation	55	9	10
6	Common Rooms – Replacement of Furniture	25	40	41
7	Gas Servicing, Maintenance and Repair	2,940	4,443	4,554
8	Laundry Equipment Replacement & Maintenance	90	122	125
9	Legionella Testing incl. Repair/Renewal of Tanks	100	32	33
10	Lift Maintenance	370	184	189
11	Mutual Repairs outwith Housing Action Areas	30	25	26
12	Pumps & Fans - Maintenance & Renewal	75	50	51
13	Sheltered Housing - Replacement of Carpets, furnishings etc	40	40	41
14	Standby Generators – Maintenance	80	44	45
15	Warden call systems- maintenance and Repair	90	90	92
16	Provision of Community Alarm	230	230	236
17	Environmental Improvements (including internal communal areas)	1,200	820	840
18	Void Properties	3,600	3,911	4,009
19	Asbestos	200	16	16
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities			235
<b>Planned/Cyclical Maintenance Sub Total</b>		<b>11,575</b>	<b>12,234</b>	<b>12,775</b>
<b>DAY TO DAY RESPONSE MAINTENANCE</b>				
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	230	154	158
22	Car Park Repairs	25	9	9
23	Chimney heads - Repointing and Rebuilding	5	0	0
24	Condensation - Treatment of Walls	50	59	60
25	Electrical Work - General Repairs	1,150	1,138	1,166
26	Emergency Work - Out of Hours Service	550	367	376
27	External/Internal Response Paintwork	210	163	168
28	Fire Damage Repairs	200	71	72
29	Garage Repairs	30	9	10
30	Glazier work	170	163	167
31	Joiner work - General Repairs	2,750	2,267	2,324
32	Mason work and Water Penetration Repairs	500	490	502
33	Minor Environmental Services	550	363	372
34	Plasterwork – General	275	230	236
35	Plumber work – General	1,180	1,066	1,093
36	Slater work	800	824	845
37	Snow Clearance	52	52	53
38	TV Aerial	60	55	56
39	Rubbish Removal	50	13	13
40	Vandalism	65	57	58
41	Water Services Charges	10	10	10
<b>Day to Day Response Maintenance Total</b>		<b>8,912</b>	<b>7,559</b>	<b>7,748</b>
42	Fees	1,920	1,920	1,939
<b>TOTAL REPAIRS AND MAINTENANCE BUDGET</b>		<b>22,407</b>	<b>21,713</b>	<b>22,462</b>



## **REPAIRS AND MAINTENANCE BUDGET 2015/16**

### **General**

The projected spend figures have been taken from invoicing up to the end of July 2014 and a projection to year end.

Projections are based on the average monthly spend, updates from Surveyors and in the case of the general trades historical information has been taken from previous spend patterns.

Projected spend in 2014/15 is currently anticipated to be approximately below budget however this can be subject to change as this budget is demand led.

### **Specific Items**

#### **Planned and Cyclical Maintenance**

##### **Item 7 Gas Servicing , Maintenance and Repairs**

An increase in the budget is anticipated in order for the Council to ensure it achieves the required gas safety record renewed by the anniversary date. As at 31 March 2014 Aberdeen City Council had achieved 67% renewal date by the anniversary date compared to 94.2% for comparable large local authorities.

##### **Item 17 Environmental Improvements**

This line includes crime prevention measures, bird proofing including the removal of nests, area fencing, security doors, sound insulation, security lighting and other estate management improvements identified by Housing Officers.

##### **Item 18 Void Properties (Relets)**

It is anticipated that there will be an increase in the voids budget due to an increase in the level of work required to be undertaken in order to bring the properties back to a standard which can be let to tenants.

#### **Day to Day Response Maintenance**

The items listed under Day to Day response are more susceptible to weather /climate/fluctuations in costs from year to year. The projected and budget costs are in part based on historical data taken from previous years.

### **Fees**

The fees include the recharge for the call centre who receive the repairs calls. Also uplifted by 1% for wage inflation.

	Management & Admin		Proposed	
		Budget	Budget	
		2014/15	2015/16	Notes
		£000's	£000's	
	<b>Staff Costs</b>			1
1	Salaries	4,974	5,471	
2	Overtime	91	46	
3	Superannuation	947	1,018	
4	N.I	388	393	
5	Other Staff Costs	376	237	
		<b>6,776</b>	<b>7,165</b>	
	<b>Premises Costs</b>			2
6	Rates	29	29	
7	Rent	26	26	
8	Insurance	2	0	
9	Electricity/Gas	23	23	
10	Rubbish Removal	3	3	
11	Cleaning	24	25	
12	Repairs and Maintenance	3	3	
		<b>110</b>	<b>109</b>	
	<b>Administration Costs</b>			2
15	Printing	90	77	
16	Photocopying	16	14	
17	Stationery	25	18	
18	Subscriptions	23	23	
19	Postages	79	87	
20	Telephones	39	40	
21	Bank Charges(inc Cash in transit	85	76	
22	Advertising	44	45	
23	Course Expenses	14	14	
26	Tenants Participation Expenses	17	11	
		<b>432</b>	<b>405</b>	
	<b>Transport Costs</b>			
	Travel Costs	99	97	
		<b>99</b>	<b>97</b>	

			<b>Proposed</b>	
		<b>Budget</b>	<b>Budget</b>	
		<b>2014/15</b>	<b>2015/16</b>	
		<b>£'000</b>	<b>£'000</b>	<b>Notes</b>
	<b>Supplies &amp; Services</b>			2
28	Equipment Purchases	15	15	
29	Computer Software Support	226	302	
30	Sundry Outlays	159	155	
		<b>400</b>	<b>472</b>	
	<b>Corporate/Directorate Recharge</b>			
31	Corporate/Directorate Recharges	2,143	2,184	3
	<b>Expense Total</b>	<b>9,960</b>	<b>10,432</b>	
	<b>Income</b>			
	Recharges:-			
34	Management & Admin – HRA	(8,657)	(8,863)	
35	Tenants Participation – HRA	(208)	(210)	
36	Other Housing	(219)	(220)	
37	Homeless Persons	(143)	(53)	
38	Housing Capital	(733)	(784)	
	Integrated Housing	0	(302)	
		(9,960)	<b>(10,432)</b>	
	<b>Income Total</b>	<b>(9,960)</b>	<b>(10,432)</b>	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	

## MANAGEMENT AND ADMINISTRATION BUDGET

### Variances and Notes

The 2015/16 budget for management and administration is based on the current structure of Housing.

**1. Staff Costs**

The staff costs have been increased to reflect annual salary increments and the pay award.

**2. Premises Costs, Fees & Charges, Administration Costs, Transport Costs, Supplies and Services**

All the above budgets have been reviewed with certain costs being adjusted based on current service provision.

**3. Corporate/Directorate Charges**

This budget is based on the current services being provided to Housing and may be subject to change. It covers services such as Legal, Finance, Office Accommodation, IT, Corporate Director and Heads of Service etc.

## Miscellaneous Rents

ABERDEEN CITY COUNCIL HOUSING REVENUE ACCOUNT					
Proposed Increase to be included in the HRA budget – Miscellaneous Rents					
		2015/16			
		Current	Proposed	Increase	Percentage
		Rental	Rental	Per Week	Increase
Note	Miscellaneous Increases	£	£	£	%
	Garages	10.40	10.80	0.40	3.85
	Denburn and West North Street Spaces	4.70	4.90	0.20	4.26
1	Denburn and West North Street Spaces – Non Resident	35.00	35.00	0.00	0.00
	Garages Sites	4.00	4.20	0.20	5.00
	Car Ports	4.40	4.60	0.20	4.55
	Car Parking Spaces – Local Residents	3.60	3.80	0.20	5.56
1	Parking Spaces Non Local Residents	35.00	35.00	0.00	0.00
2	Window Cleaning	0.85	0.85	0.85	0.00
2	Meals at Denmore & Kingswood	35.00	35.00	0.00	0.00
	Mortgage Reference Fees	64.50	64.50	0.00	0.00
3	Guest Rooms	10 & 15	10 & 15	0.00	0.00
4	Factoring Charge	62	62	0.00	0.00

The above proposed prices for 2015/16 have been increased broadly in line with the proposed rental increase subject to:

Note 1 These charges will be subject to an overall review of car parking charges during 2015/16.

Note 2 These charges are being considered as part of the overall review of Housing for Varying Needs.

Note 3 No increase is being recommended in 2015/16.

Note 4 This is an annual charge per owner as a result of the Property Factors Act which was introduced on 1<sup>st</sup> October 2012 no increase is being recommended in 2015/16 .

## Heat with Rent calculations for 2015/16

It was agreed in the 2014/15 budget process to apply an **increase of £1.50 per week for bedsits, £2.00 per week for 1 bed roomed dwellings, £2.50 per week for 2 bed roomed dwelling and £3.00 per week for 3 bed roomed dwellings** across all the Council's Heat with Rent properties.

A review of consumption and costs is required each year and especially as only the electric contract is fixed for a number of years (a new contract is to negotiated for 3 years). There is also potential revised costs for CHP and Gas each year.

In addition as the charge is the same every week, tenants on Heat with Rent are not faced with the problem of having to pay large gas or electric bills during the colder winter months which extended into the spring months in 2013.

It is proposed not to apply an increase to Heat with Rent as although it is anticipated that electric costs will increase by 29.6% and gas by 3% consumption reduced in 2014/15 negating these cost pressures.

In addition it is proposed that officers form a group to review the heat with rent charges to avoid in future large increases. This group would investigate potentially the following consumption and the potential for using an average, the price differential for property sizes, the impact of pricing on the take up of Combined Heat and Power and common areas.

<b>Heat with Rent – 48 week basis</b>		
	<b>Previous</b>	<b>Proposed</b>
<b>Gas Heated Properties</b>	<b>£</b>	<b>£</b>
Bedsits	10.55	10.55
1 bed roomed flats	11.85	11.85
2 bed roomed flats	13.15	13.15
3 bed roomed flats	14.45	14.45
<b>Electrically Heated Properties</b>		
Bedsits	11.55	11.55
1 bed roomed flats	12.85	12.85
2 bed roomed flats	14.15	14.15
3 bed roomed flats	15.45	15.45
<b>CHP Properties</b>		
All 1 Bed roomed Properties	11.60	11.60
All 2 Bed roomed Properties	12.90	12.90

**ABERDEEN CITY COUNCIL  
Tenants Consultation**

Aberdeen City Council is committed to ensuring that tenants' views are both sought and listened to. As part of the review on the future of the Council housing stock, a tenant referendum was held to determine what the views of tenants were.

The tenants voted overwhelmingly to retain the Council as their landlord in 2002, provided that continued improvements were made to the housing stock. In 2004, the Council adopted a Housing Business Plan approach. This has allowed us to plan for the future.

Furthermore, a questionnaire was sent out to tenants in September 2014 to ascertain views on the possible rent increase of inflation plus 1%. The table below shows the results of the questionnaire

**ANNUAL RENT CONSULTATION – Feedback**

Do you agree that the rent policy, inflation + 1%, should be continued to maintain investment in our housing stock and improve services?

	<b>Returns</b>	<b>Percent</b>
<b>Yes</b>	285	80
<b>No</b>	73	20
<b>Total</b>	358	100

<b>Housing Revenue Account</b>		Budget	Budget	Budget	Budget	Budget	<b>Notes</b>
		2015/16	2016/17	2017/18	2018/19	2019/20	
		£000's	£000's	£000's	£000's	£000's	
<b>Premises Costs</b>							
1	Rates	28	28	29	29	29	
2	Rent	215	223	230	238	247	
3	Repairs and Maintenance	22,462	23,024	23,599	24,189	24,794	1
4	Maintenance of Grounds	3,293	3,359	3,392	3,426	3,461	2
5	Gas	765	842	926	1,019	1,120	4
6	Electricity	3,405	3,575	3,754	3,942	4,139	4
7	Cleaning Service	435	446	457	468	480	3
8	Security Service	380	388	391	395	399	2
9	Window Cleaning	25	25	26	26	27	3
10	Refuse Collection	345	353	362	371	381	2
11	Cleaning – Sheltered Housing	504	514	519	524	530	2
12	Premises Insurance	57	25	26	26	27	3
13	Other Property Costs - Council Tax	201	201	201	201	201	
		<b>32,115</b>	<b>33,002</b>	<b>33,912</b>	<b>34,856</b>	<b>35,834</b>	
<b>Administration Costs</b>							
14	Down sizing Grants/Direct Debit Incentives	52	52	52	52	52	
15	Legal Expenses	201	201	201	201	201	
16	Office Tel / Rent	90	92	95	97	99	3
17	Former Tenants Arrears	2,000	2,000	2,000	2,000	2,000	
18	Charges - Services Admin & Management	8,963	9,142	9,234	9,326	9,419	2
19	General Consultancy	55	55	55	55	55	
20	Training for Front Line Staff	100	100	100	100	100	
21	Benefits Staff	142	145	146	148	149	2
22	Charges - Tenants Participation	210	214	216	219	221	2
23	Charges for Environmental Health	229	234	236	238	241	2
		<b>12,042</b>	<b>12,235</b>	<b>12,335</b>	<b>12,436</b>	<b>12,537</b>	
<b>Supplies &amp; Services</b>							
24	Provision of Meals	234	239	241	244	246	
25	Equipment Purchase	0	0	0	0	0	
26	Television Licence	5	5	5	5	5	
27	Integrated Housing System	302	310	317	325	333	3
		<b>541</b>	<b>554</b>	<b>564</b>	<b>574</b>	<b>585</b>	



	<b>Housing Revenue Account</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
	<b>Agencies</b>						
28	Mediation Service	100	102	103	104	105	2
29	Energy Advice	83	85	86	86	87	2
30	Citizens Advice Bureau	14	14	14	15	15	2
31	Disabled Persons Housing Service	39	40	40	41	41	2
32	Ethnic Minority Worker	12	12	12	12	12	
		<b>248</b>	<b>253</b>	<b>255</b>	<b>258</b>	<b>260</b>	
	<b>Transfer Payments</b>						
33	Aberdeen Families Project	465	474	479	484	489	2
34	Loss of Rent - Council Houses	1,274	1,319	1,365	1,413	1,462	5
35	Loss of Rent - Garages, Parking etc	226	226	226	226	226	
36	Loss of Rent - Modernisation Works	104	104	104	104	104	
37	Haudagain Home Loss & Disturbance Payments	184	184	184	0	0	
38	Supporting People Contribution	406	406	406	406	406	
39	CFCR	20,681	21,331	22,928	24,588	26,419	
		<b>23,340</b>	<b>24,044</b>	<b>25,692</b>	<b>27,220</b>	<b>29,106</b>	
	<b>Capital Financing Costs</b>						
40	Loans Fund Instalment	5,860	6,681	7,454	8,038	8,510	
41	Loans Fund Interest	9,130	9,608	9,762	9,592	9,246	
		<b>14,990</b>	<b>16,289</b>	<b>17,216</b>	<b>17,630</b>	<b>17,756</b>	
	<b>Expense Total</b>	<b>83,276</b>	<b>86,376</b>	<b>89,974</b>	<b>92,973</b>	<b>96,078</b>	
	<b>Income</b>						
42	Ground Rentals	(27)	(27)	(27)	(27)	(27)	
43	Dwelling Houses Rent Income	(80,000)	(82,800)	(85,698)	(88,697)	(91,802)	5
44	Housing - Heat with Rent Income	(2,047)	(2,047)	(2,047)	(2,047)	(2,047)	
45	Housing - Garages Rent Income	(1,176)	(1,176)	(1,176)	(1,176)	(1,176)	
46	Housing - Parking Spaces Rent	(180)	(180)	(180)	(180)	(180)	
47	Housing - Insurance Income	(2)	(2)	(2)	(2)	(2)	
48	Housing - Other Service Charge	(489)	(489)	(489)	(489)	(489)	
49	Legal Expenses	(225)	(225)	(225)	(225)	(225)	
50	Revenue Balance Interest	(130)	(130)	(130)	(130)	(130)	
	<b>Income Total</b>	<b>(84,276)</b>	<b>(87,076)</b>	<b>(89,974)</b>	<b>(92,973)</b>	<b>(96,078)</b>	
	<b>Net Expenditure</b>	<b>(1,000)</b>	<b>(700)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>Actual Working Balance</b>	<b>8,261</b>	<b>8,761</b>	<b>8,761</b>	<b>8,761</b>	<b>8,761</b>	

## **HOUSING REVENUE ACCOUNT FIVE YEAR BUDGET ASSUMPTIONS**

### **1. Repairs and Maintenance**

The analysis of the five year budget is to follow. The budget has been uplifted by 2.5% in 2016/17 to 2018/19. The fee element has been uplifted by 1% to reflect the salary uplift.

### **2. Maintenance of Grounds, Security Service, Refuse Collection, Cleaning – Sheltered Housing, Charges – Services Admin & Management, Benefits staff, Charges – Tenants participation, Charges for Environmental Health, Mediation Service, Energy Advice, Citizens Advice Bureau, Disabled Persons Housing Service, Aberdeen Families Project**

As these budgets are principally for staffing within the Council an uplift of 2% in 2016/17 and 1% for all other years has been applied to reflect the anticipated public sector pay awards.

### **3. Cleaning Service, Window Cleaning, Premises Insurance, Office Telephone, Integrated Housing**

These budgets have been uplifted by the inflationary increase in the HRA Business Plan.

### **4. Gas & Electricity**

Gas has been uplifted 10% each year, Electricity 30% in 2015/16 when the contract is renegotiated and 5% thereafter & Combined Heat & Power 5% each year.

### **5. Dwelling Houses Rent Income and Transfer Payments**

The budgeted income from Dwelling House Rent is calculated by using the anticipated income from the new rent structure uplifted by the potential rent increase of 3.3% for 2015/16 and then uplifting each year by 3.5% (RPIX of 2.5% used in the business plan, this is the standard inflationary increase plus 1%).

HOUSING REPAIRS DRAFT BUDGET		Base Budget 2014/15 £'000	Base Budget 2015/16 £'000	Base Budget 2016/17 £'000	Base Budget 2017/18 £'000	Base Budget 2018/19 £'000
<b>PLANNED AND CYCLICAL MAINTENANCE</b>						
1	External Joiner work Repairs including external paintwork etc.	1,275	1,306	1,339	1,373	1,407
2	Boiler Maintenance - Extra Care Housing	359	368	377	386	396
3	Controlled Entry Systems – Maintenance	407	417	428	438	449
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	192	197	202	207	212
5	Flat Roofs/Dormers – Renewal & Insulation	10	10	10	10	11
6	Common Rooms - Replacement of Furniture	41	42	43	44	45
7	Gas Servicing, Maintenance and Repair	4,554	4,668	4,785	4,904	5,027
8	Laundry Equipment Replacement & Maintenance	125	129	132	135	138
9	Legionella Testing incl. Repair/Renewal of Tanks	33	34	34	35	36
10	Lift Maintenance	189	193	198	203	208
11	Mutual Repairs outwith Housing Action Areas	26	26	27	28	28
12	Pumps & Fans - Maintenance & Renewal	51	52	53	55	56
13	Extra Care Housing - Replacement of Carpets, furnishings etc	41	42	43	44	45
14	Standby Generators – Maintenance	45	46	47	48	50
15	Warden call systems- Maintenance and Repair	92	95	97	99	102
16	Provision of Community Alarm	236	242	248	254	260
17	Environmental Improvements	840	861	883	905	928
18	Relets	4,009	4,109	4,212	4,317	4,425
19	Asbestos	16	17	17	18	18
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities	235	241	247	253	259
<b>Planned/Cyclical Maintenance Sub Total</b>		<b>12,775</b>	<b>13,095</b>	<b>13,422</b>	<b>13,757</b>	<b>14,101</b>
<b>DAY TO DAY RESPONSE MAINTENANCE</b>						
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	158	162	166	170	175
22	Car Park Repairs	9	9	10	10	10
23	Chimney heads - Repointing and Rebuilding	0	0	0	0	0
24	Condensation - Treatment of Walls	60	62	63	65	66
25	Electrical Work - General Repairs	1,166	1,195	1,225	1,256	1,287
26	Emergency Work - Out of Hours Service	376	386	395	405	415
27	External/Internal Response Paintwork	168	172	176	180	185
28	Fire Damage Repairs	72	74	76	78	80
29	Garage Repairs	10	10	10	10	11
30	Glazier work	167	171	175	179	184
31	Joiner work – General Repairs	2,324	2,382	2,442	2,503	2,565
32	Mason work and Water Penetration Repairs	502	515	528	541	554
33	Minor Environmental Services	372	382	391	401	411
34	Plasterwork – General	236	241	247	254	260
35	Plumber work – General	1,093	1,120	1,148	1,177	1,206
36	Slater work	845	866	887	910	932
37	Snow Clearance	53	55	56	57	59
38	TV Aerial	56	57	59	60	62
39	Rubbish Removal	13	14	14	14	15
40	Vandalism	58	59	61	62	64
41	Water Services Charges	10	11	11	11	11
<b>Day to Day Response Maintenance Total</b>		<b>7,748</b>	<b>7,942</b>	<b>8,140</b>	<b>8,344</b>	<b>8,552</b>
<b>Fees</b>		<b>1,939</b>	<b>1,978</b>	<b>1,998</b>	<b>2,018</b>	<b>2,038</b>
<b>TOTAL REPAIRS AND MAINTENANCE BUDGET</b>		<b>22,462</b>	<b>23,014</b>	<b>23,560</b>	<b>24,119</b>	<b>24,692</b>

**Draft Housing Capital Budget 2015/16 to 2019/20**

Project	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
<b>SCOTTISH HOUSING QUALITY STANDARDS</b>					
<b>1 Compliant with the tolerable standard</b>					
1.1 Major Repairs-	1,000	1,000	1,000	1,000	1,000
Roofs Renewal/Gutters/RWP/Roughcast					
Undertaking large scale repairs to Roofs/Gutters/RWP/Roughcast					
	1,000	1,000	1,000	1,000	1,000
<b>2 Free from Serious Disrepair</b>					
<b>2.1 Primary Building Elements</b>					
Structural Repairs Multi Storey	9,259	9,424	4,489	1,100	1,115
Multi Storey blocks are surveyed on a 5-7 year cycle to identify any works required to the structure of the buildings in order to keep the buildings safe and prolong their life.					
Structural Repairs General Housing	1,500	1,000	1,000	1,000	1,000
Structural works carried out in order to keep the building stable and structurally sound.					
<b>Secondary Building Elements</b>					
2.2 Upgrading Of Flat Roofs General	350	100	50	50	350
Replacement of existing roof covering and upgrading of insulation to meet current building regulations.					
2.3 Upgrade Flat Roofs Multi Storey	957	1,507	791	1,662	1,745
Full replacement of the flat roofs and also checking the replacement of roof ventilation as required					
2.5 Mono Pitched Types	750	750	650	650	650
Replacement of the external render of the building, replacement of gutters and downpipes, environmental works					
2.6 Window Replace General	290	2,637	2,720	1,249	2,302
A rolling programme of double glazing where previously single glazing, or replacing existing double glazing to meet current standards. This is based on a cyclical programme.					
2.8 Balcony Storm Doors	154	0	0	0	0
	13,260	15,418	9,700	5,711	7,162
<b>3 Energy Efficient</b>					
<b>Effective insulation</b>					
3.2 General Houses Loft Insulation	72	77	77	82	87
Installation of loft insulation where there is none previously or the topping up of existing insulation to comply with current building regulations.					
<b>Efficient Heating</b>					
3.3 Heating Systems Replacement	7,232	6,598	7,703	9,597	9,794
Replacement of boiler/whole system as deemed necessary.					
3.5 Energy Efficiency Major Blocks	1,500	1,575	1,654	1,736	1,823
Contribution to Aberdeen Heat & Power for the creation of Combined Heat & Power Plants					
3.6 Energy Efficiency Sheltered	270	250	200	200	350
Introduction of energy efficiency measures in extra care housing such as new or upgraded heating systems.					
<b>Additional Energy Efficiency measures</b>					
3.8 Solid Wall Insulation	500	500	500	500	500

	9,574	9,000	10,134	12,115	12,554
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000

## Modern Facilities & Services

### Bathroom and Kitchen Condition

#### 4.1 Modernisation Programme

Replacement of bathrooms and kitchens.

	2,957	1,489	1,479	927	1,096
	2,957	1,489	1,479	927	1,096

## 5 Healthy, Safe & Secure

### Healthy

#### 5.1 Condensation Measures

Installation of heating systems and ventilation measures to combat condensation.

	20	21	22	23	24
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### Safe

#### 5.3 Rewiring

Replacement of cabling, fittings and distribution boards as necessary. This work is carried out in every property on a cyclical basis

	2,512	2,411	2,226	1,812	2,365
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#### 5.4 Lift Replacement Multi Storey/Major Blocks

Replacement of lifts where they are beyond economical repair. This can be full replacement or replacement of specific parts of the lift.

	815	254	266	280	292
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#### 5.5 Smoke Detectors – Common Areas Major Blocks

	170	159	125	109	92
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#### 5.6 Services

Cyclical maintenance/replacement of the following services  
Ventilation Systems, water tanks/pipe work, refuse chutes/chamber, Dry risers systems, Standby Generators

	50	50	50	50	50
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### Secure

#### 5.11 Door Entry Systems

Installation of door entry and replacement of existing doors where required

	10	10	11	12	12
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#### 5.12 Replace Door Entry Systems - Major Blocks

Installation of door entry and replacement of existing doors where required

	25	26	56	88	153
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#### 5.13 Other Initiatives

Upgrading of stairs and installation of security doors and door entry systems

	281	163	120	120	120
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	3,883	3,094	2,876	2,494	3,108
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## NON SCOTTISH HOUSING QUALITY STANDARDS

### 6 Community Plan & Single Outcome Agreement

#### 6.1 Housing For Varying Needs

New build including extra care housing.

	600	250	50	50	50
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#### 6.2 Community Initiatives

Refurbishment of properties or environmental improvements in designated areas.

	600	1,000	1,000	1,000	1,000
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#### 6.5 Regeneration/Acquisition of Land or Houses

Early Action projects linked to Regeneration and Master planning Briefs for Regeneration.  
Acquisition of Land/Houses for the new build programme.

