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

Town House,
ABERDEEN 25 November 2015

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, 3 DECEMBER 2015 at 2.00 pm.**

FRASER BELL
HEAD OF LEGAL AND DEMOCRATIC SERVICES

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- 1.1 Determination of Exempt Items of Business

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- 10.1 Pension Fund Guarantee Request (Pages 403 - 410)

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FINANCE, POLICY AND RESOURCES COMMITTEE

ABERDEEN, 15 September 2015. Minute of Meeting of the FINANCE, POLICY AND RESOURCES COMMITTEE. Present:- Councillor Young, Convener; Councillor Thomson, Vice-Convener; and Councillors Allan, Cameron, Dickson, Donnelly, Flynn, Grant (as substitute for Councillor Laing), Len Ironside CBE, Malone (as substitute for Councillor Yuill), Milne, Noble (as substitute for Councillor Jackie Dunbar), Reynolds, Samarai, Jennifer Stewart, Taylor and Townson.

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

<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=146&MIId=3956&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.

ORDER OF AGENDA

1. The Convener proposed to take item 7.14 (Aberdeen City Region Deal – Governance Arrangements) earlier on the agenda.

The Committee resolved:-

to concur with the suggestion of the Convener.

DETERMINATION OF EXEMPT ITEMS OF BUSINESS

2. 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 9.1 of the agenda (article 32 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: articles 32 and 36 (paragraph 4), article 33 (paragraph 6), articles 34, 35 and 37 (paragraphs 6 and 9), article 38 (paragraph 9), articles 39, 40, 43, 44 and 45 (paragraph 8), article 41 (paragraph 6, 8 and 10) and article 42 (paragraph 10).

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 in order that governance

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arrangements could be addressed quickly and to ensure that the two Council's efforts on the deal were synchronised.

ABERDEEN CITY REGION DEAL - GOVERNANCE ARRANGEMENTS - OCE/15/036

3. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which outlined the governance arrangements to be established jointly by the City Council and Aberdeenshire Council to lead the delivery of the Aberdeen City Region Deal.

The report recommended:-

that the Committee -

- (a) agree that the proposed governance arrangements outlined in the report be discussed in detail between elected members of both Aberdeen City Council and Aberdeenshire Council;
- (b) agree that the Head of Legal and Democratic Services collaborates with his counterpart at Aberdeenshire Council to develop the arrangements necessary to allow for the establishment of the proposed Aberdeen City Region Deal Executive as a Joint Committee of the two Councils;
- (c) agree that the Chief Executive and her counterpart at Aberdeenshire Council liaise with the appropriate stakeholders and partners to identify the proposed private sector representatives to join the Executive; and
- (d) agree that the Chief Executive reports to Council once all details and arrangements are finalised in order to seek the Council's approval for the establishment of the Aberdeen City Region Deal Executive.

The Committee resolved:-

- (i) to approve recommendations (a), (b) and (d) above; and
- (ii) to agree the private sector participation in City Deal Governance Group will be through a newly formed private sector led Economic Leadership Board which will take over the role of Aberdeen City and Shire Economic Future (ACSEF).

MINUTE OF THE PREVIOUS MEETING OF 9 JUNE 2015

4. The Committee had before it the minute of its previous meeting of 9 June, 2015.

The Committee resolved:-

- (i) to approve the minute as a correct record subject to amending article 7(1) to show that the £10,000 allocation of funding for the Sea Cadets was to be split equally between Bon Accord and Scylla; and
- (ii) that officers investigate whether the grant funding allocation has been issued to the Sea Cadets and to advise Councillor Reynolds in this regard.

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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 3 (Galas and Festive Community Grants) to note that a report was to be considered on today's agenda and therefore to remove it from the statement subject to the decision taken;
- (ii) in relation to item 8 (Potential Options for the Operation and Management of the new AECC) to note that a report was to be considered on today's agenda and therefore to remove it from the statement subject to the decision taken;
- (iii) in relation to item 12 (Events Programme – Winter Festival) to note that a report was to be considered on today's agenda and therefore to remove it from the statement subject to the decision taken;
- (iv) in relation to item 14 (Agency Workers) to note that a report was to be considered on today's agenda and therefore to remove it from the statement subject to the decision taken; and
- (v) to otherwise note the updates contained therein.