	0	0	0	0	0
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#### 6.6 CCTV – Multi Storey

Provision of CCTV for the Multi Storey Service

	147	154	162	170	179
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#### 6.7 Adaptations Disabled

Installation of level access showers, ramps, stair lifts and kitchen adaptations

	1,250	1,000	1,000	1,000	1,000
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	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
6.8 Special Initiatives/Barrier Free Housing	1,000	200	150	150	150
Provision of specialist facilities or housing for tenants with particular needs i.e. extensions					
6.9 Housing For Varying Needs- Amenity/Adaptations	75	75	75	75	75
Conversion of properties to Amenity Level standard					
6.10 Housing For Varying Needs- Extra Care/Adaptations	25	25	25	25	25
Adaptations required to ensure existing sheltered housing stock meets current standards					
6.11 Roads	100	100	100	100	100
Upgrade of Roads to an adoptable standard					
6.12 Paths	100	100	100	100	100
Formation or upgrading of paths					
6.14 New Affordable Housing	0	0	0	0	0
	<b>3,897</b>	<b>2,904</b>	<b>2,662</b>	<b>2,670</b>	<b>2,679</b>
<b>9 Service Expenditure</b>					
Corporate Fees	5,187	5,519	4,694	3,943	4,130
	<b>5,187</b>	<b>5,519</b>	<b>4,694</b>	<b>3,943</b>	<b>4,130</b>
<b>Gross Programme</b>	<b>39,758</b>	<b>38,424</b>	<b>32,545</b>	<b>28,860</b>	<b>31,729</b>
Less Slippage					
	4,373	4,226	3,579	3,175	3,490
<b>Net Programme</b>	<b>35,385</b>	<b>34,197</b>	<b>28,966</b>	<b>25,685</b>	<b>28,239</b>
Financed by :-					
Borrowing	14,744	12,867	6,038	1,098	1,820
CFCR	20,641	21,331	22,928	24,588	26,419
<b>Total Funding</b>	<b>35,385</b>	<b>34,197</b>	<b>28,966</b>	<b>25,686</b>	<b>28,239</b>

ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources
DATE	4 <sup>th</sup> December 2014
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Common Good Budget 2015/16 and indicative 2016/17 to 2019/20 Budget
REPORT NUMBER:	OCE/14/039

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## **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 Committee: -

- a) considers the Common Good budget for 2015/16 as detailed in Appendix 1 to this report and, subject to any changes agreed by the Committee, refers it to the Council Budget Meeting on 6 February 2015 for approval; and
- b) notes the 2016/17-2019/20 indicative budgets which are also contained in Appendix 1.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 The report outlines proposals for the Common Good budget for the financial year 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 6<sup>th</sup> 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 15<sup>th</sup> January 1976, by the then Town Clerk of the City of Aberdeen District Council. The report outlined the following purposes as meeting the required criteria 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 31<sup>st</sup> March 2016 is estimated to be £6.1m. This meets the requirements of the cash balances strategy approved by the Finance & Resources Committee on 6<sup>th</sup> 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 31<sup>st</sup> 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 £6.08m. Given the estimated budgeted balances on 31<sup>st</sup> 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

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<b>Common Good Fund Budget</b>					*	*	*	*	
<b>Appendix 1</b>		2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
<b>Note</b>		<b>Budget</b>	<b>Outturn</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
	<b>General Properties/Estates</b>								
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	
	<b>Other Expenses</b>								
3	St Nicholas Carrillon	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	
	<b>Donations, Grants, Contributions</b>								
6	Aberdeen Citizen's Advice Bureau	276	276	276	276	276	276	276	
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	Gomel 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	1,476	1,483	1,465	1,467	1,438	
	<b>Promoting Aberdeen</b>								
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	
	<b>Other Expenditure</b>								
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	
	<b>Other Projects</b>								
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	
	<b>Other Recurring Expenditure</b>								
38	Civic Gift Fund	18	18	18	18	18	18	18	
39	Lord Lieutenant 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	
	<b>Recurring Expenditure</b>	<b>2,935</b>	<b>3,000</b>	<b>3,029</b>	<b>3,045</b>	<b>3,023</b>	<b>3,027</b>	<b>3,011</b>	
	<b>Non Recurring Expenditure Items</b>								
44	Steading at Kepplestone & Kirkhills Farm	127	127	0	0	0	0	0	
	Femhill 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	
	Halffield 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	
	<b>ORDINARY EXPENDITURE</b>	<b>3,997</b>	<b>4,087</b>	<b>3,029</b>	<b>3,050</b>	<b>3,028</b>	<b>3,027</b>	<b>3,011</b>	
45	Invested in Loans Fund	3,000	3,000	3,500	3,200	3,200	3,200	3,200	
	<b>TOTAL EXPENDITURE</b>	<b>6,997</b>	<b>7,087</b>	<b>6,529</b>	<b>6,250</b>	<b>6,228</b>	<b>6,227</b>	<b>6,211</b>	
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)	
	<b>ORDINARY INCOME</b>	<b>(2,992)</b>	<b>(2,992)</b>	<b>(3,053)</b>	<b>(3,158)</b>	<b>(3,217)</b>	<b>(3,251)</b>	<b>(3,283)</b>	
50	Income from sale of land Pinewood/Hazledene	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	
	<b>TOTAL INCOME</b>	<b>(5,992)</b>	<b>(5,992)</b>	<b>(6,053)</b>	<b>(6,158)</b>	<b>(6,217)</b>	<b>(6,251)</b>	<b>(6,283)</b>	
	<b>Net (Surplus)/Deficit</b>	<b>1,005</b>	<b>1,095</b>	<b>476</b>	<b>92</b>	<b>10</b>	<b>(24)</b>	<b>(72)</b>	
	* These figures are shown for illustrative purposes only								
	<b>Projected Balance at 31 March 2014</b>	<b>(7,700)</b>	<b>(7,700)</b>						
51	Estimated Movement in 2014/15	1,005	1,095						
	<b>Projected Balance at 31 March 2015</b>	<b>(6,695)</b>	<b>(6,605)</b>	<b>(6,605)</b>					
	Estimated Movement in 2015/16			476					
	<b>Projected Balance at 31 March 2016</b>			<b>(6,129)</b>	<b>(6,129)</b>				
	Estimated Movement in 2016/17			92					
	<b>Projected Balance at 31 March 2017</b>			<b>(6,037)</b>	<b>(6,037)</b>				
	Estimated Movement in 2017/18			10					
	<b>Projected Balance at 31 March 2018</b>				<b>(6,026)</b>	<b>(6,026)</b>			
	Estimated Movement in 2018/19				(24)				
	<b>Projected Balance at 31 March 2019</b>					<b>(6,051)</b>	<b>(6,051)</b>		
	Estimated Movement in 2019/20					(72)			
	<b>Projected Balance at 31 March 2020</b>					<b>(6,123)</b>	<b>(6,123)</b>		

## **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 500<sup>th</sup> 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 Pitfodels, 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.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources
DATE	4 December 2014
DIRECTOR	Ewan Sutherland
TITLE OF REPORT	North East Scotland Pension Fund Budget 2015/16 and indicative 2016/17-2019/20 Budget
REPORT NUMBER:	CG/14/135

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

- 1.1 The purpose of this report is to provide the Committee 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 Committee:
  - a) Notes the provision contained within the Councils General Fund budget for 2015/16, and subject to any changes agreed by the Committee, refers it to the Council Budget Meeting on 5 February 2015 for approval;
  - 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

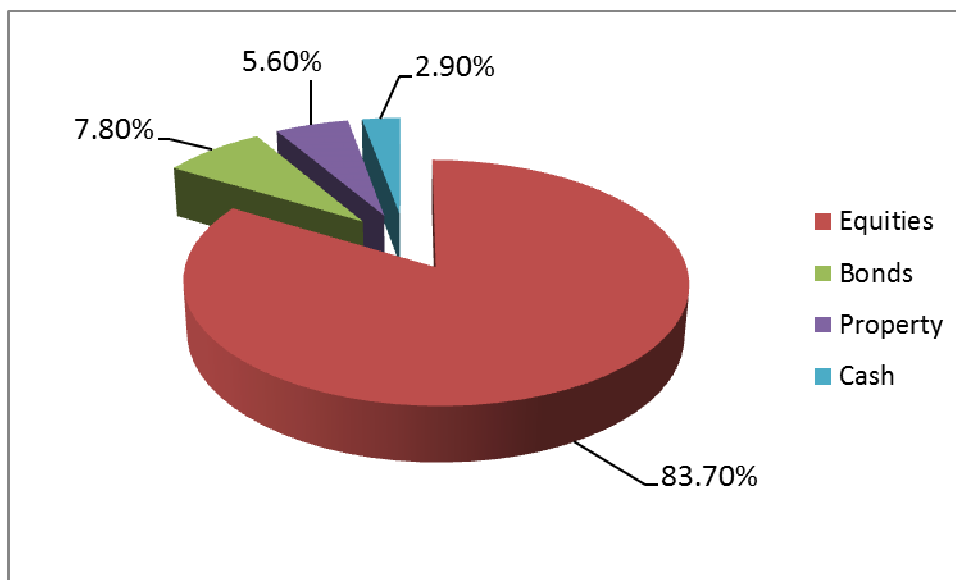
- 5.4.1 The Fund's outstanding achievement during 2013/2014 was the implementation of our Pensions Administration Strategy (PAS). This was developed and published in July 2013 following a consultation with employers. The strategy specifies the levels of service and performance measures for participating 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.

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

## 5.6 GOVERNANCE

5.6.1 The Pension Fund budgeted costs for salaries and direct costs are included in monthly monitoring reports to the Service and Corporate Management Teams. The Head of Finance reports to the Pensions 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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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 December 2014
DIRECTOR	Ewan Sutherland
TITLE OF REPORT	Treasury Management – Mid Year Review
REPORT NUMBER:	CG/14/141

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### 1. PURPOSE OF REPORT

To update the Committee on Treasury Management activities undertaken to date, during financial year 2014/15.

### 2. RECOMMENDATION(S)

It is recommended that the Committee considers and recommends this report to Council for approval as follows:

- a) Notes the Treasury Management activities undertaken in 2014/15 as detailed, and
- b) Approves the revised Counterparty list as detailed at Appendix 1.

### 3. FINANCIAL IMPLICATIONS

Treasury Management activities influence the loans pool interest rates and aims to minimise the cost of borrowing. This directly impacts upon costs chargeable to the Council's revenue budgets through the interest rates that are applied to capital financing costs. Whilst the level of borrowing a Council can undertake is now devolved from the Scottish Government to individual Councils, it will still be constrained by the requirement for capital investment to be affordable, sustainable and prudent. The main test of affordability will be whether the capital financing costs can be contained within the revenue budgets.

### 4. OTHER IMPLICATIONS

None.

## 5. BACKGROUND/MAIN ISSUES

### 5.1 Introduction

The Council previously approved a Treasury Management policy on 21 February 2014. Part of this policy is to report a mid-year review to committee on Treasury Management activities undertaken.

With effect from 1 April 2004, Councils are now 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.

Historically, the Council's annual programme of capital investment has been funded by Treasury Management activities, such as additional long-term borrowing.

It is a requirement of this Code that Treasury Management is carried out in accordance with good professional practice. The Code requires the Council to comply with CIPFA "Code of Practice for Treasury Management in the Public Services", which this Council does.

This "mid-year" review on activities undertaken is also in line with current reporting requirements from the latest update of the CIPFA Code of Practice.

### 5.2 Treasury Management 2014/15

The following is a summary of Treasury Management activities which have been undertaken thus far in 2014/15: -

#### Long Term Borrowing

Three new PWLB (Public Works Loans Board) loans for £10 million each were borrowed in October. These loans were taken to replace loans which had previously matured earlier this financial year. Long term loan interest rates reached an historic low during October. The average rate of the new borrowing is 3.63%, while the matured loans were running at an average rate of 9.39%. This difference in interest costs equates to an annual saving of £1.7m for the Loans Fund.

We remain open to the possibility of undertaking a small amount of longer-term borrowing later in this financial year, if favourable market conditions were to return.

#### Short Term Borrowing

Short-term borrowing is still available from other Local Authorities at relatively low levels. Temporary Loans, for up to six months, are available at rates around the 0.45% level, making these an attractive option.

The Council's borrowing strategy for the last few years has been to borrow short-term where possible, to take advantage of these lower rates.

The Council currently has some £40m of Temporary Loans from other Local Authorities, at an average rate of 0.45%. This debt is gradually being replaced over time with long-term PWLB loans, as temporary loan rates will start to rise along with the Bank of England Base Rate. Current forecasts are that the Bank's Base Rate should begin to rise midway through 2015.

### Investments

Due to the downturn in the global economy, many previously undoubted financial institutions have been removed from the Council's Counterparty list over the past the last few years. The Counterparty list is the list of approved banks and building societies that the Council may lend to either directly or through the Money Markets, on a temporary basis.

Reviews of the Council's Counterparty list were undertaken and approved by Committee as the situation deteriorated. Some of these institutions have since stabilised their financial positions are starting to return to the Council's Counterparty list.

Some proposed changes to the Counterparty List are attached at Appendix 1. All proposed changes are in line with current recommendations by Capita, the Council's appointed Treasury Management advisors.

### Money Market Funds

Money Market Funds are AAA rated, short term pooled investment vehicles. They offer security, counterparty diversification and instant access to funds, when required.

The Council currently has five Money Market Fund accounts opened, each with a £10m limit. These Money Market Fund accounts have greatly assisted the Council in spreading its Counterparty risk and also improve short-term cashflow liquidity.

6. IMPACT

Corporate - If an active Treasury Management policy is not undertaken and implemented there may be future budgetary implications for the Council through greater than budgeted capital financing costs.

7. MANAGEMENT OF RISK

The CIPFA Code of Practice states that in the use of financial instruments for the prudent management of risk, priority must be given to security and liquidity, when investing funds.

8. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

Neil Stewart, Treasury Officer,  
[nstewart@aberdeencity.gov.uk](mailto:nstewart@aberdeencity.gov.uk), 01224 522696

**ABERDEEN CITY COUNCIL  
COUNTERPARTY LIST**

Changes are required to the current counterparty list as follows:

1. Remove Ulster Bank Ltd from the Royal Bank of Scotland Group
2. Increase the HSBC Bank plc limit from £10m to £20m
3. Standard Chartered Bank - Reduce maximum lending period from 'up to 12 months' to 'up to 6 months'
4. Barclays Bank plc, Santander UK plc and Nationwide Building Society – Increase maximum lending period from 'up to 3 months' to 'up to 6 months'
5. Add Close Brothers, Coventry Building Society and Leeds Building Society with a lending period of 'up to 3 months'

**Deposits up to 12 months**

**UK Nationalised and Part Nationalised Banks - £30m limit**

Lloyds Banking Group (includes Lloyds TSB Bank plc, Bank of Scotland)

The Royal Bank of Scotland Group plc  
(includes Royal Bank of Scotland plc, National Westminster Bank plc)

**UK Banks - £20m limit**

HSBC Bank plc

**Other Banks - £10m limit**

Handelsbanken

**UK Local Authorities, including Police Authorities - £10m limit**

**Deposits up to 6 months**

**UK Banks - £10m limit**

Barclays Bank plc

Santander UK plc (includes Cater Allen)

Standard Chartered Bank

**UK Building Societies - £10m limit**

Nationwide Building Society

**Deposits up to 3 months**

**Council's Bankers - £20m limit**

Clydesdale Bank plc

**UK Banks - £10m limit**

Close Brothers

**UK Building Societies - £10m limit**

Coventry Building Society

Leeds Building Society

**Collective Investment Schemes - £50m total limit**

**Money Market Funds - £10m limit**

Deutsche Managed Sterling Fund

Federated Short Term Sterling Prime Fund

Goldman Sachs Sterling Liquid Reserve Fund

Ignis Liquidity Fund

Morgan Stanley Sterling Liquidity Fund

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 December 2014
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	Small Financial Assistance Grants 2014/15
REPORT NUMBER	CG/14/162
CHECKLIST RECEIVED	Yes

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### 1. PURPOSE OF REPORT

The purpose of this report is to present applications for financial assistance which have recently been received allowing Elected Members to make a decision on providing funding from the financial assistance budget and to provide information on an event for which funding was previously awarded.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:-

- i) consider the application received and agree to award grant funding based on the following recommendation:-
  - Torry Development Trust – a maximum of £1,500;

### 3. FINANCIAL IMPLICATIONS

The awarding and approval of grants and financial assistance is a significant element of council business and as such millions of pounds are paid to external organisations each year. Appropriate and suitable means of approval following the principles of 'Following the Public Pound' require to be maintained in order to ensure Best Value.

There is a sum of £45,000 included in the 2014/15 Council's Revenue Budget for small financial assistance grants.

If the above recommendations were approved the amount remaining would be £33,780.

There are no implications for approved PBB options arising from this report.

#### 4. OTHER IMPLICATIONS

The award of grants and financial assistance provide benefits to the City of Aberdeen and its citizens.

#### 5. BACKGROUND/MAIN ISSUES

- 5.1 At the meeting of 6 May 2014 the Committee approved a revised set of assessment criteria for the awarding of small financial assistance grants.

These were as follows:

<b>Small Financial Assistance Grants – Assessment Criteria</b>	
a)	Applications must be for a clear and specific purpose and include relevant background and financial information.
b)	Applications must <u>not</u> be for a purpose already being funded from another Council budget.
c)	Applications which fall within the assessment criteria of another established Council funding budget will be referred to that process.
d)	Applications must <u>not</u> be for a purpose which secured funding from this budget in the previous 12 months.
e)	Applications will only be considered whilst budget remains available.
f)	The award of funding will be limited to a maximum of £2,500.

<b>Small Financial Assistance Grants – Conditions of Award</b>	
a)	Following the committee, the applicant will be informed in writing of the committee decision including the amount awarded, the means of payment and the purpose for which the award was made.
b)	In exceptional circumstances where an award of funding in excess of £2,500 is approved, it will be on the basis that the arrangements in relation to the Local Code of Guidance on Funding External Organisations and Following the Public Pound will require to be put in place.

#### 5.2 Applications:-

##### 5.2.1 Torry Development Trust – Further information at Appendix A

An application has been received from the Torry Development Trust for advice and comments on any funding awards from the council or elsewhere to assist with start up and project development costs.

Two projects are specified – six Christmas lights on Victoria Road at a cost of £250 each (£1,500 in total) and printing of a heritage book written and produced by the Torry Heritage Group at an estimated cost of £2,200.

In line with the assessment criteria above, alternative potential funding sources have been identified under which the heritage book project could be considered and therefore it is recommended that the Trust make an application in the first instance to these sources.



It is considered appropriate for the Christmas lights project to be considered under the small financial assistance grants assessment criteria and as it meets the criteria it is recommended that a maximum of £1,500 of funding be awarded.

6. IMPACT

The Council will, within financial constraints, seek to support individuals, groups and organisations within the City. All applicants will be given equal consideration within the criteria for the award of grants and donations from Council budgets.

This report is likely to be interest to the public as it demonstrates the use of public funds.

7. MANAGEMENT OF RISK

There is a risk that funding provided will not be used for the purpose for which it was awarded.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Sandra Buthlay, Senior Accountant  
[sbuthlay@aberdeencity.gov.uk](mailto:sbuthlay@aberdeencity.gov.uk)  
(52) 2565

(Received by e-mail from David Fryer, Director, Torry Development Trust on 11<sup>th</sup> November 2014)

As you recall, the TDT is a legally constituted development trust set up in June this year to promote projects and partnerships to secure community benefits for Torry. I would welcome your advice and comments on any funding awards that you are aware of at the City Council, or elsewhere to assist with start up and project development costs.

We are two immediate projects in hand. The first is to secure Christmas lighting in Victoria Road (working budget is £250.00 per light and a target of six is being actively pursued) and the second is for a heritage book written and produced by the Torry Heritage Group, for which funding to cover printing costs is in the order of £2200.00.

I look forward to your reply

COMMITTEE	Finance Policy and Resources Committee
DATE	4 December 2014
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	Sickness Absence Update
REPORT NUMBER:	CG/14/156
CHECKLIST COMPLETED	Yes

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1. PURPOSE OF REPORT

This report updates Committee on sickness absence performance across the organisation.

2. RECOMMENDATION(S)

The Committee is requested to:

- a) note the sickness absence rate across the Council and the breakdown of sickness absence by Directorate as detailed in Appendix 1
- b) agree from 1 April 2015, the sickness reporting of statistics will only include the new method of calculation

3. FINANCIAL IMPLICATIONS

The main financial implications arising from sickness absence are when alternative resources are required for cover purposes. This is normally in the form of overtime and agency/relief/supply cover.

4. OTHER IMPLICATIONS

Not applicable

5. BACKGROUND/MAIN ISSUES

5.1 **Analysis of the Sickness Statistics**

The number of average days lost to sickness per employee as at 30 September 2014 was 8.9 days working time over the previous 12 months or 3.4 % of working days lost. The overall rate can be viewed in Appendix 1 with a breakdown of this rate by Directorate shown at Appendices 2 (a) and (b).

The recent trend for sickness absence across the Council on the basis of the new calculation has been steady over the past 12 months, which is satisfactory.

In previous years sickness absence has tended to increase during the winter months and reduce during the summer months for obvious reasons. Last year was a relatively mild one and there was no noticeable increase in sickness levels during the winter months. From June the monthly sickness fell and has been maintained at the lower level for the following months.

The challenge going forward is to sustain this improvement and further increase the reduction in the levels of sickness absence. See below measures ongoing or planned for the near future.

Sickness absence continues to be managed, and between 1 March 2014 and 30 September 2014 there have been 3 employees retired due to ill-health and 4 dismissals under the Maximising Attendance Policy. In addition, at the time of drafting this report, a further 7 cases were at stage 3 (the final stage before dismissal) of the Maximising Attendance Policy.

## 5.2 Plans and Measures to reduce Sickness Absence

Detailed below are **preventative actions** currently being taken to reduced sickness absence and promote good health:

- Annual flu vaccinations for high risk front line service delivery staff
- Employee health checks run by the Council's Occupational Health Provider looking at blood pressure, weight and cholesterol levels. Where employees are outwith norms on any of these tests they are advised to see their GP.

In addition, plans that are being considered for action to seek to reduce the level of sickness include:

### Musculoskeletal Action Plan

- When someone is off sick due to a back/lifting related injury, consider option of automatically referring them for refresher Manual Handling training (as already happens in Building Services).
- Serco physio: Process is that employee sees nurse at Serco and then is referred on to physio. Managers do a standard Serco referral but highlight that physio is being requested. There are approximately 25 appointments per month overall. There are a limited amount of appointments per individual (on case by case basis) – approximately 6 appointments per individual.
- Temporary redeployment to less physical roles.
- Tool box talks by Occupational Health.

### Stress Action Plan

- Stress Management Good Practice Guide and Checklist/Mini risk assessment to be added to Managers Toolkit focussing on the positive things a manager can do.
- Promotion of Existing Good Practice
- Risk Assessments

- Training – Managers to more effectively manage stress

The ongoing process of HR Business Partners looking at areas of the workforce where sickness levels are high and working with line and service managers to identify reasons for this, and putting the necessary remedial action arrangements in place.

### **5.3 Reporting of Sickness Statistics**

The Finance Policy & Resources Committee at its meeting on 6 May 2014 approved a different methodology for the calculation of reporting sickness statistics and agreed to show both the results of the old and new methods in reports. It is recommended that from 1 April 2015 reporting of the sickness statistics will only show the new method of calculation but it is noted that the HR&OD service will continue to calculate the old methodology, in case this is required for statutory performance indicator purposes.

### **6. IMPACT**

The impact of not managing sickness effectively is the negative effect this could have on the Council's ability to deliver services.

### **7. MANAGEMENT OF RISK**

If sickness absence is not appropriately managed this has the potential for incurring significant cost and reputational damage for the Council.

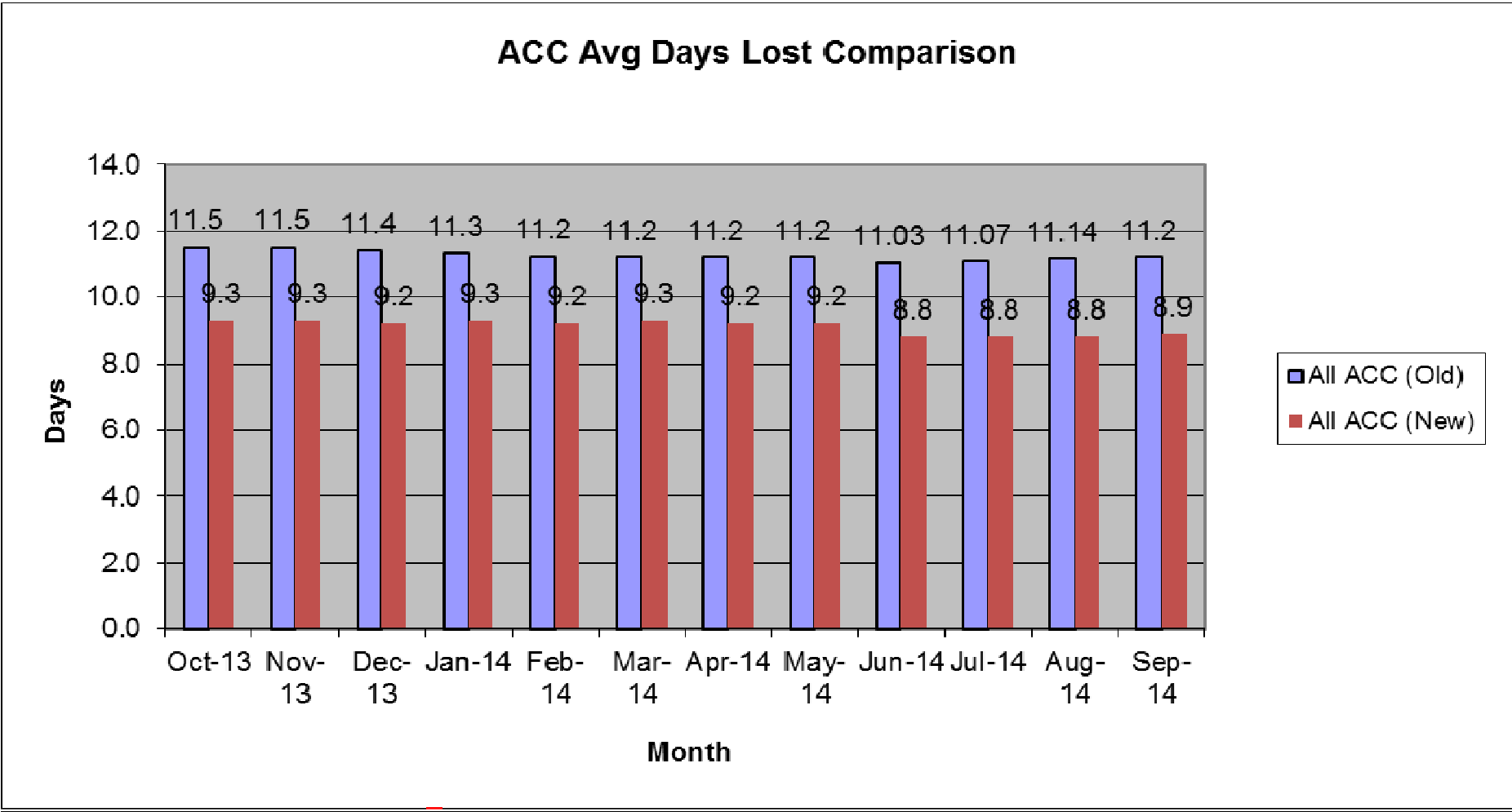
### **8. BACKGROUND PAPERS**

None

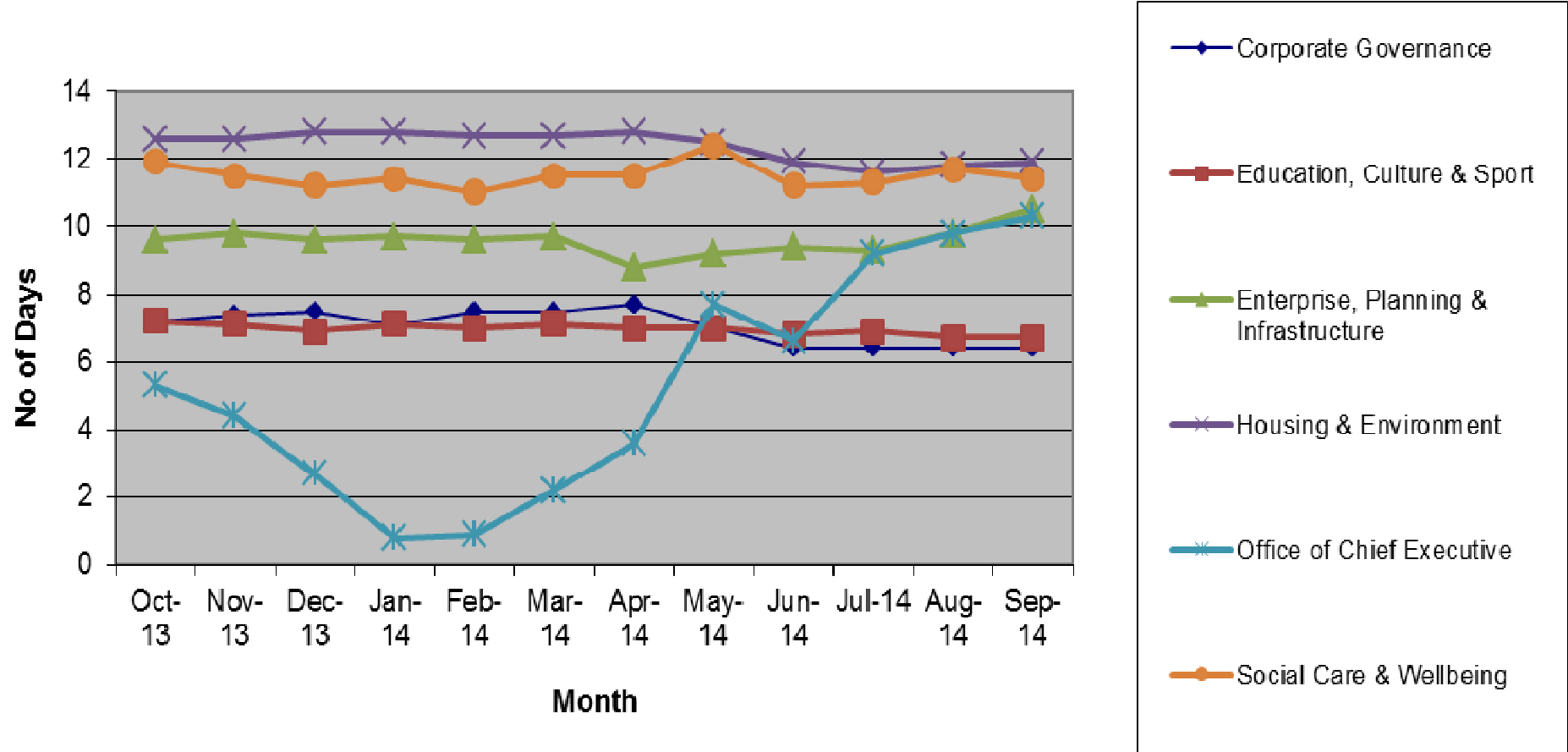
### **9. REPORT AUTHOR DETAILS**

Jeff Capstick  
Human Resources Manager  
Tel: (52)2106  
E-mail: [jcapstick@aberdeencity.gov.uk](mailto:jcapstick@aberdeencity.gov.uk)

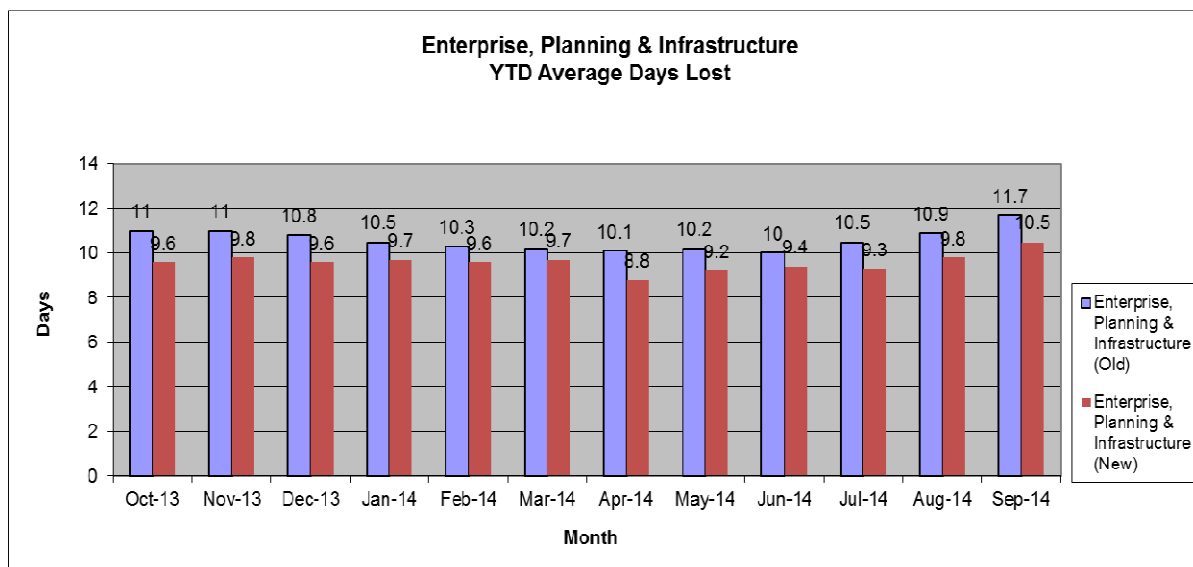
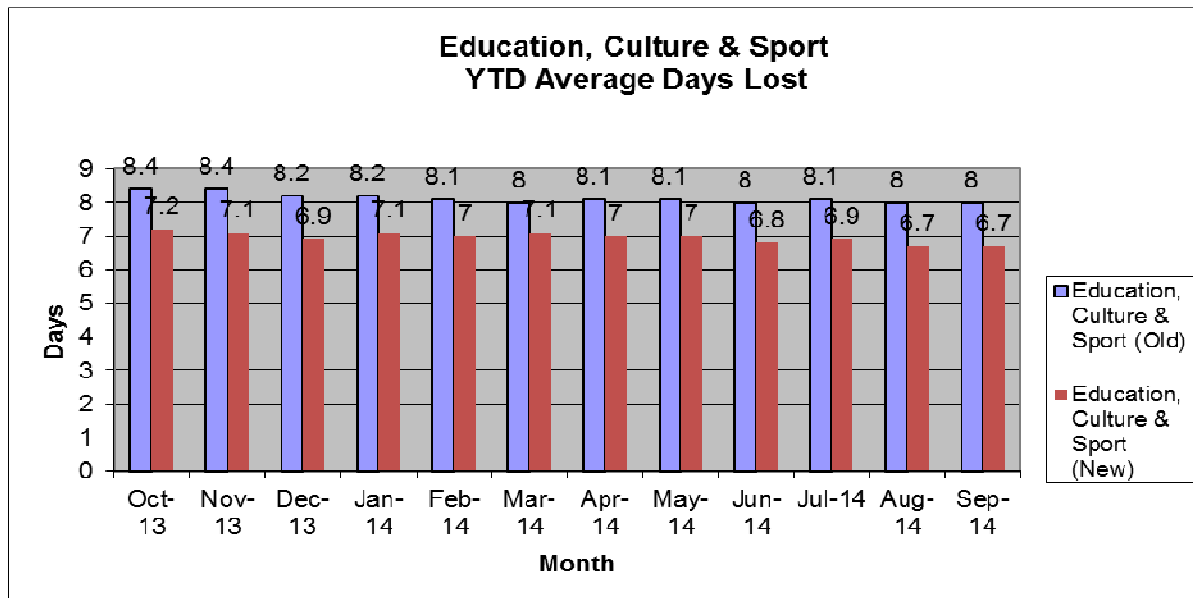
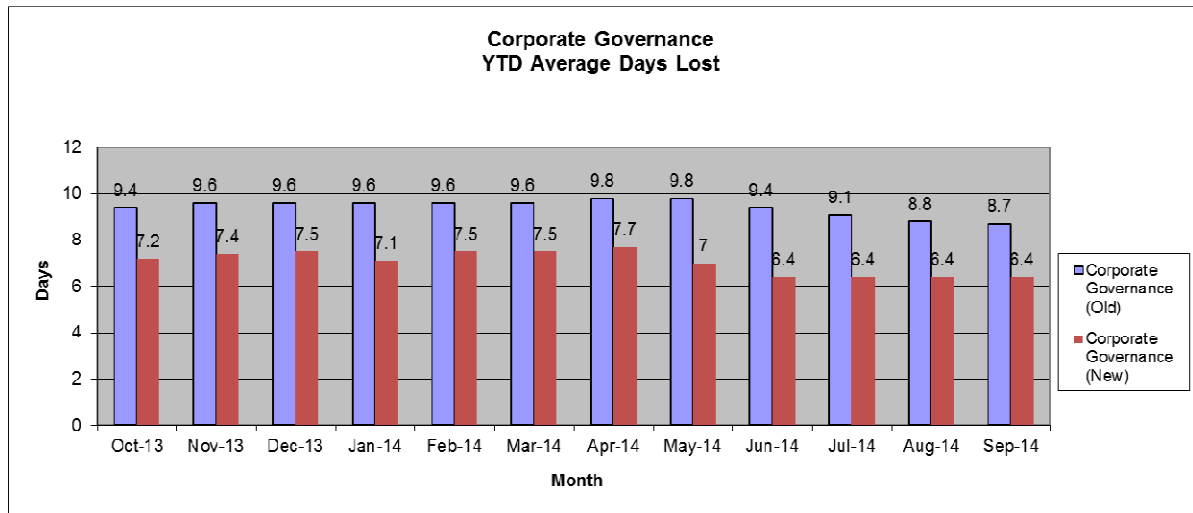
Sickness Rate for Previous 12 month period (old and new method of calculation)



### Average Days Lost per Emp (New Method)

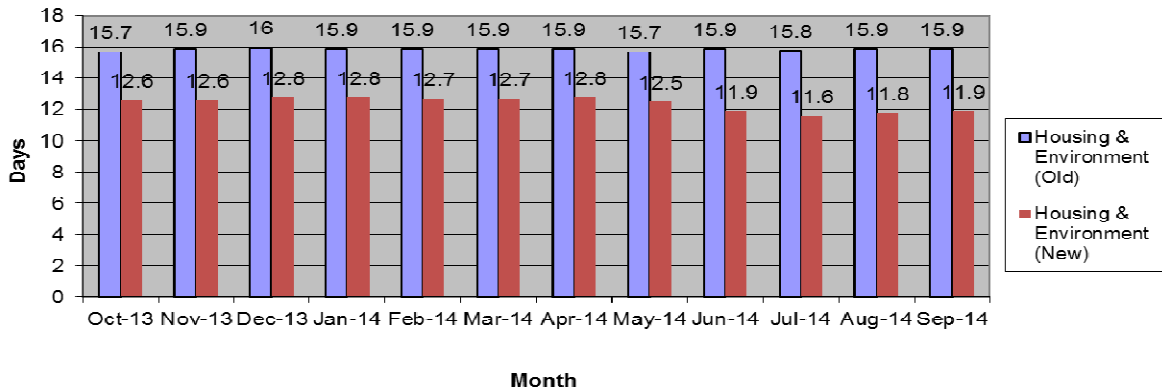


**Sickness Rates per Directorate**

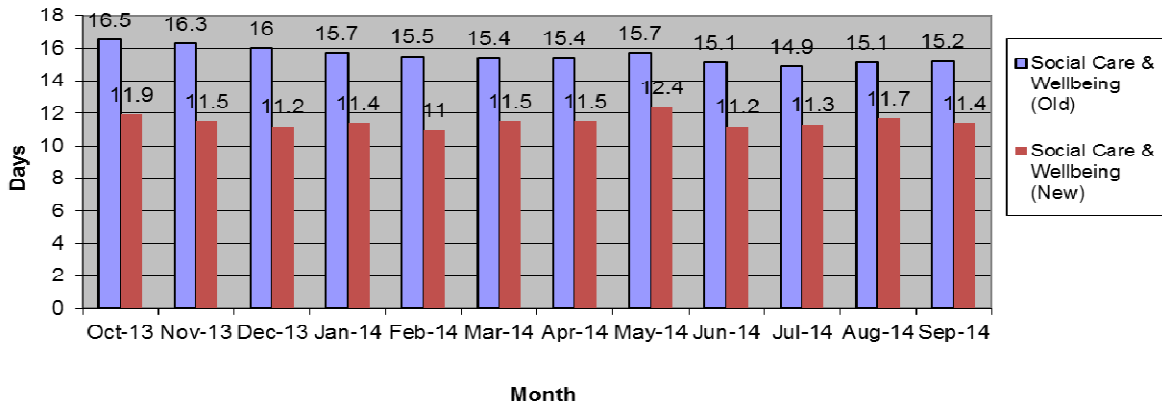




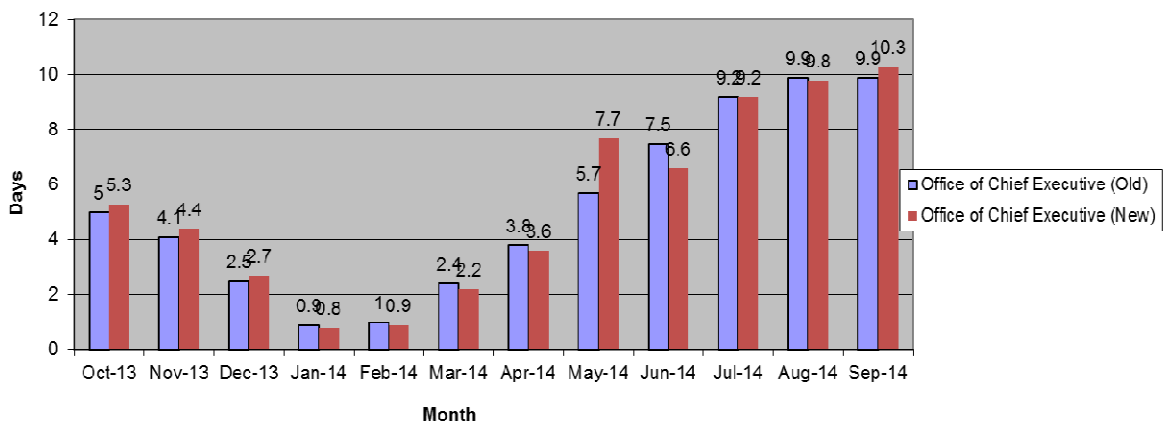
### Housing & Environment YTD Average Days Lost



### Social Care and Wellbeing YTD Average Days Lost



### Office of Chief Executive YTD Average Days Lost



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# Equality and Human Right Impact Assessment: The Form



ABERDEEN  
CITY COUNCIL

EHR/IA

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, **the word “proposal” refers to policy, strategy, plan, procedure, report or business case.** This then, embraces a range of different actions such as setting budgets, developing high level strategies and organisational practices such as internal restructuring. Please also refer to the “Completion Terminology” at the end of the form.

<b>1: Equality and Human Rights Impact Assessment- Essential Information</b>	
<b>Name of Proposal:</b>	<b>Date of Assessment:</b>
Corporate Sickness Absence Update Report	31 October 2014
<b>Service:</b>	<b>Directorate:</b>
Human Resources & Organisational Development	Corporate Governance
<b>Committee Name or delegated power reference</b> (Where appropriate):	<b>Date of Committee</b> (Where appropriate):
Finance, Policy and Resources	4 December 2014
<b>Who does this proposal affect?</b>	<input type="checkbox"/> Employees <input type="checkbox"/> Job Applicants <input type="checkbox"/> Service Users <input type="checkbox"/> Members of the Public <input type="checkbox"/> Other (List below)
Please Tick ▼	

## 2: Equality and Human Rights Impact Assessment- Pre-screening

<p><b>Is an impact assessment required?</b></p>	<p style="text-align: center;"> <input type="checkbox"/> Yes             <span style="margin-left: 200px;"><input type="checkbox"/> No</span> </p>
<p><b>If No, what is the evidence to support this decision?</b>              (Once this section is completed, please complete section 8 of the form).</p>	<p>This is a regular update report to Finance Policy and Resources Committee which details the level of absence due to sickness across the Council since the last time the issue was reported to committee.</p> <p>There are no policy proposals contained in this report</p>

<b>3: Equality and Human Rights Impact Assessment</b>	
<p><b>a- What are the aims and intended effects of this proposal?</b></p>	
<p><b>b- What equality data is available in relation to this proposal?</b> (Please see guidance notes)</p>	

<p><b>c- List the outcomes from any consultation that relate to equalities and/or human rights issues e.g. with employees, service users, Unions or members of the public that has taken place in relation to the proposal.</b></p>	
<p><b>d- Financial Assessment</b> If applicable, state any relevant cost implications or savings expected from the proposal.</p>	<p><b>Costs (£)</b></p> <p>Implementation cost      £ <input type="text"/></p> <p>Projected Savings        £ <input type="text"/></p>

	<p><b>e- How does this proposal contribute to the public sector equality duty: to eliminate discrimination, harassment and victimisation; advance equality of opportunity; and foster good relations?</b></p>	
<p><b>f- How does this proposal link to the Council's Equality Outcomes?</b></p>		



**4: Equality Impact Assessment - Test**

**What impact will implementing this proposal have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

<b>Protected Characteristic:</b>	<b>Neutral Impact: Please ✓</b>	<b>Positive Impact: Please ✓</b>	<b>Negative Impact: Please ✓</b>	<b>Evidence of impact and if applicable, justification where a ‘Genuine Determining Reason’* exists *( see completion terminology)</b>
<b>Age</b> (People of all ages)				
<b>Disability</b> (Mental, Physical, Sensory and Carers of Disabled people)				
<b>Gender Reassignment</b>				
<b>Marital Status</b> (Marriage and Civil Partnerships)				
<b>Pregnancy and Maternity</b>				

**Equality Impact Assessment Test:**

What impact will implementing this proposal have on employees, service users or other people who share characteristics protected by <i>The Equality Act 2010</i> ?				
Protected Characteristic:	Neutral Impact: Please ✓	Positive Impact: Please ✓	Negative Impact: Please ✓	Evidence of impact and if applicable, justification where a 'Genuine Determining Reason'* exists *( see completion terminology)
<b>Race</b> (All Racial Groups including Gypsy/Travellers)				
<b>Religion or Belief or Non-belief</b>				
<b>Sex</b> (Women and men)				
<b>Sexual Orientation</b> (Heterosexual, Lesbian, Gay And Bisexual)				
<b>Other</b> (e.g: Poverty)				

**5: Human Rights Impact Assessment Test**

**Does this proposal have the potential to impact on an individual's Human Rights? Evidence of impact and , if applicable, justification where the impact is proportionate**

**Article 2 of protocol 1: Right to education**

Yes  No

**Evidence:**

**Article 3: Right not to be subjected to torture, inhumane or degrading treatment or punishment**

Yes  No

**Evidence:**

<p><b>Article 6: Right to a fair and public hearing</b></p>	<p style="text-align: center;"><b>Yes</b>                      <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>Article 8: Right to respect for private and family life, home and correspondence</b></p>	<p style="text-align: center;"><input type="checkbox"/>                      <input type="checkbox"/></p> <p style="text-align: center;"><b>Yes</b>                      <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>Article 10: Freedom of expression</b></p>	<p style="text-align: center;"><input type="checkbox"/>                      <input type="checkbox"/></p> <p style="text-align: center;"><b>Yes</b>                      <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>Article 14: Right not to be subject to discrimination</b></p>	<p style="text-align: center;"><input type="checkbox"/>                      <input type="checkbox"/></p> <p style="text-align: center;"><b>Yes</b>                      <b>No</b></p> <p><b>Evidence:</b></p>
	<p style="text-align: center;"><input type="checkbox"/>                      <input type="checkbox"/></p>

<p><b>Other article not listed above, please state:</b></p>	<p><b>Yes</b>      <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>6: Assessment Rating:</b></p>	
<p><b>Please rate the overall equality and human right assessment</b> (Please see Completion terminology)</p>	<p> <input type="checkbox"/> <b>Red</b>  <input type="checkbox"/> <b>Red</b> <b>Amber</b>  <input type="checkbox"/> <b>Amber</b>  <input type="checkbox"/> <b>Green</b> </p>
<p><b>Reason for that rating:</b></p>	

**7: Action Planning**

As a result of performing this assessment, what actions are proposed to remove or reduce any risks of adverse outcomes identified on employees, service users or other people who share characteristics protected by <i>The Equality Act 2010</i> ?					
Identified Risk and to whom:	Recommended Actions:	Responsible Lead:	Completion Date:	Review Date:	
<b>8: Sign off</b>					

<p><b>Completed by (Names and Services) :</b></p>	<p>Jeff Capstick – HR Manager</p>
<p><b>Signed off by (Head of Service) :</b></p>	<p>Mike Lawson – HR Manager</p>
<p>Please send an electronic copy of your completed EHRIA - without signatures - together with the proposal document and/or committee report to:</p> <p>           Equalities Team            Customer Service and Performance            Corporate Governance            Aberdeen City Council  <b>Business Hub 13</b>            Second Floor North            Marischal College            Broad Street            Aberdeen            AB10 1AB         </p> <p>Telephone 01224 523039 Email <a href="mailto:sandrab@aberdeencity.gov.uk">sandrab@aberdeencity.gov.uk</a></p>	

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**9: Completion Terminology:**

<p><b>Assessment Pre-screening Rating:</b></p>	<p>This section will highlight where there is the obvious potential for a negative impact and subsequent risk of negative media coverage and reputational damage to the Council. Therefore, a full impact assessment is required, for example around sensitive issues such as marching, Gypsy/ Traveller issues, change to social care provision. It should also be completed to evidence why a full impact assessment was not required, example, there is no potential negative impact on people.</p>
<p><b>Assessment Rating:</b></p>	<p>After completing this document, rate the overall assessment as follows:  <b>Red:</b> As a result of performing this assessment, it is evident that we will discriminate (direct, indirect, unintentional or otherwise) against one or more of the nine groups of people who share <i>Protected Characteristics</i>. It is essential that the use of the proposal be suspended until further work or assessment is performed and the discrimination is removed.  <b>Red Amber:</b> As a result of performing this assessment, it is evident that a risk of negative impact exists to one or more of the nine groups of people who share <i>Protected Characteristics</i>. However, a genuine determining reason may exist that could legitimise or justify the use of this proposal and further professional advice should be taken.  <b>Amber:</b> As a result of performing this assessment, it is evident that a risk of negative impact exists and this risk may be removed or reduced by implementing the actions detailed within the <i>Action Planning</i> section of this document.  <b>Green:</b> As a result of performing this proposal does not appear to have any adverse impacts on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p>
	<p>Equality data is internal or external information that may indicate how the proposal</p>



<b>Equality Data:</b>	<p>being analysed can affect different groups of people who share the nine <i>Protected Characteristics</i> – referred to hereafter as ‘<i>Equality Groups</i>’.</p> <p>Examples of <i>Equality Data</i> include: (this list is not definitive)</p> <ol style="list-style-type: none"> <li>1: Application success rates by <i>Equality Groups</i></li> <li>2: Complaints by <i>Equality Groups</i></li> <li>3: Service usage and withdrawal of services by <i>Equality Groups</i></li> <li>4: Grievances or decisions upheld and dismissed by <i>Equality Groups</i></li> </ol> <p>Certain discrimination may be capable of being justified on the grounds that:</p>
<b>Genuine Determining Reason</b>	<ol style="list-style-type: none"> <li>(i) <i>A genuine determining reason exists</i></li> <li>(ii) <i>The action is proportionate to the legitimate aims of the organisation</i></li> </ol> <p>Where this is identified, it is recommended that professional and legal advice is sought prior to completing an <i>Equality Impact Assessment</i>.</p>
<b>Human Rights</b>	<p>The rights set out in the European Convention on Human Rights, as incorporated into the UK Law by the Human Rights Act 1998.</p>
<b>Legal Status:</b>	<p>This document is designed to assist us in “<i>Identifying and eliminating unlawful Discrimination, Harassment and Victimisation</i>” as required by <i>The Equality Act Public Sector Duty 2011</i>. An <i>Equality Impact Assessment</i> is not, in itself, legally binding and should not be used as a substitute for legal or other professional advice.</p>

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance Policy and Resources
DATE	4 <sup>th</sup> December 2014
DIRECTOR	Director of Corporate Governance
TITLE OF REPORT	Holiday Pay - Legal Issue
REPORT NUMBER	CG/14/154
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

To advise the Committee of developments in case law regarding the calculation of holiday payments.

### 2. RECOMMENDATION(S)

It is recommended that the Committee delegate authority to the Chief Executive and the Convener and Vice Convener of Finance Policy and Resources to approve required amendments to the method of calculating holiday pay, including approval of the additional costs associated with that change and any required retrospective payments.

### 3. FINANCIAL IMPLICATIONS

The full implications of the recent Employment Appeal Tribunal judgement are still to be established. It is currently projected that paying additional holiday pay in accordance with that judgement will add up to £440,000 to the Council's annual pay bill. These costs will be covered from reserves in 2013/14 and built into base budgets for future years

In addition there are potential costs associated with making payments in settlement of any associated historical claim. However, with the legal judgement being open to interpretation it is not possible to determine the duration of the backdating of this award and as such cannot give an indication of costs.

#### 4. OTHER IMPLICATIONS

None

#### 5. BACKGROUND/MAIN ISSUES

##### Calculation of Holiday Pay

The Employment Appeal Tribunal on 4<sup>th</sup> November 2014 handed down a judgement on three appeals cases involving Bear Scotland Ltd., Hertel (UK) Ltd. and Amec Group Ltd. That appeal related to a European Court of Justice ruling in the case of Lock v British Gas Trading.

The earlier Lock case looked at whether commission payments should be taken into account when calculating holiday pay and concluded that a worker should receive their **normal week's pay** when on holiday.

The Court stated that it was for the UK Employment Tribunal to assess whether or not, on the basis of an average over a representative reference period under UK law, the UK's methods of calculating holiday pay for a worker such as Mr Lock achieve the objectives of the Working Time Directive. It was hoped that the outcomes in the appeal cases mentioned above would then clarify that issue.

The Employment Appeals Tribunal judgement has confirmed that, for the 4 weeks of holiday derived from the Working Time Directive, holiday pay should be equivalent to the pay which a worker would normally receive when they are at work. That judgement may now be subject to further appeal, in which case a final judgement may not be available until 2017. There may indeed be new legislation introduced, to clarify the position.

Importantly, it is a requirement that the pay is "normally" received by a worker. Payments must therefore be made over a sufficient period of time to justify the label "normal".

The EAT detailed which additional pay elements must be included in the calculation of holiday pay. Those were:

- (1) Pay for "non-guaranteed overtime" (i.e. work which a worker if requested is obliged to perform). This must be distinguished from "voluntary overtime" (i.e. which the employer asks the worker to do but where the worker is not contractually obliged to take it)
- (2) Payments for travel time which exceed expenses incurred and amount to taxable remuneration.

In addition to the above two types of payments considered by the EAT, there are many other payments received by workers for tasks which they are required to perform under their contract which will also require

to be included in the calculation of holiday pay. In our own case, payments for standby duty or call-out charges may meet the criteria.

In general overtime working in Aberdeen City Council is voluntary. Contracts do not require employees to work overtime when it is offered. Nevertheless, it will be necessary to review and amend the calculation of holiday pay in light of the Employment Appeal Tribunal judgement.