CORPORATE GOVERNANCE PERFORMANCE REPORT - CG/15/92

6. With reference to article 5 of the minute of the previous meeting of 9 June 2015, the Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided an overview of key performance information and ongoing improvement work across the Corporate Governance Directorate and the Risk Register for Corporate Governance.

The report recommended:-

that the Committee –

- (a) note the content of the performance report; and
- (b) note the Corporate Governance Risk Register.

The Committee resolved:-

- (i) approve the recommendations;
- (ii) that further details be provided to Councillor Cameron in relation to why there was no data collected against a number of measures within the graphs; and
- (iii) that further details be provided to Councillor Flynn in relation to the reason why the status of certain items were ticked when they were below the target.

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2015/16 FINANCIAL MONITORING - CORPORATE GOVERNANCE - CG/15/08

7. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided information on the 2015/16 revenue and capital budget's financial performance for the period to 31 July, 2015, the forecast outturn position for 2015/16 for the services within Corporate Governance and advised on any areas of risk and management action.

The report recommended:-

that the Committee –

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

The Committee resolved:-

to approve the recommendations.

COUNCIL GENERAL FUND 2015-16 MONITORING - CG/15/115

8. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided information on the current financial position for the Council and the forecast outturn for the financial year 2015/16, highlighting assumptions made, areas of risk identified and management action to mitigate these risks.

The report recommended:-

that the Committee note the financial position contained within the report.

The Committee resolved:-

to approve the recommendation.

2015/16 COMMON GOOD FUND MONITORING REPORT - CG/15/110

9. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided information on the income and expenditure position of the Common Good Fund for the year to 31 July, 2015 and the forecast position of the cash balances as at 31 March 2016.

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The report recommended:-

that the Committee -

- (a) note the income and expenditure position as at 31 July 2015;
- (b) note the estimated cash balances as at 31 March 2016 of £14.6M based on current estimates, which is within the recommended levels indicated by the Head of Finance; and
- (c) note the position regarding earmarked reserves.

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) to instruct officers to commission a feasibility study not to exceed £30,000 to determine how best to proceed with the Art Centre Redevelopment as contained within the Strategic Infrastructure and Capital Plan from the Common Good cash balances.

TREASURY MANAGEMENT POLICY AND STRATEGY - CG/15/107

10. With reference to article 9 of the minute of the meeting of 9 June 2015, the Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which sought approval for a proposed revision to the Council's Counterparty list, the list of financial institutions with which it could undertake short term investments.

The report recommended:-

that the Committee is asked to consider the report and make recommendations to Council for approval of the revised Counterparty list as detailed in Appendix 1 of the report.

The Committee resolved:-

to approve the recommendation.

SMALL FINANCIAL ASSISTANCE GRANTS 2015/16 - CG/15/109

11. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which presented applications for financial assistance which have recently been received allowing elected members to make a decision on providing funding from the financial assistance budget.

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The report recommended:-

that the Committee -

consider the application received and agree to award grant funding based on the following recommendation:-

- The Discovery Award Scotland, over 50's workshops – a maximum of £200.

The Committee resolved:-

to approve the recommendation.

PARTICIPATORY BUDGET

12. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided information on a Participatory Budgeting Process for the disbursement funding recently identified by the Council for supporting under 12s clubs and youth work in Aberdeen which would be aligned to the Council's developing neighbourhood/ locality based community planning approach.

The report recommended:-

that the Committee -

- (a) agree that the funding will be disbursed using a locality community planning participatory budgeting approach;
- (b) endorse the proposed financial allocation for each locality as set out in the report;
- (c) with regard to the communities falling under the remit of Northfield Total Place, to remit to the Northfield Total Place Board the responsibility for progressing an appropriate participatory budgeting process in respect of that locality cluster;
- (d) instruct officers, in conjunction with appropriate key local partners, to progress appropriate participatory budgeting processes for Tillydrone, Torry, Woodside and Seaton; and
- (e) request a future report on the effectiveness and impacts of the process used.

The Committee resolved:-

- (i) to approve recommendations (a), (b), (c) and (d); and
- (ii) to instruct officers to bring a report to the June 2016 Committee on the effectiveness and impact of the process used.