This issue will apply to both public and private sector employers, and has had, and is likely to have, a huge implication for all employers

### Historic Liability

Prior to the Employment Appeal Tribunal judgement it was feared that liability for historic claims for additional holiday pay may extend as far back as 1998 i.e. the date the Working Time Regulation came in to operation in the UK. The Employment Appeal Tribunal however has concluded that a series of backdated payments will be broken should there be a period of three months between payments. Accordingly, if there is a period of three months between holiday payments then this will break the backdated pay that a claimant is entitled to.

### Legal Advice

The currently available legal advice recommends:

- Offering to pay those claimants who have a genuine prospect of success a settlement in line with the recent judgement as full and final settlement of any claim.
- Paying the correct amount of holiday pay going forward.

### Conclusion

There is still some dubiety about which pay elements need to be included in the calculation and about how to decide what a “normal” week’s pay is. As a result further detailed discussions with Trades Union representatives will be required to clarify those points, with a view to settlement, to provide a definitive value for expenditure

## 6. IMPACT

This issue arises as a result of UK and European legislation. The costs arising will place an additional strain on budgets and are therefore likely impact negatively on both Corporate and Service plans.

This report is unlikely to be of particular interest to the public. There is potentially a significant positive impact on any employees who work

compulsory, guaranteed overtime or earn any other additional amounts which will be included in holiday pay calculation going forwards.

7. MANAGEMENT OF RISK

Failure to adjust the method of calculating holiday pay will expose this Council to a risk of Illegal Deduction of Wages claims raised through Employment Tribunal. A number of claims have already been lodged by Trades Unions on behalf of certain groups of Council employees, and such claims are sisted meantime pending the outcome of the appeals mentioned above. When the decisions currently being appealed are considered by higher courts, there is a risk that there may be decisions adverse to the employers, adding factors in addition to those already identified. It would seem in the interest of both sides that an early settlement, bringing some degree of certainty to the situation, should be reached.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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Team Leader  
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01224 523314

# Equality and Human Right Impact Assessment: The Form



ABERDEEN  
CITY COUNCIL

EHRIA

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, **the word “proposal” refers to policy, strategy, plan, procedure, report or business case.** This then, embraces a range of different actions such as setting budgets, developing high level strategies and organisational practices such as internal restructuring. Please also refer to the “Completion Terminology” at the end of the form.

<b>1: Equality and Human Rights Impact Assessment- Essential Information</b>	
<b>Name of Proposal:</b> Holiday Pay – Legal Issue	<b>Date of Assessment:</b> 11/11/14
<b>Service:</b> Human Resources and Organisational Resources	<b>Directorate:</b> Corporate Governance
<b>Committee Name or delegated power reference</b> (Where appropriate): Finance Policy and Resources	<b>Date of Committee</b> (Where appropriate): 4 <sup>th</sup> December 2014
<b>Who does this proposal affect?</b>  Please Tick ▼	<input type="checkbox"/> Employees <input type="checkbox"/> Job Applicants <input type="checkbox"/> Service Users <input type="checkbox"/> Members of the Public <input type="checkbox"/> Other (List below)



## 2: Equality and Human Rights Impact Assessment- Pre-screening

**Is an impact assessment required?**

Yes

No

**If No, what is the evidence to support this decision?**  
(Once this section is completed, please complete section 8 of the form).

<b>3: Equality and Human Rights Impact Assessment</b>	
<b>a- What are the aims and intended effects of this proposal?</b>	To ensure that Aberdeen City Council complies with legislation in relation to the calculation of holiday pay
<b>b- What equality data is available in relation to this proposal?</b> (Please see guidance notes)	Information on the composition of the workforce.

<p><b>c- List the outcomes from any consultation that relate to equalities and/or human rights issues e.g. with employees, service users, Unions or members of the public that has taken place in relation to the proposal.</b></p>	<p>Consultation is continuing with Trades Unions in regard changes to the method of calculation of holiday pay required as a result of an Employment Appeals tribunal judgement on 4<sup>th</sup> November 2014.</p> <p>The issue is one which affects employees only.</p>
<p><b>d- Financial Assessment</b></p> <p>If applicable, state any relevant cost implications or savings expected from the proposal.</p>	<p><b>Costs (£)</b> Costs are to be determined following conclusions of Trades Union Consultation</p> <div style="border: 1px solid black; width: 100px; height: 20px; margin-left: 100px;"></div>

	<p><b>e- How does this proposal contribute to the public sector equality duty: to eliminate discrimination, harassment and victimisation; advance equality of opportunity; and foster good relations?</b></p>
<p>Not applicable. The change is required as a result of legislation and does not impact on the public sector equality duty.</p>	<p><b>f- How does this proposal link to the Council's Equality Outcomes?</b></p>
<p>Not applicable. The change is required as a result of legislation and does not impact on the Councils equality outcomes.</p>	

#### 4: Equality Impact Assessment - Test

**What impact will implementing this proposal have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

Protected Characteristic:	Neutral Impact: Please ✓	Positive Impact: Please ✓	Negative Impact: Please ✓	Evidence of impact and if applicable, justification where a ' <i>Genuine Determining Reason</i> '* exists *( see completion terminology)
Age (People of all ages)	✓			
Disability (Mental, Physical, Sensory and Carers of Disabled people)	✓			
Gender Reassignment	✓			
Marital Status (Marriage and Civil Partnerships)	✓			
Pregnancy and Maternity	✓			

### Equality Impact Assessment Test:

**What impact will implementing this proposal have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

Protected Characteristic:	Neutral Impact: Please ✓	Positive Impact: Please ✓	Negative Impact: Please ✓	Evidence of impact and if applicable, justification where a 'Genuine Determining Reason'* exists *( see completion terminology)
<b>Race</b> (All Racial Groups including Gypsy/Travellers)	✓			
<b>Religion or Belief or Non-belief</b>	✓			
<b>Sex</b> (Women and men)	✓			
<b>Sexual Orientation</b> (Heterosexual, Lesbian, Gay And Bisexual)	✓			
<b>Other</b> (e.g: Poverty)	✓			

**5: Human Rights Impact Assessment Test**

**Does this proposal have the potential to impact on an individual's Human Rights? Evidence of impact and , if applicable, justification where the impact is proportionate**

**Article 2 of protocol 1: Right to education**

Yes  No

**Evidence:**

**Article 3: Right not to be subjected to torture, inhumane or degrading treatment or punishment**

Yes  No

**Evidence:**

<p><b>Article 6: Right to a fair and public hearing</b></p>	<p style="text-align: center;"><b>Yes</b>                      <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>Article 8: Right to respect for private and family life, home and correspondence</b></p>	<p style="text-align: center;"><input type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>Article 10: Freedom of expression</b></p>	<p style="text-align: center;"><input type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>Article 14: Right not to be subject to discrimination</b></p>	<p style="text-align: center;"><input type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> <b>No</b></p> <p><b>Evidence:</b></p>
	<p style="text-align: center;"><input type="checkbox"/>                      <input type="checkbox"/></p>



<p><b>Other article not listed above, please state:</b></p>	<p><b>Yes</b>      <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>6: Assessment Rating:</b></p>	
<p><b>Please rate the overall equality and human right assessment</b> (Please see Completion terminology)</p>	<p> <input type="checkbox"/> <b>Red</b>  <input type="checkbox"/> <b>Red</b> <b>Amber</b>  <input type="checkbox"/> <b>Amber</b>  <input type="checkbox"/> <b>Green</b> </p>
<p><b>Reason for that rating:</b></p>	<p>The proposal will apply equally to all employees of the Council. There is no indication of any negative impact on any protected characteristic groups.</p>

**7: Action Planning**

As a result of performing this assessment, what actions are proposed to remove or reduce any risks of adverse outcomes identified on employees, service users or other people who share characteristics protected by <i>The Equality Act 2010</i> ?				
Identified Risk and to whom:	Recommended Actions:	Responsible Lead:	Completion Date:	Review Date:
None	None			
<b>8: Sign off</b>				

<p><b>Completed by (Names and Services) :</b></p>	<p>Karen Templeton, Human Resources and Organisational Development</p>
<p><b>Signed off by (Head of Service) :</b></p>	
<p>Please send an electronic copy of your completed EHRIA - without signatures - together with the proposal document and/or committee report to:</p> <p>           Equalities Team            Customer Service and Performance            Corporate Governance            Aberdeen City Council  <b>Business Hub 13</b>            Second Floor North            Marischal College            Broad Street            Aberdeen            AB10 1AB         </p> <p>Telephone 01224 523039 Email <a href="mailto:sandrab@aberdeencity.gov.uk">sandrab@aberdeencity.gov.uk</a></p>	

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**9: Completion Terminology:**

<p><b>Assessment Pre-screening Rating:</b></p>	<p>This section will highlight where there is the obvious potential for a negative impact and subsequent risk of negative media coverage and reputational damage to the Council. Therefore, a full impact assessment is required, for example around sensitive issues such as marching, Gypsy/ Traveller issues, change to social care provision. It should also be completed to evidence why a full impact assessment was not required, example, there is no potential negative impact on people.</p>
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	<p>Equality data is internal or external information that may indicate how the proposal</p>

<b>Equality Data:</b>	<p>being analysed can affect different groups of people who share the nine <i>Protected Characteristics</i> – referred to hereafter as ‘<i>Equality Groups</i>’.</p> <p>Examples of <i>Equality Data</i> include: (this list is not definitive)</p> <ol style="list-style-type: none"> <li>1: Application success rates by <i>Equality Groups</i></li> <li>2: Complaints by <i>Equality Groups</i></li> <li>3: Service usage and withdrawal of services by <i>Equality Groups</i></li> <li>4: Grievances or decisions upheld and dismissed by <i>Equality Groups</i></li> </ol> <p>Certain discrimination may be capable of being justified on the grounds that:</p>
<b>Genuine Determining Reason</b>	<ol style="list-style-type: none"> <li>(i) <i>A genuine determining reason exists</i></li> <li>(ii) <i>The action is proportionate to the legitimate aims of the organisation</i></li> </ol> <p>Where this is identified, it is recommended that professional and legal advice is sought prior to completing an <i>Equality Impact Assessment</i>.</p>
<b>Human Rights</b>	<p>The rights set out in the European Convention on Human Rights, as incorporated into the UK Law by the Human Rights Act 1998.</p>
<b>Legal Status:</b>	<p>This document is designed to assist us in “<i>Identifying and eliminating unlawful Discrimination, Harassment and Victimisation</i>” as required by <i>The Equality Act Public Sector Duty 2011</i>. An <i>Equality Impact Assessment</i> is not, in itself, legally binding and should not be used as a substitute for legal or other professional advice.</p>

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance Policy & Resources
DATE	4 December 2014
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	Shared Services – s.95 Officer
REPORT NUMBER	CG/14/166
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

The purpose of the report is to outline the opportunity that exists for the Aberdeen City Council to enter into a trial shared service arrangement with Shetland Islands Council for the delivery of the remit of the Chief Financial Officer – commonly referred to as s.95 Officer, referring to s.95 of the Local Government (Scotland) Act 1973. In Aberdeen City Council this post holder is the Head of Finance.

The report seeks approval to enter into the arrangement and to delegate authority to the Head of Legal and Democratic Services, in conjunction with the Chief Executive and Director of Corporate Governance to conclude formal arrangements between the two local authorities for the trial period.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

1. Approve the proposals set out in the business case, attached, for shared working with Shetland Islands Council;
2. Delegate authority to the Head of Legal and Democratic Services in conjunction with the Chief Executive and Director of Corporate Governance to negotiate with Shetland Islands Council, and such of its officers as may be necessary, to conclude contracts that will arrange for the proper administration of both Councils;
3. Agree that any changes to management roles and responsibilities are agreed by the Director of Corporate Governance in conjunction with the Head of Human Resources and Organisational Development and Head of Finance;
4. Agree that the proposed arrangement is put in place for a period of 12 months, with a review of its operation after the first 6 months; and
5. Receive a report back on the outcome of the trial no later than in December 2015.

### 3. FINANCIAL IMPLICATIONS

The opportunity to for shared services is proposed on the basis of there being no additional cost to Aberdeen City Council as the cost of creating capacity within the Finance structure, travel and associated costs will be met by Shetland Islands Council.

### 4. OTHER IMPLICATIONS

Legal – an appropriate legal relationship will have to be created with Shetland Islands Council, ensuring that the role of s. 95 Officer for Aberdeen City Council whose appointment is a statutory requirement for the local authority, is appropriately maintained. This requires to be taken forward by the Head of Legal and Democratic Services.

Human Resources – The proposals in this report mean that it will be necessary to consider, in particular, the capacity and availability of the Head of Finance to enable suitable arrangements are put in place to provide adequate cover to both Councils. This requires to be taken forward by the Head of Finance and Director of Corporate Governance. Directly affected staff have been consulted on these proposals and all staff will be further advised of these arrangements, if approved, to ensure management roles and responsibilities are clearly defined and to ensure the change process is managed effectively.

### 5. BACKGROUND/MAIN ISSUES

Working collaboratively is a key factor in which local authorities and their partners are looking to identify and achieve efficiencies, learn from each other and take advantage of opportunities that can arise from working closely together for the greater good of the public purse.

At the last Cipfa Scotland Conference in March 2014 the Chief Executive of Aberdeen City Council challenged the s.95 officers (Chief Financial Officers) of all the North Scotland and Island local authorities to consider where and what could be done collaboratively in the area of finance and accounting. This was to build on the strength and depth of knowledge and experience that exists in local authorities.

Discussions have taken place between Aberdeen City Council and a number of other Local Authorities since then on general and specific opportunities that may exist.

This proposal stems from that initial discussion and the further exploration of alternatives to recruitment of a permanent replacement by Shetland Islands Council, following the decision of the s.95 officer there to resign from his post.



Defining and developing a shared s.95 working arrangement that meets the needs of both Aberdeen City Council and Shetland Islands Council has therefore been explored. The s.95 officer is required in law to administer the finances of the local authority and the duty and responsibility for a local authority to have a s.95 officer is defined by s.95 of the Local Government (Scotland) Act 1973.

It is proposed to undertake a trial for the sharing of a s.95 officer to establish how successful such an arrangement can be; to ensure that each local authority receives a seamless service from the point of view of financial leadership, strategic financial advice, maintaining financial stewardship levels and continued delivery of appropriate professional finance advice, guidance and front line service delivery to the internal and external customers of both local authorities

This will require an operational structure that enables Aberdeen City Council's Head of Finance to undertake the role of s.95 officer for both local authorities. Additionally to do this in such a way that they are not only adequately supported by finance teams in both local authorities but that draws on the experience, knowledge and talent within both those teams to provide high quality financial management and financial services to the internal and external customers who are in receipt of those services.

The proposal seeks to provide proof of what works in combining this role and in leading and managing the finances of two local authorities.

It is, however, not intended to be a mechanism for combining the finance teams in any material way nor is it about one local authority taking over the other.

This opportunity provides the chance to review operational structures with a view to providing greater experience for existing staff in both structures as well as having the potential for providing opportunities for staff. This will hopefully lead to better retention and development of staff during a time when it is difficult to recruit into key positions. Both Councils have embarked on recruiting trainee accountants in the last couple of years as part of a strategy to address future accounting and finance professional staff needs.

A business case reflecting the proposal and current situation is presented as an attachment to this report.

The benefits to Aberdeen City Council that it highlights include the chance to share its very positive experiences of financial management leadership of recent years (including winning Public Sector Finance team of the year 2 years running) to use this experience to provide the strategic and financial leadership support to another local authority to deliver on their objectives while managing tight financial resource allocations.

This puts Aberdeen City Council at the forefront of the opportunity to explore a very different way of working that will develop the finance team and has the potential to present unexpected opportunities to improve the use of resources and public money.

It offers the opportunity to share ideas and support each other in the delivery of high quality financial management and to learn from each other.

Furthermore it builds business resilience and business continuity in terms of the strength in depth of senior finance staff being available and able to apply their expertise to their own and the other local authority, which will add to the flexibility and responsiveness of the service.

## 6. IMPACT

Corporate – The Council is required by law to have a designated officer as s.95 Officer, being responsible for the proper administration of the Council. This proposal impacts on the Head of Finance in so far as there must be suitable capacity and business continuity to support the requirements of both Council's. Any adjustments and changes to roles and responsibilities to support the proposal will be worked through with the Head of Human Resources and Organisational Development and Director of Corporate Governance.

## 7. MANAGEMENT OF RISK

Capacity risk, the risk of not being able to support both local authorities to the required levels. This can be mitigated by ensuring that a suitable management structure is put in place quickly to address any capacity issues;


Availability risk, the risk that the s.95 officer is required to attend to pressing issues in both local authorities at the same time. This can be mitigated by ensuring that a suitable management structure is put in place with suitably experienced individuals to ensure that influence and authority can be provided by others in the absence of the appointed s.95 officer – as is the case when s.95 officer is on annual leave.

## 8. BACKGROUND PAPERS

None.

## 9. REPORT AUTHOR DETAILS

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 <p><b>ABERDEEN</b> CITY COUNCIL</p>	<p><b>Corporate Project Management Toolkit</b></p> <p><b>Outline Business Case</b></p>	<p><b>Project Stage</b> <b>Define</b></p>
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Project Name	Collaborative Working with Shetland Islands Council	Date	11 November 2014
Author	Steven Whyte, Head of Finance; Jonathan Belford, Corporate Accounting Manager	Version	3

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## **1 Background**

Working collaboratively is a key factor in which local authorities and their partners are looking to identify and achieve efficiencies, learn from each other and take advantage of opportunities that can arise from working closely together for the greater good of the public purse.

At the last Cipfa Scotland Conference in March 2014 the Chief Executive challenged the s.95 officers (Chief Financial Officers) of all the Northern Scotland and Island local authorities to consider where and what could be done collaboratively in the area of finance and accounting. This was to build on the strength and depth of knowledge and experience that exists in local authorities.

As part of this the Head of Finance for Aberdeen City and the Executive Officer (Finance) of Shetland met initially on an informal basis to discuss whether anything could be defined and established to support the challenges that the local authorities were facing. Shetland identified that providing cover and support when vacancies in key positions arise and the challenge that SIC has for securing suitably qualified and experienced candidates to fill the roles on a permanent basis gave them a workforce planning problem.

Before a clear idea had been developed the matter was brought to a head because the s.95 officer at SIC resigned. His departure from the Council takes place in early December 2014.

This proposal stems from that initial discussion and the further exploration of alternatives to simply trying the well-trodden path of recruitment of a permanent replacement.

Defining and developing a shared s.95 working arrangement that meets the needs of both ACC and SIC has therefore been explored. The s.95 officer is by definition required in law to administer the finances of the local authority and the duty and responsibility for a local authority to have a s.95 officer is defined by s.95 of the Local Government (Scotland) Act 1973.

The proposal presented outlines a trial arrangement between ACC and SIC for a period of 12 months, with a 6 month review.

## **2 Objectives**

The purpose of this trial is to establish how successful a shared s.95 officer arrangement can be; to ensure that each local authority receives a seamless service from the point of view of financial leadership, strategic financial advice, maintaining financial stewardship levels and continued delivery of appropriate professional finance advice, guidance and front line service delivery to the internal and external customers of both local authorities.

## **3 Strategic Fit**

All local authorities require to designate a chief financial officer as referred to above and their role, according to authoritative guidance from Cipfa, is:

To be a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;

To be actively involved in, and be able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisations financial strategy; and

To lead the promotion and deliver by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

This in itself therefore does not make Aberdeen City and Shetland natural partners so what else makes this a good fit strategically?

In answer to this there is a clear similarity between both local authorities which provide a very clear fit, strategically, that offer opportunities for further work and collaboration on shared solutions to be found or to take advantage of those opportunities for mutual benefit.

Similarities include:

- Economic environment – low unemployment, oil and gas driving private sector economic development with large amounts of growth in this area;
- Housing - high demand for housing and shortage of supply; plus high housing rental values.
- Infrastructure – transportation remains key for both with remote communities in Shetland and oft criticised road / bus networks in Aberdeen which have been highlighted as a critical improvement area that needs to be addressed.
- Financial challenges – making better use of scarce and expected to reduce resources; improving the use of those resources and making them work harder for the benefit of customers and citizens.

This shows a significant amount of synergy between two local authority areas that at first glance are quite different. Other similarities exist.

Aberdeen has emerged from an extremely challenging and reputationally damaging Best Value Audit situation while Shetland has been publicly criticised for its historic financial management and use of its 'oil funds' (these funds set it apart from all other local authorities in Scotland). Shetland, like Aberdeen City has come through this and continues to work to place itself in the most sustainable and financially advantageous position it can so that future strategic objectives can be achieved successfully.

Both local authorities now have operational finance structures that are almost exactly aligned and this similarity offers opportunities to organise and manage the services in each local authority so that experience and assurance is built around common areas of work.

It offers both local authorities the opportunity to share ideas and support each other in the delivery of high quality financial management and to learn from each other.

Aberdeen and Shetland do enjoy good transport links with both ferry and air services available on a daily basis.

## 4 Scope

Primarily this will deliver an operational structure that enables Aberdeen City's Head of Finance, as s.95 officer, to undertake the role of chief financial officer for both local authorities and to do this in such a way that they are not only adequately supported by finance teams in both local authorities but that draws on the experience, knowledge and talent within both those teams to provide high quality financial management and financial services to the internal and external customers who are in receipt of those services.

It will seek to provide proof of what works in combining this role and in leading and managing the finances of two unique local authorities.

It is not intended to be a mechanism for combining the finance teams in any material way nor is it about one local authority taking over the other.

This opportunity provides the chance to review operational structures with a view to providing greater experience for existing staff in both structures (by offering greater business continuity and resilience) as well as having the potential for providing opportunities for staff. This will hopefully lead to better retention and development of staff during a time when it is difficult to recruit into key positions.

## 5 Options

### 5.1 Option 1 – Do Nothing

Description	Aberdeen City's finance team continues to work on its priorities and does this in isolation of the external environment; Shetland try to recruit a permanent replacement for the s.95 officer.
Expected Costs	Aberdeen City – no costs; Shetland - £40,000 to run a chief officer recruitment and provide temporary cover for the statutory s.95 officer
Expected Benefits	No particular benefits are achieved from simply doing what we've been doing for the last 18 years as separate local authorities.
Risks Specific to this Option	Aberdeen City – Missed opportunity, the opportunity cost of not engaging with another local authority is to not find out what could be achieved from exploring in detail this option. Shetland – Long-term gap in clear financial leadership of the local authority with the possibility of poor decision making and governance emerging from that gap.
Viability	This is a viable option.
Other Points	None.

<b>5.2 Option 2 – Shared Financial Leadership (s.95 Officer)</b>	
Description	The sharing of the s.95 officer of Aberdeen City Council with Shetland Islands Council, to provide financial leadership and strategic financial advice to both local authorities, along with leading the delivery of robust financial services and accounting teams to both local authorities.
Expected Costs	Aberdeen City – cost neutral – additional costs to be met by Shetland. Shetland – within financial resources previously related to the employment of the s.95 officer and any additional financial management / leadership support procured.
Expected Benefits	Aberdeen City - the chance to share its very positive experiences of financial management leadership of recent years (including winning Public Sector Finance team of the year 2 years running) and to support another local authority to deliver on their objectives while managing tight financial resource allocations. The opportunity to explore a very different way of working that will develop the finance team and present unexpected opportunities to improve the use of resources. Shetland – no ‘gap’ in financial leadership, maintaining a strong grip on the financial priorities and path already set for the local authority. Both local authorities – the opportunity to share ideas and support each other in the delivery of high quality financial management and to learn from each other. Furthermore business resilience and business continuity in terms of the strength in depth of senior finance staff being available and able to apply their expertise to their own and the other local authority will add to the flexibility and responsiveness of the service.
Risks Specific to this Option	Capacity risk, the risk of not being able to support both local authorities to the required levels. This can be mitigated by ensuring that a suitable management structure is put in place quickly to address any capacity issues; Availability risk, the risk that the s.95 officer is required to attend to pressing issues in both local authorities at the same time. This can be mitigated by ensuring that a suitable management structure is put in place with suitably experienced individuals to ensure that influence and authority can be provided by others in the absence of the appointed s.95 officer – as is the case when s.95 officer is on annual leave;
Viability	This option is workable with a degree of flexibility required by both local authorities to enable the working arrangements to be



	<p>developed and modified based on what works best for different situations. The long term viability will depend on the success of embedding a new way of working for each local authority and effective communication. There will be a 6 month review point.</p>
<p>Other Points</p>	<p>In analysing this option a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) has been undertaken.</p> <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>○ Skilled / professional finance team that is flexible and adaptable to achieve the delivery of high quality business activities.</li> <li>○ A large senior team that can address and respond to the changing environment that local authorities face.</li> <li>○ The key components of excellent financial management are in place with a view to remaining on a course that has already been approved.</li> <li>○ Strong history of delivering financial support and leadership.</li> <li>○ ACC's Head of Finance has over 20 years' experience of local government and he would be supported by a leadership team with cumulatively over 100 years of local government experience across Accounting, Revenues and Benefits and Pensions.</li> <li>○ Improvement remains a key aim and seeking ways of working with other local authorities to deliver this is a significant part of how the finance team are looking to progress in the future to make public funding work effectively and achieve more.</li> <li>○ The finance teams are structured organisationally to support an Accounting team, Revenues and Benefits team and a Pension Fund so there is a common alignment of skills, knowledge and experience.</li> </ul> <p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>○ This has never been done before and there are risks in sharing the s.95 officer, although there are many alternative examples in place and at work today across Scottish local authorities. Responding and developing to the situation will be a learning experience and ensuring that communication remains a core feature of the engagement between s.95 officer and both local authorities will facilitate this – as well as strong diary management!</li> <li>○ There will always be a point in time when the needs of Shetland or the needs of Aberdeen will draw the s.95 officer in different directions or will place a competing demand on his time. Building a suitable and reliable team around this will ensure delivery of services to both local authorities at the same time. This is particularly important as the financial annual cycle is statutory for all local</li> </ul>

	<p>authorities and this could create conflict of time.</p> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>○ To learn from each other and identify where common processes and procedures (we both have a responsibility and duty to deliver on the same statutory powers) can be better delivered for the benefit of internal and external customers.</li> <li>○ To communicate in effective and innovative ways to provide seamless services to our internal and external customers.</li> <li>○ To collaborate and take advantage of knowledge and experience to address common issues rather than both local authorities trying to work out different solutions, which could duplicate certain aspects of the work.</li> </ul> <p><b>Threats</b></p> <ul style="list-style-type: none"> <li>○ Potential reduction in effectiveness of control environment due to focus now including both Councils.</li> <li>○ Capacity of senior staff to service an as yet unknown set of circumstances.</li> <li>○ Challenge of distance and not being available locally all the time.</li> </ul>
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<b>5.3 Recommendation</b>
<p>The opportunities that have not, as yet, been explored in the shared s.95 officer option provide a suitable basis upon which to take this forward as a <u>trial</u> project to explore the practical challenges and real life experiences of working with a shared chief financial officer. The option will be for either one or both of the local authorities to reconsider the position after 6 months and work towards an alternative model. Option 2 should be progressed.</p>

<b>6 Benefits</b>
<p>Aberdeen City - the chance to share its very positive experiences of financial management leadership of recent years and to support another local authority to deliver on their objectives while managing tight financial resource allocations. The opportunity to explore a very different way of working that will develop the finance team and present unexpected opportunities to improve the use of resources</p> <p>Shetland – no ‘gap’ in financial leadership, maintaining a strong grip on the financial priorities and path already set for the local authority.</p> <p>Both local authorities – the opportunity to share ideas and support each other in the delivery of high quality financial management and to learn from each other.</p> <p>Furthermore business resilience and business continuity in terms of the strength in depth of</p>

senior finance staff being available and able to apply their expertise to their own and the other local authority will add to the flexibility and responsiveness of the service.

## **7 Costs**

For Aberdeen City additional costs will arise as a management structure is put in place and there will be the consequential travel costs associated with being on the Islands. This will be fully funded by Shetland on the basis that they will achieve savings from not employing directly a s.95 officer and have budget for this.

## **8 Risks**

Those set out in option 2 above.

## **9 Time**

The s.95 officer at Shetland leaves on 5 December 2014 and as such a handover and passing on of knowledge and key operational information is expected to occur during November. This will require regular visits to Shetland in advance of the formal 'start' date, which would follow on from the departure of the s.95 officer.

## **10 Governance**

The Head of Finance would require to work with both the Director of Corporate Governance in Aberdeen City and Director of Corporate Services in Shetland and be responsible to the elected members of both local authorities for the delivery their role.

It is expected that the Chief Executive of each local authority will also have a close working relationship with the Head of Finance in order to discharge their duties and responsibilities to the organisations.

A joint approach to be defined will need to be put in place to review the effectiveness of the arrangements at the 6 month point.

## **11 Environmental Management**

None.

## **12 Stakeholders**

Elected Members – interest in ensuring that the local authority has appropriate financial leadership, with the necessary knowledge and experience to lead the development of the

strategy financial planning of the local authority.

Chief Executive – as head of paid service the reliance and trust in the chief financial officer is essential to the effective leadership of the local authority;

Directors of Corporate Governance / Services – responsible for the effective delivery of corporate services across the local authority the directors requires the effective and efficient delivery of services to customers, both internal and external to the local authority.

Finance staff – they require clear financial leadership and support.

External and Internal Auditors – they need to be assured and see the evidence of quality financial stewardship and control as well as effective leadership, to be able to form an opinion on the finances of the local authority and to rely upon the arrangements that are in place to managed those finances.

Partners – seek to have confidence in the contribution that the local authority makes to projects, initiatives and joint working.

### **13 Dependencies**

The key requirement is to develop a suitable structure under which to operate and ensure that it is evaluated and put in place at the earliest possible moment. This will require resource / time spent on developing job profiles, job evaluation and clarification of roles and responsibilities as well as recruitment of vacant posts.

A clear agreement requires to be put in place for the effective management of the arrangement by both local authorities, Appendix A indicates the initial requirements of Shetland.

### **14 Next Steps**

Shetland is preparing a paper for Council to set out for Elected Members the proposal and for approval of undertaking a shared s.95 officer arrangement with Aberdeen City for a period of 12 months.

Aberdeen City to seek approval from Elected Members for the proposal.

Aberdeen City Head of Finance and Corporate Accounting Manager to build knowledge and understanding of key elements of Shetland objectives, priorities and current activities that need to be addressed in the short / medium term.

Appendix A outlines the key requirements for services from Shetland and this will form the basis of an agreement which will need to be drawn up and finalised by each local authority.

Meeting with the management team, Elected Members and finance staff will be required and should commence in November to deliver an effective handover.

### **15 Document Revision History**

Version	Reason	By	Date
1	Initial framework	J Belford	3 Oct 2014
2	First full draft of business case	J Belford	30 Oct 2014
3	S Whyte review amendments	J Belford	11 Nov 2014

## APPENDIX A

### Requirements for Financial Management & Support package from Aberdeen City Council

#### **The broad areas that require input are –**

- Provide financial leadership and advice to elected Members in committees, council meetings, seminars and any correspondence;
- Liaise closely with the Director of Corporate Services, Chief Executive and Monitoring Officer to ensure key governance officers share intelligence and are well briefed on Council activities;
- Provide financial leadership and advice to CMT and senior management throughout the organisation as required;
- Provide financial input and advice on key projects and issues that the Council is facing;
- Provide leadership and support to the Finance Service within Shetland Islands Council;
- Proper Officer for Finance for ZetTrans (Passenger Transport Authority); Treasurer for Valuation Joint Board and Chief Advisor to the SIC Pension Fund.

#### **The specific requirements of the support during a calendar year are –**

- Presenting Quarter 3 Management Accountants to Performance Committee meetings (End January/Early February)
- Presenting Annual Investment & Treasury Strategy and Debt Write Off report to Policy & Resources Committee (March)
- Presenting Quarter 4 Management Accountants to Performance Committee (May)
- Presenting draft Outturn Report to Policy & Resources and Full Council (May)
- Annual Performance Review of Fund Managers Council Meeting – attended by Fund Managers – (May)
- Presenting updated Medium Term Financial Plan to Policy & Resources and Council (June)
- Review and sign off of Annual Accounts (June)
- Developing budget strategy and timetable and reporting to CMT (August)
- Presenting Quarter 1 Management Accountants to Performance Committee (August)
- Attend Annual Accounts being reported to Audit Committee and Council (September)
- Regular budget progress and issues papers presented to CMT throughout September/October/November
- Six Monthly Performance Review of Fund Managers Council Meeting (October)

- Members' budget seminars (November)
- Presenting Quarter 3 Management Accountants and Budget Proposals to Performance Committees (November)
- Presenting draft budget to Policy & Resources Committee and Council (December)
- Monthly reporting of financial position to CMT (Period 3 to Period 12)

**Key finance documents that will require to be kept up to date –**

- Medium Term Financial Plan (Annual)
- Long Term Financial Plan (Annual)
- Annual Investment & Treasury Strategy (Annual)
- Council Investment Strategy (3-yearly)
- Pension Fund Investment Strategy (3-yearly)
- Borrowing Policy (3-yearly)
- Financial Regulations (As necessary)
- Charging Policy (As necessary)

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources
DATE	4 December 2014
DIRECTOR	Ewan Sutherland
TITLE OF REPORT	Authority to Procure under Framework Contracts – Scottish Procurement and Scotland Excel
REPORT NUMBER	CG/14/130
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

This report seeks permission to procure the services of temporary agency workers under national framework agreements.

### 2. RECOMMENDATION(S)

The Committee is recommended to:

- i) note the approval granted, as required under Standing Order 21(1), by the Head of Commercial and Procurement Services (CPS) and Head of Legal and Democratic Services to use the nationally tendered Scottish Procurement and Scotland Excel framework agreements for the provision of temporary agency workers as detailed in Appendix 1; and
- ii) approve contracts being entered into across all council Directorates under the above frameworks for an estimated annual expenditure of up to £4,300,000.

### 3. FINANCIAL IMPLICATIONS

The spend in the last financial year on the services of temporary agency workers (excluding temporary trade workers who are provided for under a separate framework tendered by the Housing Service) was \*£4,188,711.

While the Council has limited budget specifically for the provision of agency workers, the use of agency workers is predominantly paid for

*\*Spend figure produced from financial report 2013-2014 agency account code level*

from under spending in establishment staff budgets accordingly spending levels are affordable from within approved budgets.

Agency usage and spend should be seen in the context of the difficulties in recruiting and retaining certain types of staff/skill sets, whilst having a requirement to deliver essential services. There is also a strong demand for temporary workers in the local market and the main challenge going forward is the lack of suitable candidates to meet demand.

Labour and legislative factors impact upon the delivery and costs of the services and include:

- National Minimum Wage, the Living Wage and average UK earnings all increasing
- Agency Workers Regulations
- Pension auto-enrolment contributions (where applicable) 1% until 2017.
- PVG Scheme checks/Disclosure Scotland
- Scottish Social Services Council (SSSC) registration
- Providing statutory training

#### 4. OTHER IMPLICATIONS

HR officers and hiring managers will be required to assist with the migration to and utilisation of the national frameworks.

#### 5. BACKGROUND/MAIN ISSUES

There are a number of framework agreements that CPS have worked to develop in conjunction with Service users and the national body for joint public sector procurement, Scottish Procurement, and for joint local government procurement, Scotland Excel. The spend on these contracts is such that the annual combined spend will be well in excess of £60,000, although in most cases no single purchase of the services of an individual agency worker will exceed £60,000 otherwise the hiring Service would need to report to the appropriate Committee.

The CPS together with the Services liaise and participate in User Intelligence Groups to ensure that their needs, as well as any Council Policies are incorporated into the design of the specifications and the subsequent evaluation of the tenders that are received.

#### 6. IMPACT

This report links to the Smarter City vision aiming to maintain staffing levels to ensure continuity of services in a currently difficult and challenging environment. It also supports the Corporate Business Plan and individual Service plans supporting the delivery of front line essential services.

7. MANAGEMENT OF RISK

In the event the Council did not utilise these frameworks to provide temporary agency workers then there is the risk that staff vacancies will impact upon the delivery of services and options to address these gaps in the workforce would be considered on a case by case basis thereby not representing best value. In addition there is the risk that the Council will be breaching EU procurement legislation.

8. REPORT AUTHOR DETAILS

Irene deBoth, Category Manager

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Tel: 01224 664893

## Appendix 1

1. The following framework agreement has been tendered by Scotland Excel:

Commodity Being Purchased	*Current Council Annual Spend	Name/s of Contractor Appointed in Aberdeen
Temporary Social Care Agency Workers	£1,218,594	<ul style="list-style-type: none"><li>• Ailsa Care Services Ltd</li><li>• ASA International Ltd</li><li>• Badenoch &amp; Clark Ltd</li><li>• Liquid Personnel</li><li>• Pertemps Recruitment Partnership Ltd</li><li>• Reed Specialist Recruitment Ltd</li><li>• Service Care Solutions Ltd</li><li>• SPS Social CareLtd</li><li>• Swiis (UK) Ltd</li><li>• The Social care community Partnership Limited</li><li>• Tripod Partners Ltd</li></ul>

*\*Spend figure produced from financial report 2013-2014 agency account code level*

### **Background: Supply of Social Care and Agency Workers**

Given Local Authorities accounted for 99% of the spend on the Scottish Procurement Social Care and Agency framework, making them the key stakeholder group for any replacement framework, responsibility for renewal passed to Scotland Excel.

The national collaborative framework for the supply of social care and agency workers, including care workers, social workers and ancillary staff has been developed in consultation the all 32 Scottish Local Authorities, all of whom have confirmed their intention to participate in the framework.

There are four lots that make up this framework: Lot 1 – Residential; Lot 2 – Community; Lot 3 Professional; and Lot 4 – Ancillary.

The Framework initial term is for a period of two years with the option to extend for up to a total of 24 months until 31 July 2018.

2. The following framework agreements are currently being tendered by Scottish Procurement:

Temporary and Interim Staff Frameworks		*Current Council Annual Spend
Commodity Being Purchased	Geographic Area	
<ul style="list-style-type: none"> <li>• Temp Admin</li> <li>• Temp Catering/Manual</li> <li>• Interim Professionals &amp; IT</li> </ul>	<ul style="list-style-type: none"> <li>• North</li> <li>• North</li> <li>• Scotland</li> </ul>	£2,970,117

*\*Spend figure produced from financial report 2013-2014 agency account code level*

### **Background: Supply of Temporary and Interim Staff**

The Council currently utilises a suite of national framework agreements tendered by Scottish Procurement in 2010. These framework agreements are shortly to expire and Procurement Scotland is currently undertaking a national collaborative tender exercise to replace the frameworks. The new frameworks are expected to be in place at the beginning of 2015 following the conclusion of the tender exercise.

The tender contract notice attracted a huge volume of Pre Qualification Questionnaire submissions which were evaluated and 6 bidders per framework have received an Invitation to Tender. The tender submissions are currently being evaluated.

The framework duration will be for an initial period of 3 years with the option to extend for a further year.

The Head of Commercial and Procurement Services, Head of Legal and Democratic Service will ensure that the outcome of the tender exercise delivers best value to the Council prior to approving any call-off contracts under the new frameworks.

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# Equality and Human Right Impact Assessment: The Form



ABERDEEN  
CITY COUNCIL

EHR/IA

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, **the word “proposal” refers to policy, strategy, plan, procedure, report or business case.** This then, embraces a range of different actions such as setting budgets, developing high level strategies and organisational practices such as internal restructuring. Please also refer to the “Completion Terminology” at the end of the form.

<b>1: Equality and Human Rights Impact Assessment- Essential Information</b>	
<b>Name of Proposal: Committee Report</b>	<b>Date of Assessment: 4 November 2014</b>
<b>Service: Commercial &amp; Procurement Services</b>	<b>Directorate: Corporate Governance</b>
<b>Committee Name or delegated power reference (Where appropriate): Finance, Policy &amp; Resources Report No. CG/14/130</b>	<b>Date of Committee (Where appropriate): 4 December 2014</b>
<b>Who does this proposal affect?</b>  Please Tick ▼	<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="width: 100px;">Employees</span> <input type="checkbox"/> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="width: 100px;">Job Applicants</span> <input type="checkbox"/> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="width: 100px;">Service Users</span> <input type="checkbox"/> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="width: 100px;">Members of the Public</span> <input type="checkbox"/> </div> <div style="display: flex; align-items: center;"> <input type="checkbox"/> </div> </div>



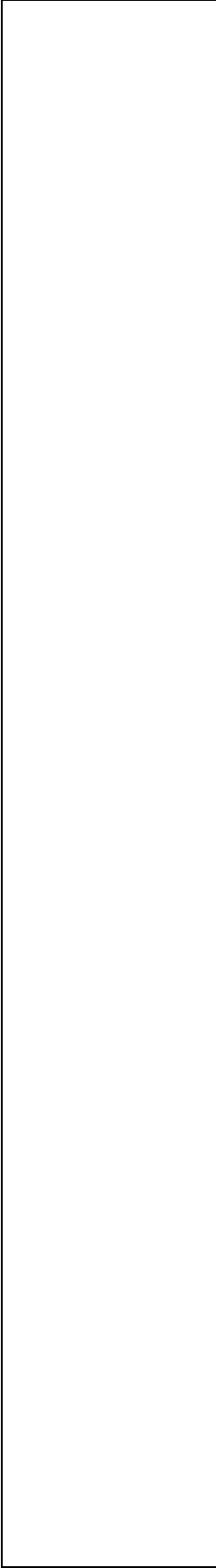
	Other (List below)
<b>2: Equality and Human Rights Impact Assessment- Pre-screening</b>	
<b>Is an impact assessment required?</b>	<p style="text-align: center;"> <input type="checkbox"/> Yes                      <input type="checkbox"/> No </p>
<p><b>If No, what is the evidence to support this decision?</b>  (Once this section is completed, please complete section 8 of the form).</p>	<p>There is no potential negative impact on people. The opportunity to register with any of the agencies appointed to the frameworks is open to all. Thereafter they will be considered /put forward for temporary vacancies in line with standard recruitment policies and procedures.</p>

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<b>3: Equality and Human Rights Impact Assessment</b>	
<b>a- What are the aims and intended effects of this proposal?</b>	
<b>b- What equality data is available in relation to this proposal?</b>  (Please see guidance notes)	

<p><b>c- List the outcomes from any consultation that relate to equalities and/or human rights issues e.g. with employees, service users, Unions or members of the public that has taken place in relation to the proposal.</b></p>	
<p><b>d- Financial Assessment</b> If applicable, state any relevant cost implications or savings</p>	<p><b>Costs (£)</b> Implementation cost <input type="text"/> £</p>

<p>expected from the proposal.</p>	<p>Projected Savings <input type="text"/> £</p>
<p><b>e- How does this proposal contribute to the public sector equality duty: to eliminate discrimination, harassment and victimisation; advance equality of opportunity; and foster good relations?</b></p>	
<p> </p>	
<p><b>f- How does this proposal link to the Council's Equality Outcomes?</b></p>	
<p> </p>	



**4: Equality Impact Assessment - Test**

**What impact will implementing this proposal have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

<b>Protected Characteristic:</b>	<b>Neutral Impact: Please ✓</b>	<b>Positive Impact: Please ✓</b>	<b>Negative Impact: Please ✓</b>	<b>Evidence of impact and if applicable, justification where a ‘Genuine Determining Reason’* exists *( see completion terminology)</b>
<b>Age</b> (People of all ages)				
<b>Disability</b> (Mental, Physical, Sensory and Carers of Disabled people)				
<b>Gender Reassignment</b>				
<b>Marital Status</b> (Marriage and Civil Partnerships)				
<b>Pregnancy and Maternity</b>				

**Equality Impact Assessment Test:**

What impact will implementing this proposal have on employees, service users or other people who share characteristics protected by <i>The Equality Act 2010</i> ?				
Protected Characteristic:	Neutral Impact: Please ✓	Positive Impact: Please ✓	Negative Impact: Please ✓	Evidence of impact and if applicable, justification where a 'Genuine Determining Reason'* exists *( see completion terminology)
<b>Race</b> (All Racial Groups including Gypsy/Travellers)				
<b>Religion or Belief or Non-belief</b>				
<b>Sex</b> (Women and men)				
<b>Sexual Orientation</b> (Heterosexual, Lesbian, Gay And Bisexual)				
<b>Other</b> (e.g: Poverty)				

**5: Human Rights Impact Assessment Test**

**Does this proposal have the potential to impact on an individual's Human Rights? Evidence of impact and , if applicable, justification where the impact is proportionate**

**Article 2 of protocol 1: Right to education**

Yes  No

**Evidence:**

**Article 3: Right not to be subjected to torture, inhumane or degrading treatment or punishment**

Yes  No

**Evidence:**



<p><b>Article 6: Right to a fair and public hearing</b></p>	<p style="text-align: center;"><b>Yes</b>                      <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>Article 8: Right to respect for private and family life, home and correspondence</b></p>	<p style="text-align: center;"><input type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>Article 10: Freedom of expression</b></p>	<p style="text-align: center;"><input type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>Article 14: Right not to be subject to discrimination</b></p>	<p style="text-align: center;"><input type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> <b>No</b></p> <p><b>Evidence:</b></p>
	<p style="text-align: center;"><input type="checkbox"/>                      <input type="checkbox"/></p>

<p><b>Other article not listed above, please state:</b></p>	<p><b>Yes</b>      <b>No</b></p> <p><b>Evidence:</b></p>
<p><b>6: Assessment Rating:</b></p>	
<p><b>Please rate the overall equality and human right assessment</b> (Please see Completion terminology)</p>	<p> <input type="checkbox"/> <b>Red</b>  <input type="checkbox"/> <b>Red</b> <b>Amber</b>  <input type="checkbox"/> <b>Amber</b>  <input type="checkbox"/> <b>Green</b> </p>
<p><b>Reason for that rating:</b></p>	

<p><b>7: Action Planning</b></p>
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As a result of performing this assessment, what actions are proposed to remove or reduce any risks of adverse outcomes identified on employees, service users or other people who share characteristics protected by <i>The Equality Act 2010</i> ?					
Identified Risk and to whom:	Recommended Actions:	Responsible Lead:	Completion Date:	Review Date:	
<b>8: Sign off</b>					

<p><b>Completed by (Names and Services) :</b></p>	<p>Irene deBoth</p>
<p><b>Signed off by (Head of Service) :</b></p>	<p><i>Craig Innes</i> <i>(see scanned copy of signed page attached)</i></p>
<p>Please send an electronic copy of your completed EHRIA - without signatures - together with the proposal document and/or committee report to:</p> <p>           Equalities Team            Customer Service and Performance            Corporate Governance            Aberdeen City Council  <b>Business Hub 13</b>            Second Floor North            Marischal College            Broad Street            Aberdeen            AB10 1AB         </p> <p>Telephone 01224 523039 Email <a href="mailto:sandrab@aberdeencity.gov.uk">sandrab@aberdeencity.gov.uk</a></p>	




**9: Completion Terminology:**

<p><b>Assessment Pre-screening Rating:</b></p>	<p>This section will highlight where there is the obvious potential for a negative impact and subsequent risk of negative media coverage and reputational damage to the Council. Therefore, a full impact assessment is required, for example around sensitive issues such as marching, Gypsy/ Traveller issues, change to social care provision. It should also be completed to evidence why a full impact assessment was not required, example, there is no potential negative impact on people.</p>
<p><b>Assessment Rating:</b></p>	<p>After completing this document, rate the overall assessment as follows:  <b>Red:</b> As a result of performing this assessment, it is evident that we will discriminate (direct, indirect, unintentional or otherwise) against one or more of the nine groups of people who share <i>Protected Characteristics</i>. It is essential that the use of the proposal be suspended until further work or assessment is performed and the discrimination is removed.  <b>Red Amber:</b> As a result of performing this assessment, it is evident that a risk of negative impact exists to one or more of the nine groups of people who share <i>Protected Characteristics</i>. However, a genuine determining reason may exist that could legitimise or justify the use of this proposal and further professional advice should be taken.  <b>Amber:</b> As a result of performing this assessment, it is evident that a risk of negative impact exists and this risk may be removed or reduced by implementing the actions detailed within the <i>Action Planning</i> section of this document.  <b>Green:</b> As a result of performing this proposal does not appear to have any adverse impacts on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p>
	<p>Equality data is internal or external information that may indicate how the proposal</p>

<b>Equality Data:</b>	<p>being analysed can affect different groups of people who share the nine <i>Protected Characteristics</i> – referred to hereafter as ‘<i>Equality Groups</i>’.</p> <p>Examples of <i>Equality Data</i> include: (this list is not definitive)</p> <ol style="list-style-type: none"> <li>1: Application success rates by <i>Equality Groups</i></li> <li>2: Complaints by <i>Equality Groups</i></li> <li>3: Service usage and withdrawal of services by <i>Equality Groups</i></li> <li>4: Grievances or decisions upheld and dismissed by <i>Equality Groups</i></li> </ol> <p>Certain discrimination may be capable of being justified on the grounds that:</p>
<b>Genuine Determining Reason</b>	<ol style="list-style-type: none"> <li>(i) <i>A genuine determining reason exists</i></li> <li>(ii) <i>The action is proportionate to the legitimate aims of the organisation</i></li> </ol> <p>Where this is identified, it is recommended that professional and legal advice is sought prior to completing an <i>Equality Impact Assessment</i>.</p>
<b>Human Rights</b>	<p>The rights set out in the European Convention on Human Rights, as incorporated into the UK Law by the Human Rights Act 1998.</p>
<b>Legal Status:</b>	<p>This document is designed to assist us in “<i>Identifying and eliminating unlawful Discrimination, Harassment and Victimisation</i>” as required by <i>The Equality Act Public Sector Duty 2011</i>. An <i>Equality Impact Assessment</i> is not, in itself, legally binding and should not be used as a substitute for legal or other professional advice.</p>

**8: Sign off**

<p><b>Completed by (Names and Services):</b></p>	<p>Irene deBoth</p>
<p><b>Signed off by (Head of Service):</b></p>	
<p>Please send an electronic copy of your completed EHRIA - without signatures - together with the proposal document and/or committee report to:</p> <p>                     Equalities Team                      Customer Service and Performance                      Corporate Governance                      Aberdeen City Council  <b>Business Hub 13</b>                      Second Floor North                      Marischal College                      Broad Street                      Aberdeen                      AB10 1AB                 </p> <p>Telephone 01224 523039 Email <a href="mailto:sandrab@aberdeencity.gov.uk">sandrab@aberdeencity.gov.uk</a></p>	

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 <sup>th</sup> December 2014
DIRECTOR	Pete Leonard
TITLE OF REPORT	Strategic Infrastructure Plan Progress Update
REPORT NUMBER	CG/14/159
CHECKLIST RECEIVED	Yes

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

The purpose of the report is to provide members with a progress update on the delivery of Strategic Infrastructure Plan (SIP).

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

It is recommended that the committee:

- a) note the content of the report and the progress made.

### **3. FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report. All financial implications are managed as part of the Council's capital planning process.

There are no implications for any approved PBB options.

### **4. OTHER IMPLICATIONS**

There are no other direct implications arising as a result of this report regarding legal, resource, personnel, property, equipment, sustainability and environmental, health and safety and/or policy implications.

### **5. BACKGROUND/MAIN ISSUES**

At its meeting on the 6<sup>th</sup> March 2013, Council agreed to the preparation of a Strategic Infrastructure Plan (SIP) and this plan was presented and approved

at its meeting on the 31<sup>st</sup> October 2013.

The importance of the SIP can not be underestimated and 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.

To achieve this the SIP is centred around five key goals:

1. A step change in the supply of housing
2. Better digital connectivity at home and at work
3. Better local transport
4. The skills and labour that Aberdeen needs to thrive
5. A better image for the city

The SIP contains bold, large scale projects that will help deliver these goals and the appendix to this report provides members with a progress update on the delivery of these projects as well as an update to the supporting infrastructure projects.

## **6. IMPACT**

The Strategic Infrastructure Plan 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.

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 5 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.

Given the nature of the Strategic Infrastructure Plan this may be of interest to the public.