SICKNESS ABSENCE UPDATE - CG/15/099

13. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided information on the current sickness rates across the Council and outlined a range of measures to get the figures moving on a downward path.

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The report recommended:-

that the Committee -

- (a) note the sickness rates over the past 12 months; and
- (b) endorse the proposed improvement measures for reducing sickness absence across the Council;

The Committee resolved:-

- (i) to approve the recommendations; and
- (iii) to include benchmarking figures of comparable local authorities in future reports.

REVISION OF A RETIREMENT RELATED POLICY AND PROCEDURE - CG/15/101

14. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided information relating to the revision of a policy and procedure with regards to retirement, namely the Managing Retirement Policy and the Pension Contribution Rate Appeals Procedure, both of which required amendment following the introduction of the new Local Government Pension Scheme and Scottish Teachers' Pension Scheme.

The report recommended:-

that the Committee approve the revised versions of the Managing Retirement Policy and the Pension Contribution Rate Appeals Procedure.

The Committee resolved:-

to approve the recommendation.

AGENCY UPDATE - CG/15/100

15. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided details of the agency usage within the Council.

The report recommended:-

that the Committee –

- (a) instruct Directorates to ensure that the process for authorising Agency Workers is followed, especially ensuring the reason the Agency Worker is required is fully explained on the request form;
- (b) note that Services should ensure that the reasons for agency staff being used on the agency request forms to assist with reporting accuracy; and
- (c) note the actions being taken to ensure that suitable checks are made of agency worker qualifications.

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The Committee resolved:-

to approve the recommendations.

STRATEGIC INFRASTRUCTURE PLAN - CG/15/123

16. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided members with a progress update on the delivery of the Strategic Infrastructure Plan.

The report recommended:-

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

The Committee resolved:-

to approve the recommendation.

REVISED USE OF LOCATING SYSTEMS IN VEHICLES AND DEVICES POLICY - CG/15/102

17. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which proposed the introduction of a revised Use of Locating Systems in Vehicles and Devices Policy.

The report recommended:-

that the Committee –

- (a) approve the revised Use of Locating Systems in Vehicles and Devices policy, as attached, to replace the existing policy; and
- (b) approve that the policy be changed from being a corporate policy to an employment policy located within the suite of Human Resources and Customer Service policies.

The Committee resolved:-

to approve the recommendations.

POLICY AND STRATEGIC RESPONSE TO FRAUD, BRIBERY AND CORRUPTION - CG/15/113

18. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which sought the approval of a new approach to managing fraud, bribery and corruption within the Council.

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The report recommended:-

that the Committee –

- (a) approve the Policy and Strategic Response to Fraud, Bribery and Corruption as appended to this report; and
- (b) agree to work towards adopting the National Fraud Authorities checklist as per Appendix A.

The Committee resolved:-

to approve the recommendations.

FUNDING EXTERNAL BODIES AND FOLLOWING THE PUBLIC POUND - LOCAL CODE OF PRACTICE UPDATE - CG/15/112

19. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which sought approval of the amended and updated Following the Public Pound Local Code of Practice.

The report recommended:-

that the Committee approve the updated Following the Public Pound Local Code of Practice as appended to the report.

The Committee resolved:-

to approve the recommendation.

INFORMATION MANAGEMENT POLICY SUITE - CG/15/96

20. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided information on a suite of revised and standardised Information Management policies, in accordance with audit recommendations, as the Council's framework for implementing the appropriate and effective management of all information throughout its cycle.

The report recommended:-

that the Committee -

- (a) note the detail of, and approve the following revised policies:
 - ICT Acceptable Use Policy;
 - Information Security Policy;
 - Information Asset Register Policy;
 - Information Lifecycle Management Policy;
 - Records Retention & Disposal Policy;
 - Business Classification Scheme Policy; and

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- (b) note that the policies are supported by Corporate Managing Information Guidance (Appendix 7), which brings together and replaces all previous corporate guidance around managing records, managing information, information security, ICT good practice and clear desk practice.

The Committee resolved:-

to approve the recommendations.

GALA FUNDING AND COMMUNITY FESTIVE FUND - OCE/15/033

21. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which sought approval for any future gala funding to be administered through the existing small financial assistance grants scheme.