**7. MANAGEMENT OF RISK**

N/A

**8. BACKGROUND PAPERS**

N/A

**9. REPORT AUTHOR DETAILS**

David Leslie  
Strategic Infrastructure Plan Programme Manager  
[dleslie@aberdeencity.gov.uk](mailto:dleslie@aberdeencity.gov.uk)  
01224 522772

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# STRATEGIC INFRASTRUCTURE PLAN PROGRAMME DASHBOARD

Project ID	Project Name	Project Manager	Stage	Last Completed Milestone	Next Milestone	Milestone Target Date	Timeline			Risk			Budget			Resource			Scope			Benefits			Quality			Notes
							Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	
<b>AFFORDABLE HOUSING PROGRAMME</b>																												
001	Appointment of Delivery Partner	Paul Genoe	Plan	Issue PQO	Competitive Dialogue	17-28 Nov 14	A	A	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	An addition of milestone to the project - Competitive Dialogue of a restricted nature - has been added giving a slight delay of two weeks. As a result it is now scheduled to be completed in Jan 2015 rather than in April 15 as previously predicted and a partner appointment in April 15 after committee approval in March 15. The timeline has been updated to reflect this. The timeline is still subject to change as the PQO process is ongoing. The PQO process is currently considering the bids received.
	Former Bucksburn Farm	Paul Genoe	Plan	Continue with site due diligence	Continue with site due diligence	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Site investigations and due diligence work continues to be carried out. We will soon look to appoint Consultants to carry out an EIA on the site.	
	Former Craighill Primary School	Paul Genoe	Plan	Public consultation event	Continue with site due diligence	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Public consultation meetings have been held for the site. Continuing to carry out site investigations and due diligence and go through the planning process.		
	Former Smithfield Primary School	Paul Genoe	Plan	Public consultation event	Continue with site due diligence	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Public consultation meetings have been held for the site. Continuing to carry out site investigations and due diligence and go through the planning process.		
	Former St Machar Primary School	Paul Genoe	Plan	Public consultation event	Continue with site due diligence	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Public consultation meetings have been held for the site. Continuing to carry out site investigations and due diligence and go through the planning process.		
	Former Aberdeen Care Home	Paul Genoe	Plan	Public consultation event	Continue with site due diligence	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Public consultation meetings have been held for the site. Continuing to carry out site investigations and due diligence and go through the planning process.		
	Former Tillydrone Primary School	Paul Genoe	Plan	Public consultation event	Continue with site due diligence	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Public consultation meetings have been held for the site. Continuing to carry out site investigations and due diligence and go through the planning process.		
	East Woodcroft	Paul Genoe	Plan	Continue with site due diligence	Outcome from site due diligence to be submitted to Serenitec or Wayaveave relating to overhead power cable	TBC	G	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Topographic survey has been completed and solution agreed regarding roads access. Also working with Legal and Democratic Services to investigate any Serenitec or Wayaveave relating to overhead power cables at East Woodcroft. This work is essential and required now, any delay will impact on the ITT timescale. As a result the risk status has been changed to Amber.	
	Former Summerhill Site	Paul Genoe	Plan	Continue with site due diligence	Continue with site due diligence	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Topographic survey for the site has been completed and is being considered.	
<b>REGENERATION PROGRAMME</b>																												
<b>Middlefield</b>																												
001	Re-housing of all those affected by the new road	Maria Thies	Plan	Committee report to agree policy to re-house affected tenants	Matching exercise	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Matching affected tenants to available housing. There will be ongoing monitoring of the numbers of tenants who have been successfully matched and this will be added as a milestone.	
	Delivery of Social Housing for rent through the HRA	Maria Thies	Plan	Committee report identifying a preferred site	Committee report identifying a preferred site	Dec-14	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Looking at the Manor Walk site. Initial desktop studies have been carried out. A report will be submitted to committee to approve the site for development.	
	Alternative accommodation for community facilities	Gail Woodcock	Plan	Submission of Stage 2 Application	Complete Business Case	Sep-14	G	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	We have been successful in our stage 2 application for funding as the project has been recommended for funding. This grant award is indicative as all applications are subject to final technical checks prior to final offers of grant being issued. The risk and budget status was previously amber due to uncertainty of the funding application but this has now been changed to green.	
	Triangle site analysis	John Quinn	Implement	Appointed consultants to carry out the work	Complete analysis	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Development Architect company has been commissioned to carry out the analysis of the site (existing projects and potential additional projects).	
	Smithfield Court Refurbishment		Implement	Started on site	Continue refurbishment	Apr-15	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Construction on the refurbishment has started on site.	
<b>Tillydrone</b>																												
	Regeneration Appraisal for the area	Paula Martin	Define	Appoint consultants to take forward the work	Complete the appraisal	TBC	G	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	A	At present there are working with the project leads and consultants to develop the relevant project documentation. Therefore the timeline, risk and quality status is at Amber until we are clear on what is being delivered and by when it is also important to note that there are separate regeneration projects taking place in the area and their delivery is being monitored as individual projects in the relevant programmes in the SIP.	
<b>Torry</b>																												
	Systems	Nail Bruce	Implement	Recruit to key positions of Team Leader and Operations Manager	Recruit first 6 musicians	Dec-14	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	The Team Leader and Operations Manager have been appointed and start work in early November. This week adverts were published for the first six musicians with a closing date of 17th November and interviews to be held in Torry in early December.	
	Regeneration Appraisal for the area	Paula Martin	Define	Appoint consultants to take forward the work	Complete the appraisal	TBC	G	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	A	At present there are working with the project leads and consultants to develop the relevant project documentation. Therefore the timeline, risk and quality status is at Amber until we are clear on what is being delivered and by when it is also important to note that there are separate regeneration projects taking place in the area and their delivery is being monitored as individual projects in the relevant programmes in the SIP.	
<b>TRANSPORTATION PROGRAMME</b>																												
012	Third Don Crossing	Tom Rogers	Implement	Start on site	100% complete against work programme	Aug-14	A	A	A	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	The current work programme is 100% on target. The council has sufficient resource monitoring the delivery on site. The timeline has therefore been changed to green status. There is still an issue about the contractors work programme starting off slowly and becoming very compressed in later months however sufficient monitoring of this is in place. The risk is still amber due to the potential of adverse weather conditions throughout the construction and relating this risk to the compressed work programme.	
013	Dyce Drive Link Road / A36 Park & Choose	Tom Rogers	Plan	Complete tender docs and issue works tender. Also get legal agreements signed	Complete tender docs and issue works tender. Also get legal agreements signed	Unknown	A	A	A	A	A	R	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Milestone target dates have been slipping however the tender for the works has now been put out. Legal agreements have not yet been signed and there is a concern that the costs will come in over budget due to inflated construction costs.	
	South College Street	Tom Rogers	Define	Commissioned a review of original traffic modelling	Complete review of traffic modelling	Nov-14	R	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	Original timelines have not been met due to the need for a review of original project scope and a further traffic modelling exercise being done. The outcome of this has been received however more work is needed. Not having an agreed outcome means we do not have sufficient details on the cost, scope and benefits at the moment so the status has remained at Amber. This project has a direct link to the City Centre Regeneration Masterplan and the Transportation Team are in discussions with BDP.	
	Berryden Corridor	Tom Rogers	Define	Feasibility study	CPO Plans to Legal	Dec-14	A	A	A	A	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	There is a requirement for CPO and planning and these timescales are difficult to predict and can be outwith the councils control therefore this is a risk to the milestones and delivery being completed on time. Current milestone to submit CPO info to Legal is on track.	
	Access from the South	Tom Rogers	Define	STAG Part 1 Appraisal Process	STAG Part 2 Appraisal Process	Mar-16	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Currently going through the STAG 2 Appraisal Process and is on target.	
014	Cross City Transport Connections	Joanna Murray	Define	Draft project brief	Finalise project brief	Nov-14	R	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	After finalising the brief in November we are looking to commission consultants in January. Once appointed we will have a programme of delivery for the first phase of the feasibility.	
	Pedestrianisation	Vycki Ritson	Define	Prepare draft TRO to support pedestrianisation option	Prepare draft TRO to support pedestrianisation option	Nov-14	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Pedestrianisation of Broad Street will now be included as part of the development of the City Centre Masterplan. This will enable any proposals for Broad Street to have the full strategic context of the wider City Centre plans that will evolve from the masterplan process and will enable us to continue to develop the connectivity of Broad Street as part of the wider City Centre plans. The challenge is what we have committed so far and as yet have not delivered. In addition to the City Centre Masterplan and Delivery Plan, there will also be Sustainable Urban Mobility Plan, which together will enable us to start delivery of short, medium and long term transportation initiatives to support not only the City Centre Regeneration but the wider sustainable growth of the whole City.	
	Aberdeen Hydrogen Project	Emma Watt	Implement	Appoint civils contractor	Complete civil works	Dec-14	G	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Civils works are due to be completed by Dec 14. There was a delay in getting started and receiving external advice when requested therefore the timeline is very tight which is why the timeline is at amber status. There are risks around the delay in completing the maintenance facility and re-fueling facility. Mitigations are in place however we are working with the contractor to try and ensure the works are completed on time.	

Project ID	Project Name	Project Manager	Stage	Last Completed Milestone	Next Milestone	Milestone Target Date	Project End Date	Timeline			Risk			Budget			Resource			Scope			Benefits			Quality			Notes
								Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	
<b>CITY DEVELOPMENT PROGRAMME</b>																													
015	City Centre Regeneration	Andrew Win	Define	Consultation events	Complete baseline data	Nov-14	May-15	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	First consultation events took place at the end of September and was attended by just under 1,000 people. Feedback has been collated and analysed. The council has also received the initial baseline data reports from BDP and officers are feeding back comments. Initial option reports have been drafted. The project manager is now in place and the relevant project documentation and plans have been developed, which has changed the quality status from amber to green. There is still a need to establish the resource requirements from some internal services but this is being considered and agreed. The second round of consultation will take place at the end of November.
016	Marischal Square	Stephen Booth	Plan	Planning permission	Continue site investigation and due diligence	Dec-14	Jan-17	G	A	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Planning application was submitted to Council and approved in October. There has been a scope change to the project by splitting the Broad Street pedestrianisation into a separate project. There is still a risk around getting agreement with a hotel operator and having vacant office and retail units. The risk of this is at amber status.
	New AECC	Andrew Win	Plan	Draft masterplan complete	Final business case and masterplan to council	Dec-14	Jan-18	G	A	A	G	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Business case to be presented to CMT in November and Council in December this year. Following that the next milestone is to submit a detailed masterplan and planning application in Jan 2015. There are 2 risks at amber status but mitigation is in place and being managed. The main risk is around the traffic solutions currently being investigated for the Dyce area.
	Museum Collection Centre	Neil Bruce	Implement	Evaluate tenders and appoint preferred bidder.	Evaluate tenders and appoint preferred bidder.			A	G	R	G	R	G	R	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Increase in cost of the project has been discussed with Finance and the shortfall agreed by the CAG changing the budget and risk status from red to green. The timeline was previously at amber status due to the change in scope as a result of the cost issues, however now that this is resolved officers are working to get the project on track. Officers are currently going through the evaluation process.
	Art Gallery Redevelopment	Neil Bruce	Implement	Analyse POO returns and complete tender documentation	Analyse POO returns and complete tender documentation	Oct-14	TBC	G	G	A	A	G	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	HLE announcement that the Council had been successful in its application and were awarded £10M of funding. There is a risk that the costs will come in over estimate due to inflation in construction costs but there is mitigation in place for this. There is also an interdependency risk in relation to the development of the Museum Collection Centre. This is being monitored in conjunction with that project.
<b>DIGITAL CONNECTIVITY PROGRAMME</b>																													
<b>Accelerate Aberdeen</b>																													
003	In Building WiFi	Rita Stephen	Implement	Preferred bidder selected	Award Contract	Oct-14	Mar-15	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Contract is due to be finalised and signed at the end of November. Works should start in December. Asbestos surveys are currently being carried out.
004	Wireless Concession	Rita Stephen	Implement	Preferred bidder selected	Award Contract	Oct-14	Mar-15	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Contract was finalised and signed in October. Works should start in November.
005	Innovation Hub	Rita Stephen	Implement	Finalise grant agreements and release funds	Opening of Innovation Hub	Oct-14	Mar-15	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	ENET Innovation Hub is due to be opened. Official launch date is to be confirmed.
005	Voucher Scheme	Rita Stephen	Implement	Implemented	Consider alternative projects	TBC	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	The DCMS have approved the use of Voucher Scheme funds for alternative Digital projects and have now lowered their targets with regards to the number of voucher awards. This will also help with the benefits of the overall project. Alternative projects are being worked on.
<b>SCHOOL ESTATE PROGRAMME</b>																													
012	New South of the City Academy	Euan Couperwhite	Plan	NPR issued	NPR approved by Hub	Nov-14	Aug-17	A	A	A	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Negotiations with Hub on overall cost have been concluded. There is a funding gap due to inflation in construction costs. Additional funding from the Capital Plan can be found and has been agreed by CAG. We are looking to accelerate the works, both site grounds works and financial close to ensure the project is complete by the agreed timescale of August 2017. The timescales are tight meaning the timeline and risk status is presently considered amber status. The budget status has moved from amber to green.
013	Brimmond Primary School	Euan Couperwhite	Implement	Continuation of groundworks	Continue to be on target with work programme	every month	Aug-15	G	G	A	G	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Works continue on site and the contractor is on target with the work programme. The building contractor has identified contaminated land and we are currently in discussions about disposal, cost of that disposal and how much the Council would be liable for. This is a financial risk to the Council and at this stage is at Amber status. There are a few potential funding sources that are being explored therefore at this stage the budget risk is classed as amber and not red.
	Centre of Excellence (formally known as the ASN school)	Sharon McNutt	Plan	NPR issued and approved	Hub North Prepare Stage submission	Jan-15	Aug-17	A	G	A	A	G	A	G	A	G	G	G	G	G	G	G	G	G	G	G	G	G	Negotiations with Hub around cost have been resolved. However there is still a risk that the overall cost will come in over budget due to inflation in the construction costs. This is at amber status because there is proposed mitigation of this. Key milestones around getting Stage 1 and 2 submitted and approved are slipping however this does not impact on the overall target date of school occupancy in August 17. A number of consultation events around design have taken place with positive feedback. The team continues with the design and planning works.
<b>OTHER SUPPORTING INFRASTRUCTURE PROJECTS (BOTH INTERNAL AND EXTERNAL)</b>																													
	Zero Waste Strategy	Pete Lawrence	Plan																										A report with recommendations for a major variation to the Waste Management Services Contract will be submitted to the Zero Waste Management Sub-committee on 2 December. If accepted, a planning application will be submitted in March 2015 to construct a Materials Recycling Facility, a Refuse Derived Fuel production facility and a new Waste Collection depot at a site in Allens. All facilities will be complete by end 2016.
	Victoria House	Kenny Paterson	Implement																										A site in East Tullos has been identified in the proposed Local Development Plan for an Energy from Waste facility that, when operational in 2021 will provide heat and power to houses and businesses in Aberdeen. The size of this facility will be determined by the outcome of discussions with other public authorities about a joint facility. It is anticipated that these will be complete by March 2016 and a report with recommendations brought to the ZWMSC in April 2015.
	Sustainable Urban Mobility Plan (SUMP)	Louise Napier	Implement																										Contractor is on site and progressing with the build. Construction and handover is due by the end of March 2015.
	Low Carbon Management Programme	Amy Gray	Plan																										This plan will be considered as part of the wider city centre regeneration work and cross city transport connections.
	Harbour Development	Andrew Win	Define																										The Carbon Management Programme is due to finish next year. This is being considered at the moment with a view to replacing this with the Sustainable Energy Action Programme (SEAP). Officers are currently working to develop this into a programme of work. This will be monitored and reported through the SIP Programme Management principles.
	Mither Kirk Redevelopment	Andrew Win	Define																										The Council, Aberdeen Harbour Board and Scottish Enterprise are having regular meetings to understand the master planning implications, property matters, transport impacts and stakeholder engagement strategies. AHB recently begun consultation as part of the public engagement strategy for the harbour expansion development framework and are also working on the EIA for the development. Environment impacts studies are underway with dialogue between the Council and SNH. Expected to take 12-18 months. It is intended to have a planning application submitted in the third quarter of 2015.
	Arts Centre Redevelopment	Lesley Thomson	Define																										Officers have been working with the Open Space Trust to consider redevelopment options and potential funding solutions. An outline business case has now been developed and this will be taken through the Council's Capital Planning and Stage Review Process. A decision on how this will proceed to a full business case will then be made.
	Music Hall Refurbishment	Lesley Thomson	Define																										An outline business case has been developed. This will be taken through the Council's Capital Planning and Stage Review Process.
	Lemon Tree Refurbishment	Lesley Thomson	Define																										The initial outline business case and design for the Music Hall redevelopment has been completed. Aberdeen Performing Arts are currently continuing with their fundraising with a number of applications pending.
	New Football Stadium	Lesley Thomson	Define																										The project is not currently at the stage for an outline proposal to be completed.
	Oil and Gas Academy for Scotland																												This project is not being led by the Council. Information will be provided as and when it is received or there is anything to update members on.
	Granite Museum																												This project is not being led by the Council. Information will be provided as and when it is received or there is anything to update members on.

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 December 2014
DIRECTOR	Ewan Sutherland (Interim)
TITLE OF REPORT	Corporate Information and Records Lifecycle Management Policy and Supporting Policies
REPORT NUMBER	CG/14/137
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

To provide Committee with a revised Information and Records Lifecycle Management Policy and supporting policies which provide the framework by which the Council will build an infrastructure that ensures the effective management of all our business information and records throughout their lifecycle.

### 2. RECOMMENDATION(S)

2.1 That Committee note the detail of and approve the revised Information and Records Lifecycle Management Policy (Appendix 1);

2.2 That Committee note the detail appended to the corporate Business Classification Scheme Policy and Records Retention and Disposal Schedule Policy as working templates that provide a framework to collaborate with Information Asset Owners to pilot, test and refine the details where necessary;

2.3 That Committee note the detail of and approve the Supporting suite of policies:

- Business Classification Scheme Policy (Appendix 2) and corresponding template (web link [pdf](#) or [excel](#));
- Records Retention and Disposal Schedule Policy (Appendix 3) and template (web link [pdf](#) or [excel](#));
- Information Asset Register Policy (Appendix 4).

### 3. FINANCIAL IMPLICATIONS

A Business Case for additional resource – 4 fixed term staff – is currently going through the Delegated Authority Approval cycle. Any future resource requirements within the team or within Services identified from the pilot, test and refine fixed term phase improvement programme will be subject to scrutiny from the Senior Information Risk Owner (SIRO) and Information Management Strategy Governance Group for identification of budget and approval.

### 4. OTHER IMPLICATIONS

The Council has a statutory duty under the Public Records (Scotland) Act 2011 (PRSA) to ensure that all of our information and records are managed appropriately. The Information & Records Lifecycle Management Policy introduces a revised and cohesive approach to developing the Council's maturity in managing the lifecycle of its information and records, as a key part of delivering on the Council's strategic Information Management objectives. The improvement programme will reflect the Council's comprehensive and integrated approach, outlined in the [Information Management Strategy](#), and will focus on managing information and records according to:

- Business context (why information and records exist and therefore how long they should be held);
- Content (what information and records are about and therefore who has access to them);
- Location (where and how information and records are held and therefore what business continuity arrangements are required/ appropriate);
- Information Asset Owner (the job role responsible for the information and records, and therefore accountable for ensuring the authenticity, usability, reliability and integrity of the information and records over time and through any change).

The Information and Records Lifecycle Management Policy, supporting policies and associated improvement programme will allow the Council to develop a full understanding, and more effective control of the information and records we create and hold over time and during change. This will support our compliance with other, related legislation, such as Data Protection and Freedom of Information.

These policies reflect the Council's high level statement of intent about how we will manage all our business information and records, as well as informing the improvement programme to implement the appropriate practice and procedures consistently across the organisation. Three of the additional staff identified in the Business Case will work with business areas to pilot, refine and test the implementation of Service File Plans using the Business Classification Scheme (BCS) and Records Retention and Disposal Schedule (RRDS) templates



presented with this report. The corporate BCS and RRDS appended to the policies are dynamic tools by their nature which will be subject to change and refinement as required, in consultation with relevant Information Asset Owners, in accordance with business and legal requirements.

## 5. BACKGROUND/MAIN ISSUES

The Council approved its first Corporate Records Management Policy in 2010. The rationale for the Policy at that time was to acknowledge the value and demonstrate a commitment to the spirit of information legislation and promote a culture of openness and transparency internal within the organisation and external with all our customers and partners. Requests made to the Council through the Freedom of Information Scotland Act 2002 (FOISA), Environmental Information (Scotland) Regulations 2004 (EIRs) and Data Protection Act 1998 (DPA) channels had increased significantly as had public and regulatory scrutiny. From 2010, the Council has been subject to a number of information compliance assessments and audits which have made specific recommendations prompting a revision to the Policy:

### **Office of Scottish Information Commissioner (OSIC)**

2010 OSIC – FOISA Good Practice Compliance Assessment  
2011 OSIC – FOISA Assessment Recommendations follow-up  
2012 OSIC – FOISA Good Practice Compliance Assessment  
2014 OSIC – FOISA Recommendations follow-up and sign-off

### **UK Information Commissioners Office (ICO)**

2013 ICO – Data Protection Compliance Audit  
2014 ICO – Data Protection Audit Recommendations follow-up – ongoing

### **Internal Audit**

2013-2014 – Information Security Review and follow-up  
2014 Sep. – PWC Phase 1 Public Records (Scotland) 2011 Act Compliance

The more recent addition in January 2013 to the information compliance regulatory agenda was the coming into force of the Public Records (Scotland) Act 2011. The Act requires named public authorities to maintain proper arrangements to manage their information and records irrespective of the technology used to create and store them or the type of information they contain.

The principal vehicle for achieving compliance with this legislative change will be a Records Management Plan which Aberdeen City Council will be statutorily obliged to prepare and submit to the Keeper of the Records of Scotland (the “Keeper”) for his approval in November 2014.

The plan has 14 elements:

- Senior Management Responsibility
- Records Manager Responsibility
- Records Management Policy Statement
- Business Classification
- Retention Schedule
- Destruction Arrangements
- Archiving and Transfer Arrangements
- Information Security
- Data Protection
- Business Continuity and Vital Records
- Audit Trail
- Competency Framework and competency framework for staff
- Assessment and Review
- Shared Information

The revised and supporting suite of Policies referred to in this report underpin and provide a framework in which the recently approved corporate Information Management Strategy objectives and Improvement Programme can be realised. Work to develop levels of maturity will commence fully from January 2015 through the Information Management Governance Group.

Compliance with the Act will be monitored and managed by the Keeper on a 'continuous improvement' basis. The Council will submit the initial Records Management Plan in November 2014, citing the corporate Information Management Strategy and Improvement Programme along with these supporting policies presented as evidence of how the Council will progress this programme of continuous improvement.

## 6. IMPACT

This revised and supporting suite of policies and associated improvement programme will provide the cornerstone by which the Council will manage all Council the lifecycle of all information and records now, and in the future. It will also provide the foundational basis on which to progress and meet the Council's Information Management Strategic objectives. In addition, these policies recognise that the effective management of records and information throughout its lifecycle requires a joined-up, holistic approach, which builds upon this foundation to ensure assurance and maturity in the following domains:

- Archive and Preservation
- Business Continuity and Disaster Management
- Culture, Training and Communication
- Knowledge, Re-Use and Performance
- Information and Records Lifecycle Management
- Risk & Governance
- Technical and Physical Systems Management

The Information Management Strategy will drive this joined-up approach, through a corporate improvement programme, which engages all relevant stakeholders.

7. MANAGEMENT OF RISK

Management of Risk will be monitored and reported by the Senior Information Risk Officer (SIRO) and Corporate Management Team on a quarterly basis.

8. BACKGROUND PAPERS

[Public Records \(Scotland\) Act 2011](#)

[Corporate Information Management Strategy](#)

9. REPORT AUTHOR DETAILS

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# CORPORATE POLICY

## INFORMATION & RECORDS LIFECYCLE MANAGEMENT

Date Created:	January 2010
Version:	2
Author (s) of Document:	Caroline Anderson, Records Manager
Review:	December 2014
Changes:	Created – January 2010 Submitted to Corporate Policy and Performance Committee 4 <sup>th</sup> March 2010
	Revised to take account of Public Records (Scotland) Act 2011 Submitted to Finance, Policy and Resources Committee 4 December 2014

## WHO AND WHAT IS THIS POLICY FOR?

All employees of Aberdeen City Council (ACC), its 3<sup>rd</sup> party contractors and Arm's Length External Organisations (ALEOS) need information and records every day in order to do their jobs – the Council cannot function or meet its objectives without it. This Policy is not just for those working on or assigned information and records management roles, it is for all Council staff, for every role, at every grade, in every part of the Council.

The Council deliver a wide range of services to our citizens throughout their lives; from registering a birth, to educating and protecting children, through to supporting vulnerable people to live as independently as possible. These services touch every aspect of our citizens' lives, from the environment we live in, to the roads we drive on, and the community facilities we all access. The Council's management of information and records are fundamental to ensuring that we are accountable for the services we deliver in a way that reflects our duty of care as a public authority to our citizens and stakeholders now and in the future. This is essential for:

- Making informed decisions based on accurate, good quality and up to date information;
- Explaining and evidencing why we have made a particular decision or carried out a particular action in a particular way at a particular time;
- Promoting democracy and protecting the rights of our people and our organisation.

This policy defines the framework by which the Council will build an infrastructure that ensures the effective management of all our business information and records throughout their lifecycle.

## WHY DO WE NEED A POLICY?

The Council has a statutory duty under the Public Records (Scotland) Act 2011 (PRSA) to ensure that all of our information and records are managed appropriately. This policy introduces a revised and cohesive approach to how ACC will manage its information and records lifecycle as part of a longer-term improvement programme. The improvement programme will reflect the Council's comprehensive and integrated approach, which focuses on managing information and records according to:

- The business context (why information and records exist and therefore how long they should be held);
- The content (what information and records are about and therefore who has access to them);
- The location (where and how information and records are held and therefore what business continuity arrangements are required/ appropriate);

- The Responsible Master Owner (the job role responsible for the information and records, and is therefore accountable for ensuring the authenticity, usability, reliability and integrity of the information and records).

The Information and Records Lifecycle Management Policy and Improvement programme will allow the Council to demonstrate that we have both a full understanding, and effective control of the information and records we create and hold. This will support our compliance with other, related legislation, such as Data Protection and Freedom of Information.

## WHAT DOES THIS POLICY COVER?

The Council's information and records constitute all records and information created, received, maintained or used by or on behalf of the Council, regardless of the technical or physical format or age of the information or record. This includes but is not limited to paper records, e-mail, spreadsheets, data in business systems, audio and video recordings and web pages.

All Council information and records will be managed through the Information and Records Lifecycle Management improvement programme, which will implement:

- **Corporate Business Classification Scheme Policy (Appendix 2) and template ([web link pdf or excel](#))**

*The Business Classification Scheme (BCS) is the Council's framework for classifying and managing all information and records, and is based on the business functions undertaken across the organisation. Implementing the BCS provides the framework for assuring that all Council information and record is managed appropriately and consistently.*

- **Corporate Records Retention & Disposal Schedule Policy (Appendix 3) and template ([web link pdf or excel](#))**

*The Records Retention & Disposal Schedule (RRDS) is the Council's schedule of corporately agreed retention and disposal periods and actions for Council information and records. Adopting and adhering to RRDS provides the framework for assuring the appropriate and consistent retention and disposal of its information and records across the organisation.*

- **Corporate Information Asset Register Policy (Appendix 4)**

*The Information Asset Register (IAR) is the framework adopted by the Council to provide Responsible Master Owner details for all information and records created and captured within corporate systems; both technical and physical. Ownership roles and responsibilities will be aligned to the corporate Business Classification Scheme by function.*

- **Corporate Information and Records Lifecycle Management Toolkit**

*A practical toolkit of procedures, guidance and face-to-face sessions will support the implementation of this policy and all related information management strategy domains. An awareness programme will communicate the phased rollout to all staff, to ensure that all changes to practice and overall culture change are implemented*

*consistently. The Toolkit will include 'A Guide to Managing Information and Records', and will make links to other interdependent domains, such as Information Preservation, Business Continuity, Migrating or Converting Electronic Records and Metadata standards.*

This improvement programme will implement the primary framework by which the Council will manage all Council information and records throughout their lifecycle over time and through change. It will also provide the foundational basis on which to progress and meet the Council's Information Management Strategic objectives. In addition, this policy recognises that the effective management of records and information throughout its lifecycle requires a joined-up approach, which builds upon this foundation to ensure assurance and maturity in the following key areas:

- Audit, Compliance, Risk and Governance
- Information Preservation
- Business Continuity & Disaster Management
- Culture, Training and Communications
- Information & Records Lifecycle Management
- Knowledge, Re-use & Performance
- Technical & Physical Systems Management

The Information Management Strategy will drive this joined-up approach, through a corporate improvement programme, which engages all relevant stakeholders.

## **HOW WILL WE MAKE THIS HAPPEN?**

Overall governance and strategic responsibilities for this policy are assigned to the Council's Senior Information Risk Officer (SIRO). All activity relating to this policy and related improvement programme will be monitored, actioned and reported on to the SIRO through the Information and Records Lifecycle Management Project Board and Information Management Governance Group. Information Asset Owners and Administrators will be responsible for ensuring all staff understand and act in accordance with their responsibilities outlined in this policy by completing a statement of internal control as part of the annual update to the Corporate Risk Register.

## **APPROVAL OF POLICY**

This policy will be reviewed annually in conjunction with the Corporate Information Management Strategy to ensure that it meets business and accountability requirements and measurable standards of good practice.



# **CORPORATE POLICY**

## **BUSINESS CLASSIFICATION SCHEME**

Date Created:	October 2014
Version:	1
Author (s) of Document:	Caroline Anderson
Review:	November 2015
Changes:	

## Who and what is this Business Classification Scheme for?

All employees of Aberdeen City Council (ACC), its 3rd party contractors and Arm's Length External Organisations (ALEOS) need information and records every day in order to do their jobs – the Council cannot function or meet its objectives without it. This Policy is not just for those working on or assigned information and records management roles, it is for all Council staff, for every role, at every grade, in every part of the Council.

The Council deliver a wide range of services to our citizens throughout their lives; from registering a birth, to educating and protecting children, through to supporting vulnerable people to live as independently as possible. These services touch every aspect of our citizens' lives, from the environment we live in, to the roads we drive on, and the community facilities we all access. The Council's management of information and records are fundamental to ensuring that we are accountable for the services we deliver in a way that reflects our duty of care as a public authority to our citizens and stakeholders now and in the future. This is essential for:

- Making informed decisions based on accurate, good quality and up to date information;
- Explaining and evidencing why we have made a particular decision or carried out a particular action in a particular way at a particular time;
- Promoting democracy and protecting the rights of our people and our organisation.

This Business Classification Scheme Policy defines the Council's framework for classifying and managing our information and records, based on our key functions and activities. Our functions are what we do, rather than who does them.

This Policy should be read as part of the broader Information and Records Lifecycle Management Policy, including the Records Retention and Disposal Schedule.

## Why do we need a Business Classification Scheme?

Under the terms of the Public Records (Scotland) Act 2011, the Council has a statutory duty to manage its information and records appropriately. Having in place and being able to evidence the use of a Corporate Business Classification Scheme is a key element of fulfilling this duty whilst being compliant with other related legislation such as Data Protection and Freedom of Information. The Council has in place an Information and Records Lifecycle Management Policy which sets out the Council's commitment to the proper management of our information and records throughout their lifecycle.

This [Business Classification Scheme](#) is structured using the Council's functions and activities rather than our organisational structure (Directorates, Services and Teams), which has many additional advantages:

- It will allow our information and records to be classified and retrieved consistently over time, because the core functions that the Council undertakes change far less often than our organisational structure.
- The Business Classification Scheme will provide the framework to ensure that our information and records are easy to find, supporting effective and efficient working.
- The Business Classification Scheme will provide the framework for consistently applying the Council's Records Retention & Disposal Schedule to ACC's information and records, making sure that ACC retains what we need for our business and dispose of what is no longer required.
- The Business Classification Scheme will provide the framework for ensuring that the Council's Information Asset Register makes clear links between the Council's Information Assets and their business purpose.

The Business Classification Scheme provides the framework for ACC to ensure that our records are accessible and useable to those who need them, for as long as they need them, and that appropriate security and access arrangements are in place to limit access to records and protect them where appropriate.

### **How does it work and how will we make it happen?**

Every Council team will manage the information and records created, used and managed by their teams, regardless of the technical or physical format or age of the information or record, in accordance with the corporate Business Classification Scheme, using service level file plans. This includes but is not limited to paper records, email, spread sheets, and data in business systems, audio and video recordings and webpages. The Business Classification Scheme provides the first three levels, determined by the core and corporate business functions onto which every team and services folder structure and service level file plans will be mapped.

Overall governance and strategic responsibilities for this policy are assigned to the Council's Senior Information Risk Officer (SIRO). All activity relating to this policy will be monitored, actioned and reported on to the SIRO through the Information and Records Lifecycle Management Project Board and Information Management Governance Group. Information Asset Owners and Administrators will be responsible for ensuring all staff understand and act in accordance with their responsibilities outlined in this policy.

### **APPROVAL OF POLICY**

The Business Classification Scheme will be maintained, developed and kept up-to-date with any legislative or business change requirements. This policy will be reviewed annually in conjunction with the Corporate Information and Records Lifecycle Management Policy to ensure that it meets business and accountability requirements and measurable standards of good.

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# CORPORATE POLICY

## RECORDS RETENTION AND DISPOSAL SCHEDULE

Date Created:	October 2014
Version:	1
Author (s) of Document:	Caroline Anderson
Review:	November 2015
Changes:	

## **Who and what is this Records Retention & Disposal Schedule for?**

All employees of Aberdeen City Council (ACC), its 3rd party contractors and Arm's Length External Organisations (ALEOS) need information and records every day in order to do their jobs – the Council cannot function or meet its objectives without it. This Policy is not just for those working on or assigned information and records management roles, it is for all Council staff, for every role, at every grade, in every part of the Council.

The Council deliver a wide range of services to our citizens throughout their lives; from registering a birth, to educating and protecting children, through to supporting vulnerable people to live as independently as possible. These services touch every aspect of our citizens' lives, from the environment we live in, to the roads we drive on, and the community facilities we all access. The Council's management of information and records are fundamental to ensuring that we are accountable for the services we deliver in a way that reflects our duty of care as a public authority to our citizens and stakeholders now and in the future. This is essential for:

- Making informed decisions based on accurate, good quality and up to date information;
- Explaining and evidencing why we have made a particular decision or carried out a particular action in a particular way at a particular time;
- Promoting democracy and protecting the rights of our people and our organisation.

This Records Retention & Disposal Schedule policy sets out:

- Corporately agreed retention and disposal periods (how long we need to keep our information and records) which is mapped to our corporate Business Classification Scheme;
- Corporately agreed retention and disposal actions (how we dispose of our information and records when they are no longer needed).

This Policy should be read as part of the broader Information and Records Lifecycle Management Policy, including the Records Retention and Disposal Schedule.

## Why do we need a Records Retention & Disposal Schedule?

Under the terms of the Public Records (Scotland) Act 2011, the Council has a statutory duty to manage its information and records appropriately. Having in place and being able to evidence the use of a Corporate Records Retention and Disposal Schedule is a key element of fulfilling this duty whilst being compliant with other related legislation such as Data Protection and Freedom of Information. The Council has in place an Information and Records Lifecycle Management Policy which sets out the Council's commitment to the proper management of our information and records throughout their lifecycle.

The [Records Retention & Disposal Schedule](#) will enable the Council to implement the appropriate and consistent retention and disposal of its information and records across the organisation. The adoption and implementation of this Records Retention and Disposal Schedule will allow the Council to mitigate the risks of both:

- **Disposing of information we still need.** Disposing of information and records we still need means that the Council will not have the information and records we require to undertake our core business. It also means that we will be unable to explain and evidence the decisions we have made, which will mean that the Council cannot be accountable to our stakeholders. In some cases, it may also mean that the Council are in breach of our statutory obligations.
- **Keeping information and records which we no longer need.** Keeping information for longer than we need it makes it harder to find information and records we need to carry out business. It also cost the Council money, whether it is held in hard copy or in electronic format. In some cases, keeping information too long may also mean that the Council is in breach of our statutory obligations.

Managing the retention periods of our information and records enables us to protect the rights of our citizens, our staff and the organisation and actively demonstrate the importance and value we place on our duty of care and accountability.

## **How does it work and how will we make it happen?**

Every Council team will manage the retention and disposal of their information and records, regardless of the technical or physical format or age of the information or record, in accordance with the corporate Records Retention & Disposal Schedule. This includes but is not limited to paper records, email, spreadsheets, and data in business systems, audio and video recordings and web pages. The Records Retention and Disposal Schedule is aligned to the corporate Business Classification Scheme framework which each service area can evidence through the creation and maintenance of a Service File Plan and Disposal Register.

Overall governance and strategic responsibilities for this policy are assigned to the Council's Senior Information Risk Officer (SIRO). All activity relating to this policy and will be monitored, actioned and reported on to the SIRO through the Information and Records Lifecycle Management Project Board and Information Management Governance Group. Information Asset Owners and Administrators will be responsible for ensuring all staff understand and act in accordance with their responsibilities outlined in this policy.

## **APPROVAL OF POLICY**

The Records Retention and Disposal Schedule will be maintained, developed and kept up-to-date with any legislative or business change requirements. This policy will be reviewed annually in conjunction with the Corporate Information and Records Lifecycle Management Policy to ensure that it meets business and accountability requirements and measurable standards of good practice.



# CORPORATE POLICY INFORMATION ASSET REGISTER

Date Created:	October 2014
Version:	1
Author (s) of Document:	Caroline Anderson
Review:	November 2015
Changes:	

## Who and what is this Information Asset Register for?

This Policy is for those job roles identified as responsible for the Council's information assets at a corporate level and then delegated by business function to all information asset administrators. The Council defines its information assets as all data, information and knowledge generated, sent, received or used by it in the undertaking of its functions – whether it be delivering its services, formulating policy, holding meetings, managing budgets or monitoring projects. These information assets come in a variety of formats including paper records, electronic email, spread sheets, and data in business systems, audio and video recordings and web pages, which are held within a variety of technical and physical systems. All employees of Aberdeen City Council (ACC), its 3rd party contractors and Arm's Length External Organisations (ALEOS) are dependent on our information assets every day in order to do their jobs – the Council cannot function or meet its objectives without it.

Creating and maintaining an Information Asset Register (IAR) underpins the delivery of the Council's strategic information management objectives, as outlined in the Information Management Strategy, that our information is accessible, useable and reliable; available when, where and whenever it is needed to support core business.

The Council's Information Asset Register will record and maintain the key information required to monitor and manage improvement to the council's information management practice. For each of the Council's Information Assets, the Register will identify and maintain information in relation to:

- Purpose - the Information Asset Register will align to the council's corporate Business Classification scheme, so each Information Asset will be clearly linked to its business purpose.
- User - who created each Information Asset, and where the information came from, who owns each Information Asset, who uses the Information Asset, and any other stakeholders.
- Format & Location - the technical and physical systems and locations used to manage and store each Information Asset.
- Use – How the Information Asset is used, how is it searched for and located, how does it need to be used and understood and what assurances do we need to have about it?
- Value - the Information Asset Register will record what the value of each Information Asset is to the organisation, whether this is in financial or other terms.
- Risk – what are the key risks to the Information Asset?

This Policy recognises the value of our information assets and the importance placed on their proper management throughout its lifecycle as a vital corporate function. It defines the Council's framework for linking the relationship our information assets have to our business requirements. The Register will allow us to better understand and manage what our information assets are, who has access to them, how they are protected and what they are being used for.

### **Why do we need an Information Asset Register?**

The Council's Information Asset Register will provide the evidence base by which we can determine our high value, high risk Information Assets, align strategic resources accordingly, and make informed decisions about how we manage our information assets to reach maturity in the key areas outlined in the Corporate Information Management Strategy improvement programme primary domains, specifically:

- Business Continuity & Disaster Recovery

*The IAR will allow clear identification of where and how business critical vital Information Assets are held, through alignment of Information Assets to core functions using the corporate Business Classification Scheme. This will support both the targeted management of risks to business continuity, and the targeted planning for disaster recovery in relation to business critical Information Assets.*

- Culture, Training & Communications

*The IAR will allow appropriate information management training and awareness activities to be aligned to specific Information Asset user, owner and stakeholder groups, and prioritised according to identified levels of risk or value of an Information Asset.*

- Information & Records Lifecycle Management

*The IAR is a key tool in ensuring the appropriate management of Information Assets throughout their lifecycle. The IAR aligns to the corporate Business Classification Scheme to support consistent management of Information Assets in a way which supports fast and complete information retrieval. The IAR will allow for the consistent management and monitoring of appropriate access to, and security of each Information Asset. The IAR will link to the Corporate Records Retention and Disposal Schedule to ensure Information Assets are kept for as long as required, and disposed of appropriately at the right time.*

- Knowledge, Re-use & Performance

*The IAR will allow identification of potential areas where we can maximise the benefits we derive from our Information Assets, through intelligent re-use, improved knowledge sharing, proactive information publication, and a joined up approach to the management of all business information, allowing us to drive improvements in*

*performance which make for a better customer and staff experience. Risk and Governance*

*The IAR will allow us to understand what our information assets are, and who is responsible for them; what purpose they serve and whether they comply with all agreed business (value) and legislative (risk) compliance requirements.*

- Technical & Physical Systems Management

*The IAR allows clear identification of where our technical or physical systems will affect our Information Assets. Understanding where such technical dependencies exist allows for planned and proactive change management, where such change impacts the management of information assets, and supports the 'going forward' approach where Information Asset requirements inform specification for future technical and physical systems.*

Under the terms of the Public Records (Scotland) Act 2011, the Council has a statutory duty to manage its information assets appropriately. Having in place and being able to evidence the use of an Information Asset Register provides a key element of fulfilling this duty whilst being compliant with other related legislation such as Data Protection and Freedom of Information.

The IAR will provide the framework for ACC to mitigate the risks and increase the value of our information assets over time and through change.

### **How does it work and how will we make it happen?**

The Information Asset Owner responsibilities will be directly aligned to the information within systems, in both technical and physical formats. Whilst information asset responsibilities will be linked to a particular job role for accountability purposes, the coordination of all assurance and maturity activities will be undertaken in collaboration with the corporate Information Management Strategy Improvement Programme Governance Group. The improvement programme will drive a phased developmental programme of work that will support the on-going assurance and maturity levels of all council information assets with the support of the domain specialists in the following lead areas:

- Business Continuity and Disaster Recovery
- Culture, Training and Communication
- Information and Records Lifecycle Management
- Information preservation
- Knowledge, Re-Use and Performance

- Risk and Governance
- Technical and Physical Systems Management

Job roles aligned to information assets will come in three different delegated levels:

### **Information Asset Owner**

Identified authorising person within a Directorate, Director/Head of Service; responsible for ensuring the Information Management Strategy Improvement Programme assurance and maturity levels are implemented and adopted by staff for the Information Assets within their business areas. They are also the owners of Information Management Value and Risk and for ensuring that these are managed in accordance with corporate business requirements and Council policy and practice.

### **Information Asset Administrator**

Responsible for ensuring the Information Management Strategy Improvement Programme assurance and maturity levels are implemented and adopted by staff for the information asset(s) within their business area. They are also responsible for working collaboratively with the relevant specialist domains to develop a holistic programme of improvements in the short –to-medium-to- long term based on the risk, value, maturity level and assurance requirement identified.

### **Information Management Liaison Officer**

Responsible for supporting the practical adoption and implementation of information asset management practice and policies by staff within their business area; providing front-line support, and identifying any issues to the appropriate Information Asset Administrator/Owner.

Overall governance and strategic responsibilities for this policy are assigned to the Council's Senior Information Risk Officer (SIRO). All activity relating to this policy will be monitored, actioned and reported on to the SIRO through the Information Management Governance Group. All job roles identified with information asset owner or administrator duties will be responsible for ensuring all staff understand and act in accordance with their responsibilities outlined in this policy and the broader corporate Information Management Strategy Improvement Programme.

### **APPROVAL OF POLICY**

The Information Asset Register will be maintained, developed and kept up-to-date with any legislative or business change requirements. This Policy will be reviewed annually in conjunction with the Corporate Information and Records Lifecycle Management Policy to ensure that it meets business and accountability requirements and measurable standards of good practice.

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# Equality and Human Right Impact Assessment: The Form



ABERDEEN  
CITY COUNCIL

EHR/IA

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, **the word “proposal” refers to policy, strategy, plan, procedure, report or business case.** This then, embraces a range of different actions such as setting budgets, developing high level strategies and organisational practices such as internal restructuring. Please also refer to the “Completion Terminology” at the end of the form.

## 1: Equality and Human Rights Impact Assessment- Essential Information

<p><b>Name of Proposal:</b> Corporate Information and Records Lifecycle Management Policy and supporting policies</p>	<p><b>Date of Assessment:</b> 5 November 2014</p>
<p><b>Service:</b> ICT, Customer Service and Performance</p>	<p><b>Directorate:</b> Corporate Governance</p>
<p><b>Committee Name or delegated power reference (Where appropriate):</b> Finance, Policy and Resources</p>	<p><b>Date of Committee (Where appropriate):</b> 4 December 2014</p>
<p><b>Who does this proposal affect?</b> Please Tick ▼</p>	<p>Employees <input type="checkbox"/></p> <p>Job Applicants <input type="checkbox"/></p> <p>Service Users <input type="checkbox"/></p> <p>Members of the Public <input type="checkbox"/></p> <p>Other (List below) Elected Members <input type="checkbox"/></p>



## 2: Equality and Human Rights Impact Assessment- Pre-screening

<b>Is an impact assessment required?</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>If No, what is the evidence to support this decision?</b> (Once this section is completed, please complete section 8 of the form).	

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### 3: Equality and Human Rights Impact Assessment

**a- What are the aims and intended effects of this proposal?**

The revised Information and Records Lifecycle Management Policy and supporting policy suite with its extended scope will ensure the Council continues to develop a fit-for-purpose framework for the appropriate governance of all information assets that will provide business efficiencies, whilst ensuring business continuity and risk management. In the longer term, it will provide the Council with an infrastructure for managing all information assets that is fit-for-purpose, consistent, and flexible to meet the variety of business activities carried out by the Council now and in the future.

**b- What equality data is available in relation to this proposal?**  
(Please see guidance notes)

There is currently no equality data held, however, monitoring of this proposal will be conducted through the implementation of the Information and Records Lifecycle Management Project Board and Information Management Strategy Improvement Programme via representatives from each domain coordinated by the Senior Information Risk Officer within the Information Strategy Governance Group already formed. This will ensure that all domains have a documented Service Plan for how their domain plan to deliver the maturity levels required to manage all corporate information assets, to enable all business information assets to be held according to legal and statutory standards, business or historical requirements, and that only those information assets required to be held and processed in the appropriate environment, destroyed in the appropriate way and therefore accounted for in a manner that conforms to records management standard ISO 15489, Public Records (Scotland) Act 2011, Legal Admissibility BS 10008, ICT Security ISO 27001/02, Information Security Risk Management BS7799, FOISA, DPA, EIR and the Local Government Act 1994.

<p><b>c- List the outcomes from any consultation that relate to equalities and/or human rights issues e.g. with employees, service users, Unions or members of the public that has taken place in relation to the proposal.</b></p>	<p>None received</p>
<p><b>d- Financial Assessment</b> If applicable, state any relevant cost implications or savings expected from the proposal.</p>	<p><b>Costs (£)</b></p> <p>Implementation cost <input type="text"/> £</p> <p>Projected Savings <input type="text"/> £</p>

**e- How does this proposal contribute to the public sector equality duty: to eliminate discrimination, harassment and victimisation; advance equality of opportunity; and foster good relations?**

The adoption of this revised Information and Records Lifecycle Management Policy and supporting policies will ensure that the council can confidently manage their information assets throughout their lifecycle; retrieve and account for these assets required to evidence decisions and operate their business in an open and transparent way, meeting FOISA, DPA and EIR compliance including the recent Public Records (Scotland) Act 2011 which came into force January 2013. This strategy will also provide strong foundations to foster positive relations with customers providing them with the appropriate access to that information from an organisational culture that is confident about the access and protection requirements of the information held.

The elements of the General Duty addressed will be:

- Eliminate discrimination
- Advance equality of opportunity

**f- How does this proposal link to the Council's Equality Outcomes?**

Approval and implementation of the Information and Records Lifecycle Management Policy and supporting policy suite sets out a developmental approach and framework in which the Council will coordinate more efficient ways of maximising the benefits from its information assets, by managing them more effectively, re-using and utilising where viable, sharing where possible and at the same time protecting accordingly. This framework will ensure a cohesive programme of continuous improvement that supports how the Council implements the future planning of corporate information and records lifecycle management systems and practice which meet all business, legislative and statutory requirements across all identified domains. Accountability, governance and scrutiny of public authority spending and service delivery have increased across the public, political and legislative landscape. It is imperative that the Council has the proper controls and management in place to minimise any risks associated within this environment and

provide appropriate monitoring and performance progress reports to senior management.

Links to the following Equality Outcomes

Effective customer service that is aware of the differences and requirements of different groups.

An increased proportion of council communication adheres to Accessible Information Guidelines. .

Improved opportunities for people with protected characteristics to participate in public life.

#### 4: Equality Impact Assessment - Test

**What impact will implementing this proposal have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

Protected Characteristic:	Neutral Impact: Please ✓	Positive Impact: Please ✓	Negative Impact: Please ✓	Evidence of impact and if applicable, justification where a 'Genuine Determining Reason'* exists *( see completion terminology)
<b>Age</b> (People of all ages)		✓		Overall, this will have a positive impact on all groups as the aim of the policy is to make information more readily and easily accessible to the public.
<b>Disability</b> (Mental, Physical, Sensory and Carers of Disabled people)		✓		Overall, this will have a positive impact on all groups as the aim of the policy is to make information more readily and easily accessible to the public.
<b>Gender Reassignment</b>	✓			
<b>Marital Status</b> (Marriage and Civil Partnerships)	✓			
<b>Pregnancy and Maternity</b>	✓			

### Equality Impact Assessment Test:

**What impact will implementing this proposal have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

Protected Characteristic:	Neutral Impact: Please ✓	Positive Impact: Please ✓	Negative Impact: Please ✓	Evidence of impact and if applicable, justification where a 'Genuine Determining Reason'* exists *( see completion terminology)
<b>Race</b> (All Racial Groups including Gypsy/Travellers)	✓			
<b>Religion or Belief or Non-belief</b>	✓			
<b>Sex</b> (Women and men)	✓			
<b>Sexual Orientation</b> (Heterosexual, Lesbian, Gay And Bisexual)	✓			
<b>Other</b> (e.g: Poverty)		✓		Overall, this will have a positive impact on all groups as the aim of the policy is to make information more readily and easily accessible to the public.

**5: Human Rights Impact Assessment Test**

**Does this proposal have the potential to impact on an individual's Human Rights? Evidence of impact and , if applicable, justification where the impact is proportionate**

**Article 2 of protocol 1: Right to education**

Yes  No   
Evidence:

**Article 3: Right not to be subjected to torture, inhumane or degrading treatment or punishment**

Yes  No   
Evidence:

**Article 6: Right to a fair and public hearing**

Yes  No   
Evidence:

**Article 8: Right to respect for private and family life, home and correspondence**

Yes  No



	<p style="text-align: right;"><b>Evidence:</b></p> <p style="text-align: center;"> <input type="checkbox"/> <b>Yes</b>                                          <input type="checkbox"/> <b>No</b> </p> <p>Evidence: Article 10 of the HRA provides ‘a qualified right ‘to receive information and recognises that in some situations the right to receive information may be restricted. FOISA, DPA and EIR sets out the general right to access information however, information may be withheld by a public authority under FOISA and DPA where an exemption, or in the case of EIR an exception applies.</p>
<p style="text-align: center;"><b>Article 14: Right not to be subject to discrimination</b></p>	<p style="text-align: center;"> <input type="checkbox"/> <b>Yes</b>                                          <input type="checkbox"/> <b>No</b> </p> <p style="text-align: right;"><b>Evidence:</b></p>
<p style="text-align: center;"><b>Other article not listed above, please state:</b></p>	<p style="text-align: center;"> <input type="checkbox"/> <b>Yes</b>                                          <input type="checkbox"/> <b>No</b> </p> <p style="text-align: right;"><b>Evidence:</b></p>

**6: Assessment Rating:**

<p><b>Please rate the overall equality and human right assessment</b> (Please see Completion terminology)</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <input type="checkbox"/> <b>Red</b> </div> <div style="text-align: center;"> <input type="checkbox"/> <b>Red</b> Amber         </div> <div style="text-align: center;"> <input type="checkbox"/> <b>Amber</b> </div> <div style="text-align: center;"> <input type="checkbox"/> <b>Green</b> </div> </div>
<p><b>Reason for that rating:</b></p>	<p>As a result of performing this proposal does not appear to have any adverse impacts on people who share Protected Characteristics and no further actions are recommended at this stage.</p>

## 7: Action Planning

**As a result of performing this assessment, what actions are proposed to remove or reduce any risks of adverse outcomes identified on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

Identified Risk and to whom:	Recommended Actions:	Responsible Lead:	Completion Date:	Review Date:
<p>There may still be negative impacts for some equality groups as they try to follow this procedure, for example, people with literacy challenges including Gypsies/Travellers, people with sensory, physical and learning disabilities and people whose first language is not English.</p>	<p>Actions will be put in place to overcome these barriers, for example, use of Plain English, and if / when producing publicity material will include community languages.</p>	<p>Caroline Anderson</p>	<p>5 November 2014</p>	<p>November 2015</p>

## 8: Sign off

<b>Completed by (Names and Services) :</b>	Caroline Anderson Records Manager ICT, Customer Service and Performance
<b>Signed off by (Head of Service) :</b>	Paul Fleming Head of ICT, Customer Service and Performance
<p>Please send an electronic copy of your completed EHRIA - without signatures - together with the proposal document and/or committee report to:</p> <p>Equalities Team Customer Service and Performance Corporate Governance Aberdeen City Council <b>Business Hub 13</b> Second Floor North Marischal College Broad Street Aberdeen AB10 1AB</p> <p>Telephone 01224 523039 Email <a href="mailto:sandrab@aberdeencity.gov.uk">sandrab@aberdeencity.gov.uk</a></p>	

<b>9: Completion Terminology:</b>	
<b>Assessment Pre-screening Rating:</b>	<p>This section will highlight where there is the obvious potential for a negative impact and subsequent risk of negative media coverage and reputational damage to the Council. Therefore, a full impact assessment is required, for example around sensitive issues such as marching, Gypsy/ Traveller issues, change to social care provision. It should also be completed to evidence why a full impact assessment was not required, example, there is no potential negative impact on people.</p>
<b>Assessment Rating:</b>	<p>After completing this document, rate the overall assessment as follows:</p> <p><b>Red:</b> As a result of performing this assessment, it is evident that we will discriminate (direct, indirect, unintentional or otherwise) against one or more of the nine groups of people who share <i>Protected Characteristics</i>. It is essential that the use of the proposal be suspended until further work or assessment is performed and the discrimination is removed.</p> <p><b>Red Amber:</b> As a result of performing this assessment, it is evident that a risk of negative impact exists to one or more of the nine groups of people who share <i>Protected Characteristics</i>. However, a genuine determining reason may exist that could legitimise or justify the use of this proposal and further professional advice should be taken.</p> <p><b>Amber:</b> As a result of performing this assessment, it is evident that a risk of negative impact exists and this risk may be removed or reduced by implementing the actions detailed within the <i>Action Planning</i> section of this document.</p> <p><b>Green:</b> As a result of performing this proposal does not appear to have any adverse impacts on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p>

<b>Equality Data:</b>	<p>Equality data is internal or external information that may indicate how the proposal being analysed can affect different groups of people who share the nine <i>Protected Characteristics</i> – referred to hereafter as ‘<i>Equality Groups</i>’.</p> <p>Examples of <i>Equality Data</i> include: (this list is not definitive)</p> <ol style="list-style-type: none"> <li>1: Application success rates by <i>Equality Groups</i></li> <li>2: Complaints by <i>Equality Groups</i></li> <li>3: Service usage and withdrawal of services by <i>Equality Groups</i></li> <li>4: Grievances or decisions upheld and dismissed by <i>Equality Groups</i></li> </ol> <p>Certain discrimination may be capable of being justified on the grounds that:</p>
<b>Genuine Determining Reason</b>	<ol style="list-style-type: none"> <li>(i) <i>A genuine determining reason exists</i></li> <li>(ii) <i>The action is proportionate to the legitimate aims of the organisation</i></li> </ol> <p>Where this is identified, it is recommended that professional and legal advice is sought prior to completing an Equality Impact Assessment.</p>
<b>Human Rights</b>	<p>The rights set out in the European Convention on Human Rights, as incorporated into the UK Law by the Human Rights Act 1998.</p>
<b>Legal Status:</b>	<p>This document is designed to assist us in “<i>Identifying and eliminating unlawful Discrimination, Harassment and Victimisation</i>” as required by <i>The Equality Act Public Sector Duty 2011</i>. An Equality Impact Assessment is not, in itself, legally binding and should not be used as a substitute for legal or other professional advice.</p>

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 December 2014
DIRECTOR	Ewan Sutherland (Acting)
TITLE OF REPORT	Corporate Archival Transfer and Acquisition Policy
REPORT NUMBER	CG/14/167
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

To provide Committee with the Archival Transfer and Acquisition Policy which defines the scope of the records that Aberdeen City Archive aims to collect and make accessible to the public and how those records should be transferred to it, both from within the Council and from individuals, businesses and organisations outside it.