The report recommended:-

that the Committee -

- (a) note the content of the report;
- (b) approve that all future gala funding be administered through the small financial assistance grants scheme; and
- (c) approve that the existing City Events budget of £10,000 for gala funding from the Common Good Fund be transferred to the small financial assistance grants scheme.

The Committee resolved:-

to approve the recommendations.

DECLARATION OF INTEREST

Councillor Donnelly declared an interest in the following item of business by virtue of him being a Trustee and Vice Convener of The Friends of Gornal. Councillor Donnelly did not consider that the nature of his interest required him to leave the meeting.

TWINNING AND INTERNATIONAL PARTNERSHIPS - OCE/15/026

22. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which sought approval of applications for financial assistance from the International Twinning Budget 2015-16.

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The report recommended:-

that the Committee -

- (a) to approve a contribution of £10,000 towards an exchange project between Harlaw Academy and Von Mueller Gymnasium in Regensburg, 28 October-1 November 2015 and May 2016;
- (b) to approve a contribution of £1,300 towards a visit by trustees of Friends of Gomel to Gomel to support established projects and develop new partnerships, 6-13 April 2016;
- (c) to approve a contribution of £6,000 towards Kincorth Academy hosting a school exchange programme with Regensburg's Albertus Magnus Gymnasium in Aberdeen, 4-9 October 2015; and
- (d) to approve a contribution of £2,940 towards the attendance of a civic delegation and music group from Stavanger at Aberdeen's annual Christmas Tree Light Switch-On Ceremony to celebrate the 25th twinning anniversary of the two cities, 26 November 2015.

The Committee resolved:-

to approve the recommendations.

CONDITION AND SUITABILITY - THREE YEAR PROGRAMME - OCE/15/026

23. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which sought approval of a three year Condition and Suitability Programme replacing the current annual programme.

The report recommended:-

that the Committee -

- (a) note the projects completed or legally committed in 2015/16 as shown in Appendix A of the report;
- (b) note the currently approved projects and approve amended budgets as shown in Appendix B of the report;
- (c) approve the new Condition and Suitability Programme projects listed in Appendix C of the report for inclusion in the 3 year programme;
- (d) instruct the Head of Land and Property Assets to implement the detailed 3 year programme;
- (e) delegate authority to the Head of Land and Property Assets, in consultation with the SIP and Capital Review Group and the Convenor and Vice-Convenor of this Committee, to amend the Programme should priorities change due to unforeseen circumstances during the year, with such changes to be reported to the Committee as a bulletin report;
- (f) delegate authority to the Head of Land and Property Assets, in consultation with the SIP and Capital Review Group and the Convenor and Vice-Convenor of this Committee, to allocate projects or additional budgets to/from a £500k

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contingency fund, with such allocations to be reported to the Committee as a bulletin report;

- (g) (1) authorise the Director of Communities Housing and Infrastructure, the Head of Land and Property Assets and the Asset Management Manager, in connection with the Programme, to undertake or instruct tendering procedures or competitive quotes procedures as appropriate and the awarding of contracts following thereon, subject to the necessary funding being available in the approved Non-Housing Capital Budget; and
- (2) exempt all such procedures and contracts from Standing Order 1(3) of the Council's Standing Orders relating to Contracts and Procurement; and
- (h) note the future condition and suitability projects listed in Appendix D.

The Convener, seconded by the Vice Convener moved:-
that the recommendations contained within the report be approved.

Councillor Cameron, seconded by Councillor Dickson moved as an amendment:-
to approve the recommendations in the report with the exception of recommendations (e), (f) and (g)(2).

On a division, there voted:- for the motion (9) – the Convener, the Vice-Convener and Councillors Allan, Donnelly, Grant, Ironside (CBE), Milne, Reynolds and Taylor; for the amendment (8) – Councillors Cameron, Dickson, Flynn, Malone, Noble, Samarai, Jennifer Stewart and Townson.

The Committee resolved:-

- (i) to adopt the motion; and
- (ii) to ensure that the appendices in future reports are in larger readable print.