### 2. RECOMMENDATION(S)

That Committee note the detail of and approve the Archival Transfer and Acquisition Policy (Appendix 1);

### 3. FINANCIAL IMPLICATIONS

Any requirements will be met from the existing budget.

### 4. OTHER IMPLICATIONS

The policy is related to and supports the Council's Information and Records Lifecycle Management Policy as well as compliance with legislation such as the Public Records (Scotland) Act, Data Protection Act and Freedom of Information (Scotland) Act.

### 5. BACKGROUND/MAIN ISSUES

The Council has a statutory duty under the Public Records (Scotland) Act 2011 (PRSA) to ensure that all of our information and records, including those deemed worthy of permanent preservation, are managed appropriately. Given the ease with which modern records can be created and the variety of media on which they are stored, the ability to identify and transfer to the Archive those with an enduring historical value in a systematic and timely fashion is key to ensuring continuous documentation of the Council's activities through

time, which in turn will support its future decision-making process, promote openness and transparency and stimulate engagement with the public through research and learning.

The basis for identifying records for permanent retention in the City Archive will be the Corporate Records Retention and Disposals Schedule. By safeguarding the orderly transfer of records of long-term importance to the authority, the policy further supports the Councils Information and Records Lifecycle Management Policy and compliance with legislation such as Data Protection and Freedom of Information.

The Archive also has a remit to collect records from individuals, businesses and organisations outside the Council. This policy similarly defines the scope of what should be collected to ensure a complete historical picture of the City while at the same time making best use of resources.

## 6. IMPACT

This policy will ensure that a full and complete record of the Council's activities continues to accrue in the City Archive. In doing so, it recognises that the effective management of records throughout their lifecycle requires a coordinated approach. Consequently, this will be achieved through joint working with the Council's Records Manager and in accordance with the Information and Records Lifecycle Management Policy in order to help the Council meet its wider strategic objectives.

The policy will help the Council fulfil its Smarter City vision in terms of promoting good governance and by maintaining and ensuring access to the Council's historical records, it also fulfils the objective of creating 'Smarter People' by facilitating education and research.

## 7. MANAGEMENT OF RISK

Management of risk will be monitored and reported by the Head of Legal and Democratic Services and Corporate management Team on a quarterly basis

## 8. BACKGROUND PAPERS

[Public Records \(Scotland\) Act 2011](#)  
[Corporate Information Management Strategy](#)

## 9. REPORT AUTHOR DETAILS

Phil Astley  
City Archivist  
[pastley@aberdeencity.gov.uk](mailto:pastley@aberdeencity.gov.uk)  
01224 522116



# **CORPORATE POLICY**

## **ARCHIVAL TRANSFER and ACQUISITION**

Date Created:	October 2014
Version:	0.1
Author (s) of Document:	Phil Astley, City Archivist
Review:	December 2015
Changes:	Created – October 2014 Submitted to Corporate Policy and Performance Committee 4 <sup>th</sup> December 2014

## **Introduction**

Aberdeen has the oldest and most complete archive of any Scottish city or town. Indeed, its oldest records are recognised by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) as being of outstanding cultural importance to the nation. Given the ease with which modern records can now be created and the different media on which they are stored, an Archival Transfer and Acquisition Policy will help ensure the continuity of this archive for the future and will enable the Council to:

- Provide evidence for its actions.
- Support openness and transparency.
- Promote community engagement through learning and research.

The Archive will not seek to represent any particular historical, political, religious or other viewpoint in its acquisition of records, but to reflect as objectively as possible all aspects of the City's past and present.

## **Why Do We Need A Policy?**

The Council has a statutory obligation under the Public Records (Scotland) Act 2011 to ensure that all of its information and records are managed appropriately. This includes making proper arrangements for the archiving of the authority's public records.

By linking this policy to the Corporate Information & Records Lifecycle Management Policy and by defining the records which the Archive seeks to collect, an integrated approach to the management of information from creation through to transfer to the Archives will be achieved.

## **What Does This Policy Cover?**

This policy applies to records in all formats. It defines the scope of the records that Aberdeen City Archive aims to preserve and make accessible to the public, in accordance with current legislation, directives and national guidelines, as follows:

- Those records of Aberdeen City Council and its predecessors, relating to its core functions and statutory duties.
- Records received by gift, purchase, temporary or indefinite loan of individuals, families, estates, societies, organisations, institutions, industry and business which are of legal, historical or cultural significance and which relate to the City of Aberdeen.
- Records deposited by the Keeper of the Records of Scotland under his charge and superintendence.

- As a service jointly funded by Aberdeenshire Council, the Archive also has a parallel duty to collect, preserve and make publicly available the records of the City's neighbouring authority and its preceding bodies.

In some cases, records held by Aberdeen City Archive may fall outside this policy. Such records may be de-accessioned to ensure the most appropriate use of space and resources.

Where records are de-accessioned, appropriate arrangements will be made for their disposal: they may be transferred to a more suitable repository, sold, returned to the original owner, or destroyed. For deposited material, the owner's consent will be obtained before any action is taken.

### **Acquisition Priorities**

Our acquisition priorities are to:

- Ensure the systematic and timely transfer to the Archive of those non-current records held by Council services considered suitable for permanent preservation. The primary tool for identifying these records will be the Corporate Records Retention and Disposal Schedule.
- Acquire records from private individuals and organizations that will increase the range and depth of the collections held by Aberdeen City Archive.
- Acquire those records of Aberdeen City Council's predecessor authorities that are currently held in other archive services.

### **Transfer and Acquisition Criteria For Records From Within Aberdeen City Council**

Before acquiring records from services within Aberdeen City Council, the Archive requires that:

- All records must be non-current and relate to Aberdeen City Council, its partner organisations, or preceding bodies.
- The records must be covered by the Corporate Records Retention and Disposals Schedule or otherwise be judged by the City Archives to have archival value.
- The physical condition of the records will be such that it will not result in the Archives incurring excessive conservation costs.
- The Archive has the facilities to be able to care for the records properly in terms of storage in suitable environmental conditions and with regard to the ability to access the media on which the records are stored.

- Services transferring records to the City Archives shall assist the Archive staff as far as possible in terms of providing background information about the records and their subject matter.
- The depositor is authorized to transfer the records and signs a deposit agreement.
- The Archive will not normally accept three-dimensional artifacts, and will usually advise that they be referred to Aberdeen Museums and Galleries.

### **Transfer and Acquisition Criteria For Records From Bodies External To Aberdeen City Council**

Before acquiring records from individuals or organisations external to Aberdeen City Council, the Archive requires that:

- The records must relate to the City of Aberdeen. The Archive does not collect records that relate to areas outside the City and unless there is a local connection, such records will be transferred to the appropriate repository.
- When advising potential depositors, the Archive will draw attention to the existence of other repositories with similar or overlapping interests, to ensure that material is offered to the most appropriate institution.
- All records be non-current.
- The depositor is authorized to transfer title to material and signs a deposit or gift agreement.
- The Archive has the facilities to be able to care for the records properly in terms of storage in suitable environmental conditions and with regard to the ability to access the media on which the records are stored.
- Its authenticity and archival value can be demonstrated.
- The physical condition of the records will be such that it will not result in the Archives incurring excessive conservation costs.
- The Archive will accept records in all media, although film and video may be more appropriately stored at the Scottish Screen Archive.
- The Archive has the facilities to be able to care for the records properly.
- The Archive will not normally accept three-dimensional artifacts, and will usually advise that they be referred to Aberdeen Museums and Galleries.
- The records should be free of legal burdens or excessive access restrictions, (such as lengthy closure periods during which the records cannot be made available to the public) and which would diminish their research potential.

- The records either become the property of the Archive by gift or purchase or its responsibility as an indefinite loan.

### **How will we make this happen?**

Overall governance and strategic responsibilities for this policy are assigned to the Head of Legal and Democratic Services. All activity relating to this policy and related improvement programme will be monitored, actioned and reported on to the Head of Legal and Democratic Services and the Information Management Governance Group Policy. Information Asset Owners and Administrators will be responsible for ensuring all staff understand and act in accordance with their responsibilities outlined in this policy by completing a statement of internal control as part of the annual update to the Corporate Risk Register.

### **Approval of Policy**

This policy will be reviewed annually in conjunction with the Corporate Information Management Strategy and Information and records Lifecycle Management Policy to ensure that it meets business and accountability requirements and measurable standards of good practice.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 December 2014
DIRECTOR	Ewan Sutherland (Acting)
TITLE OF REPORT	Aberdeen Heat & Power – Charitable Status
REPORT NUMBER	CG/14/164
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

This report updates Committee as to developments regarding the proposal for Aberdeen Heat and Power (“AH&P”) to change to charitable status and seeks Committee approval for this change in status.

### 2. RECOMMENDATION(S)

That Committee:

- (i) Approves the proposal for Aberdeen Heat and Power to change to charitable status; and
- (ii) Approves that documentation giving effect to the change in status is negotiated and signed on behalf of the Council with input from legal officers.

### 3. FINANCIAL IMPLICATIONS

There are no financial implications to the Council arising directly from these proposals.

### 4. OTHER IMPLICATIONS

Aberdeen Heat and Power is a company limited by guarantee, of which the Council is one member.

Under the Articles of Association of Aberdeen Heat and Power, the Council as a member requires to consent to amendments of certain of the articles. Under the proposals for Aberdeen Heat and Power to obtain charitable status, alterations are required to some of the provisions for which the Council's consent is required.

The underlying structure of the organisation shall remain as a company limited by guarantee, and articles preventing the Council being expelled as a member, are preserved.

Whilst the underlying entity is remaining the same, AH&P as a charity will be subject to additional duties in terms of complying with charities legislation.

## 5. BACKGROUND/MAIN ISSUES

The redesignation of AHP as a charity was proposed by AH&P on advice from Brodies LLP, their independent legal advisors, as part of a package of adjustments to the organisation designed to facilitate the setting up of a trading company. Previous reports to the Enterprise, Planning and Infrastructure Committee on 19<sup>th</sup> March and 21<sup>st</sup> May 2013 discussed and obtained Committee approval for the setting up of a trading subsidiary of AH&P, and subsequently District Energy Aberdeen Limited ("DEAL") was established as the trading subsidiary. The Enterprise, Planning and Infrastructure Committee also approved that officers look into the benefits of obtaining charitable status. A decision confirming that Committee approves this change in status is now sought.

There are several perceived benefits of changing to charitable status. The assets owned by AH&P as a charity would be eligible for non-domestic rates relief. Secondly, the inter-relationship between AH&P and DEAL would be tax efficient, as profits from the trading company could be donated back to the charity, AH&P, free of tax, utilising the gift aid provisions. Annually, surpluses made by AH&P could be retained for reinvestment without liability to corporation tax.

Ultimately, these benefits would seek to increase the extent to which AH&P are able to ensure that heat charges for the Council affordable housing are kept within affordable levels and also to reinvest to offset a proportion of the capital costs to the Council of new district heating developments for new affordable housing.

## 6. IMPACT

This proposal contributes to the 'Aberdeen – The Smarter City' vision, which includes the following priorities:



- We will provide quality services to our Council tenants to enable them to have a dry, warm home in a safe and enjoyable environment
- We will increase energy efficiency and introduce carbon reduction measures in our processes and our housing and non-housing assets to reduce our carbon footprint, save money and to bring people out of poverty

## 7. MANAGEMENT OF RISK

Aberdeen Heat and Power will be subject to additional scrutiny given the requirements of legislation applicable to charities and should take steps to ensure that it is compliant.

## 8. BACKGROUND PAPERS

Report of the Enterprise, Planning and Infrastructure Committee of 19<sup>th</sup> March 2013

Report of the Enterprise, Planning and Infrastructure Committee of 21<sup>st</sup> May 2013.

## 9. REPORT AUTHOR DETAILS

Anna Crilly  
Solicitor  
Legal and Democratic Services  
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01224 523023

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ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 December, 2014
DIRECTOR	Corporate Governance (Acting)
TITLE OF REPORT	Business Rates Appeals Sub Committee
REPORT NUMBER	CG/14/165
CHECKLIST COMPLETED	Yes

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1. PURPOSE OF REPORT

The Committee is required to establish a body to hear appeals against rating liability under section 238 of the Local Government (Scotland) Act 1947. An appeal has now been received and must be considered.

2. RECOMMENDATION(S)

- (1) That the Committee establishes a small Business Rates Appeals Sub Committee comprising five members and that arrangements are made to hear the current appeal;
- (2) That training be provided to the nominated members and possible substitutes prior to the hearing of the appeal;
- (3) That the Senior Democratic Services Manager be appointed clerk to the sub committee and authorised to delegate in writing the day to day operation of the sub committee to a Committee Services Officer in his team; and
- (4) That the procedure appended to this report for the making and hearing of appeals be adopted.

3. FINANCIAL IMPLICATIONS

There will be minor operational costs arising from establishing another sub committee.

4. OTHER IMPLICATIONS

There is a legal requirement for a body of members of the authority to be established to hear appeals made in terms of the legislation.

## 5. BACKGROUND/MAIN ISSUES

- 5.1 A liable business ratepayer is held to be the owner of a non-domestic subject, tenant, sub tenant or person in occupation. The existence or otherwise of a lease is not conclusive in determining rateable occupation but rather three tests have to be satisfied; these are possession, actual use and permanence. Where a dispute over liability arises, the Council as Rating Authority must look to which party has more (or less) of the three principal tests.
- 5.2 Ratepayers have the right of appeal to a Valuation Appeals Committee in respect of valuation matters, or to their Rating Authority where rates have been improperly charged. Section 238 of the Local Government (Scotland) Act 1947 allows an appeal on the basis that the person named is not liable or a mistake has been made in the amount of rates demanded.
- 5.3 An appeal has now been received in terms of the above section and the Council is required to establish a body to hear it. It is proposed that a small Rating Appeals Sub Committee be established to hear the appeal, comprising five (three Administration, two Opposition) members, and that arrangements be made to have the appeal heard. An appeal to the courts against collection has been made and this is currently sisted, being due to call again on 8 January, 2015.
- 5.4 It is proposed that the Senior Democratic Services Manager be appointed as clerk to the sub committee, and that he be authorised to delegate the day to day operation of the sub committee, in writing, to a Committee Services Officer in his team.
- 5.5 It is proposed that the appended procedure for the hearing of appeals be adopted.
- 5.6 All members of the sub committee, and substitutes, shall be trained prior to hearing an appeal.

## 6. IMPACT

Corporate – This Sub Committee will hear appeals against the identification of an individual as being responsible for the payment of business rates and so the outcome of any appeal will have an impact on the collectability of those rates. The establishment of the Sub Committee is also a statutory requirement and so it require administrative and legal support from Legal and Democratic Services. Legal support will be provided by a different team to that which will be supporting the service in any appeal.

Public – Individuals who believe that they have been assessed wrongly as being responsible for business rates will be able to appeal and to

appear before the Sub Committee in person, thereby improving transparency in the rates collection process.

7. MANAGEMENT OF RISK

The Sub Committee is a statutory requirement and so it would be a risk not to establish it. As stated above, the ability of the appellant to present their case in person provides added transparency and reassurance to the business rates collection process.

8. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

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**ABERDEEN CITY COUNCIL**  
**FINANCE, POLICY AND RESOURCES COMMITTEE**  
**BUSINESS RATES APPEALS SUB COMMITTEE**  
**PROCEDURE**

1. CONSTITUTION

- 1.1 The Sub Committee shall be appointed by Council and shall comprise such number of members as Council may agree.
- 1.2 Council shall appoint a chair and a clerk to the Sub Committee.
- 1.3 Members may nominate substitutes to attend hearings, but no substitution shall be permissible once a hearing has begun.
- 1.4 Members and substitute members shall be trained prior to hearing any appeal.

2. PROCEDURE

- 2.1 An appeal under section 238 of the Local Government (Scotland) Act 1947 shall only be competent where the appellant has made representations previously to the Head of Finance or his appointed officer, has been dissatisfied with the response and requires a further review. The notice of appeal shall be submitted to the clerk at the following address:-

Senior Democratic Services Manager  
Clerk to the Business Rates Appeals Sub Committee  
Legal and Democratic Services  
Town House  
Aberdeen AB10 1AQ

- 2.2 The notice of appeal shall be in writing and shall be acknowledged by the clerk within seven days of receipt. The notice shall specify the detailed grounds upon which the appellant wishes to rely and grounds not listed in the notice shall not be considered if introduced at a later stage. Where the notice has been sent electronically, an electronic response may be sent, but hard copies will be sent where possible.
- 2.3 The clerk shall notify the Revenue and Benefits Manager or such individual as may be responsible for imposing the rates on the taxpayer (or such person as that officer shall nominate) within seven days of receipt of the appeal and shall provide the notice of appeal and any supplementary documentation.
- 2.4 The Revenue and Benefits Manager shall send any response to the notice of appeal and supplementary documentation to the clerk within fourteen days and shall copy such response to the appellant.
- 2.5 The appellant shall be afforded the opportunity to appear in person before the Sub Committee, to be represented or to allow the appeal to rest on written submissions.
- 2.6 The Sub Committee may require the appellant to provide in writing further particulars of the grounds on which the appeal relies and of any relevant facts, or to produce specified documentary evidence of the position set out in the notice of appeal or any other written representations.

- 2.7 The appellant and Revenue and Benefits Manager shall be given fourteen days' notice of the date of the hearing of the appeal by the Sub Committee. Such notice shall specify the time and place of the hearing of the appeal and, if not sent electronically, shall be deemed to be received on the day following posting by first class mail.
- 2.8 The hearing shall be held within 42 days of the receipt of the notice of appeal, and not earlier than 21 days, except with the agreement of both parties.
- 2.9 At least seven days before the hearing, the clerk shall supply to the members of the Sub Committee, the appellant and the officers of the Council representing it, copies of the following:-
- The determination of the Council;
  - Any statement supplied by the Council showing how the determination had been calculated;
  - The representations made by the appellant;
  - The notification of the decision of the Council;
  - The grounds on which the appellant has required further review;
  - Any written representations by the appellant;
  - Any written response prepared by the Revenue and Benefits Manager in terms of paragraph 2.3 above; and
  - Any additional submissions by either party shall be sent to the other party and to the clerk no later than three working days prior to the date of the hearing and no further documents shall be accepted unless the Sub Committee so determines.
- 2.10 The appellant and the Revenue and Benefits Manager shall send the above documentation to the clerk at least ten days prior to the date of the hearing.
3. PROCEDURE AT THE HEARING
- 3.1 The Sub Committee shall not be bound by any enactment or rule of law relating to the admissibility of evidence in proceedings before Courts of Law.
- 3.2 If the appellant fails to appear or to be represented at the time and place fixed for the hearing, the Sub Committee may (a) adjourn until a later date; or (b) determine the appeal on the basis of the appellant's notice of appeal and any further submissions.
- 3.3 The rights of persons affected at the hearing shall be summarised as follows:-
- To be heard at the hearing;
  - To be represented at the hearing (the representative need not be legally qualified and shall have the same right as the appellant; there shall be no limit to the number of representatives, but the chair shall be entitled to keep the numbers attending within sensible limits, and only one representative shall speak except with the chair's consent);
  - To call people to give evidence as witnesses (the Sub Committee shall have no power to compel attendance); and
  - To question those giving evidence.
- 3.4 The hearing shall be conducted in accordance with the rules of natural justice.



- 3.5 The order of procedure at the hearing shall, unless directed otherwise by the chair, be as follows:-
- Opening remarks by the chair, introducing those present, ensuring that the appellant understands the procedure at the hearing;
  - Evidence by the appellant or representative;
  - Questions by the Council's representative;
  - Questions by Sub Committee members;
  - Evidence presented by the Council's representative;
  - Questions by the appellant or representative;
  - Questions by Sub Committee members;
  - Summing up by the appellant;
  - Summing up by the Council's representative; and
  - Withdrawal by appellant or representative and Council representative.
- 3.6 The Sub Committee shall determine the appeal.

#### 4. DECISION OF SUB COMMITTEE

- 4.1 The Sub Committee shall determine the application within 49 days of receipt of the notice of appeal and within seven days of the close of the hearing.
- 4.2 The decision of the Sub Committee shall be by majority; where there is an equality of votes, the chair shall have a second or casting vote.
- 4.3 The decision of the Sub Committee shall be recorded in an anonymised minute of meeting which shall be signed by the chair.
- 4.4 The clerk shall notify the appellant and the Revenue and Benefits Manager of the decision, with the reasons for it. This shall be sent electronically or posted within seven days of the date of the determination of the appeal by the Sub Committee.

#### 5. MISCELLANEOUS POWERS OF THE SUB COMMITTEE

- 5.1 Subject to these provisions, the Sub Committee may regulate its own procedure.
- 5.2 The Sub Committee, if it thinks fit, may extend the time appointed by or under these rules for doing any act, notwithstanding that the time appointed may have expired; and may postpone the date fixed for, or adjourn, any hearing.

#### 6. RETENTION OF PAPERS

- 6.1 Papers relating to an appeal shall be retained for two years, unless there is a continuing need for them, and thereafter shall be destroyed securely in accordance with the Council's retention policy.

#### 7. EXPLANATION

- 7.1 All references to days are to calendar days.
- 7.2 All references to working days are to days on which the Town House is open for business.
- 7.3 All references to the Revenue and Benefits Manager include any person responsible for imposing rates on the taxpayer or such person as that officer shall nominate.
- 7.4 All references to the clerk shall include the person authorised in writing by that officer to undertake the day to day operation of the Sub Committee.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	4 <sup>th</sup> December 2014
DIRECTOR	Pete Leonard
TITLE OF REPORT	HyTrEc – Hydrogen Transport Economy for the North Sea Region
REPORT NUMBER	CHI/14/069
CHECKLIST COMPLETED	YES

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### 1. PURPOSE OF REPORT

The purpose of this report is to inform Committee of the decision to exempt the signing of a Letter of Intent with regard to a budget increase for the HyTrEc project from the Council's Standing Orders.

The Letter of Intent (LOI) was required to be submitted urgently to the EU's North Sea Programme (26<sup>th</sup> November 2014) in order to allow the Council to access additional grant funding and seek an increase the project's budget. No additional money is required from the Council to access this additional EU money.

### 2. RECOMMENDATION(S)

That the Committee notes the decision of the signing of a Letter of Intent and budget increase for HyTrEc

### 3. FINANCIAL IMPLICATIONS

There are no revenue implications as the increased budget will contribute to existing projects and be delivered through existing staff resources.

Participation in the HyTrEc project and its budget were approved by Committee on 25<sup>th</sup> January 2012 (EPI/12/028) and on 21<sup>st</sup> May 2013 (EPI/13/019). Due to underspend elsewhere in the partnership, an opportunity arose for Aberdeen City Council to increase its European Regional Development Fund (ERDF) grant and expand its activities in the project. This was reported to EP&I Committee on 4<sup>th</sup> September

2014 (EPI/14/229). A further opportunity has arisen at short notice, to increase Aberdeen's grant funding further. Although the additional ERDF funds must have 50% match funding, no additional Council finance is required as the match funding will be sourced from external grants and from matching with existing Council projects.

The total HyTrEc budget approved by Committee (EPI/13/019) was €443,098. Through the expansion of activities agreed in September 2014 (EPI/14/229), the total budget increased to €607,146. This new grant funding brings the budget to €757,146 with 50% of this increase funded by the European Regional Development Fund grant and the other 50% match funding. With a total project budget increase of €150,000, this means that the match funding needs to increase by €75,000. This match funding sum will be met by the Scottish Government's grant of £600,000 and therefore **no additional Council finance is required** in order to access this additional European funding.

#### 4. OTHER IMPLICATIONS

There are no other implications.

#### 5. BACKGROUND/MAIN ISSUES

One of Aberdeen City Council's strategic hydrogen transport projects, the EU North Sea Programme Interreg project, HyTrEc (Hydrogen Transport Economy) has been active since 2012 and the Council's participation and budget was agreed by Committee on 25/1/12 (EPI/12/028), on 21/5/13 (EPI/13/019) and then on 4/9/14 (EPI/13/229). Aberdeen City Council is the lead partner of HyTrEc, responsible for overall project management on behalf of the rest of the partners. The increase in project budget is to support the expansion of Aberdeen's local hydrogen activities, not project management costs, which are covered by a project management fee paid by each partner.

The HyTrEc project supports the validation, promotion and adoption of innovative hydrogen technologies across the North Sea Region, aiming to enhance the region's economic competitiveness within the transport and associated energy sectors. The project provides a platform to support the collaborative development of strategy and initiatives to inform and shape the development of infrastructure, technology, skills and financial instruments to support the application of hydrogen based technologies across the region.

While the project includes some demonstration elements, including the trial of hydrogen vans in Aberdeen, HyTrEc focuses mainly on the strategy and policy aspects of rolling out hydrogen technologies. Alongside Aberdeen's other hydrogen projects such as the Aberdeen Hydrogen Bus Project, this gives the city a lead position in Europe in both policy and delivery in the hydrogen sector.

The project's partner organisations from the UK, Germany, Denmark, Belgium, Sweden and Norway are working together through HyTrEc to improve cross border collaboration, share best practice and support joint activities.

The opportunity to increase the ERDF grant has come about as a result of underspending by one of the project's partners.

It is proposed that Aberdeen City Council utilises the extra HyTrEc grant funding by supporting the civil engineering works for Aberdeen's second hydrogen refuelling station, which is being developed as part of the Aberdeen City Hydrogen Energy Storage project (see report EPI/13/266 21st January 2014).

## 6. IMPACT

Corporate – Smarter Environment, Smarter Economy and Smarter Mobility: HyTrEc is about supporting new technologies for a low carbon transport economy and enhancing the competitiveness of the city and of the wider North Sea Region.

Public – The increased grant is relatively small and will provide match funding to some existing planned projects. It is therefore unlikely to be of public interest, however the project activities that take place in the coming months are more likely to be of public interest.

## 7. MANAGEMENT OF RISK

As part of Aberdeen City Council's overall project management responsibility for HyTrEc, a risk log is monitored and updated on a regular basis, with key risks discussed by the project Steering Committee on a minimum three-monthly basis.

Had the decision to Exempt the Letter of Intent and budget increase from Standing Orders not been taken, there would be a risk that there would be insufficient time available to complete normal public procurement procedures. The delay would also have had a serious impact on our other project partners' ability to deliver their additional activities as their budget change requests must be submitted alongside Aberdeen City Council's as one partnership-wide procedure.

8. BACKGROUND PAPERS

There are no background papers to this report. However, further information on the HyTrEc project can be found on [www.hytrec.eu](http://www.hytrec.eu) and at [www.aberdeeninvestlivevisit/hydrogen](http://www.aberdeeninvestlivevisit/hydrogen).

9. REPORT AUTHOR DETAILS

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