SCOTTISH BUSINESS LOANS FUND - CHI/15/255

24. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which outlined the opportunity for the Council to become a member of Business Loans Scotland, a proposed pan-Scotland partnership initiative bringing together financial contributions from local authorities (30%), banks (30%) and European Regional Development Fund (40%) to create a business loan fund for small and medium enterprises.

The report recommended:-

that the Committee –

- (a) approve Aberdeen City Council's membership of Business Loans Scotland; and
- (b) approve Aberdeen City Council's 30% contribution of £75,000 per year for three years from within existing budgets, which would leverage a total loan fund for Aberdeen City companies of £250,000 per year for three years.

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The Committee resolved:-

to approve the recommendations.

ART GALLERY REDEVELOPMENT FUNDRAISING - ECS/15/048

25. The Committee had before it a report by the Director of Education and Children's Services which provided information on the philanthropic and public fundraising campaign for the Art Gallery redevelopment.

During the discussion which followed, Councillor Dickson sought information from officers relating to the fundraising campaign, however following advice from the Head of Legal and Democratic Services, this information was described as exempt from publication under Local Government (Access to Information) Act 1985 and therefore could not be provided whilst the press and public were in attendance as it related to the financial or business affairs of another organisation.

The Convener moved as a procedural motion, seconded by the Vice Convener:-

that in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, the press and public be excluded from the meeting during consideration of this item so as to avoid disclosure of exempt information of the classes described in paragraph 6 of Schedule 7(A) of the Act.

On a division, there voted:- for the procedural motion (9) - the Convener, the Vice-Convener and Councillors Allan, Donnelly, Grant, Ironside, Milne, Reynolds and Taylor; against the procedural motion (8) - Councillors Cameron, Dickson, Flynn, Malone, Noble, Samarai, Jennifer Stewart and Townson.

The Committee resolved:-

- (i) to approve the procedural motion; and
- (ii) to consider the report as the first exempt item of business on the agenda (article 31 of this minute refers).

REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000 - CORPORATE PROTOCOL AND PROCEDURES AND TRAINING PLAN - CG/15/90

26. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which sought approval of the revised Aberdeen City Council Corporate Protocol and Procedures on Covert Surveillance and outlined a newly developed Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA) training plan.

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The report recommended:-

that the Committee –

- (a) approve the revised Aberdeen City Council Corporate Protocol on Covert Surveillance as set out in Appendix 1 of the report;
- (b) endorse the RIPSA Training Plan detailed in Appendix 2 of the report; and
- (c) otherwise note the report.

The Committee resolved:-

to approve the recommendations.

CORPORATE DATA PROTECTION POLICY AND PROCEDURES - CG/15/91

27. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which sought approval to a revised Corporate Data Protection Policy and associated Data Protection Procedures.

The report recommended:-

that the Committee -

- (a) approve the Corporate Data Protection Policy contained in Appendix one of the report; and
- (b) approve the various Corporate Data Protection procedure documents appended to the report, namely:
 - Corporate Creating Personal Information Procedure (Appendix two of the report)
 - Corporate Access to Personal Information (Subject Access) procedure (Appendix three of the report)
 - Corporate Access to Personal Information (Third Party Access) procedure (Appendix four of the report)
 - Corporate Sharing Personal Information Procedure (Appendix five of the report)
 - Corporate Data Protection Incidents Procedure (Appendix six of the report).

The Committee resolved:-

to approve the recommendations.

CITY CENTRE MASTERPLAN - DELIVERY TEAM - OCE/15/032

28. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided information on the establishment of an in-house officer team to facilitate the implementation of the City Centre Masterplan Delivery Plan.

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The report recommended:-

that the Committee -

- (a) note the arrangements as outlined in the report;
- (b) approve the establishment of a City Centre Director post on Chief Official terms and conditions;
- (c) approve the establishment of a City Centre Programme Manager post which may be on Chief Official terms and conditions dependant on the outcome of a review of the job profile for the post;
- (d) approve the establishment of a Communication and Engagement Officer post on Single Status terms and conditions;
- (e) approve the creation of an elected member Appointment Panel (3+3+1+1+1) for the post of City Centre Director which will have authority to approve the job profile and assessed salary for that post;
- (f) set aside standing order 47(2) to allow the appointment of the City Centre Programme Manager to be undertaken by a panel of officers, including the Chief Executive, in lieu of an Appointment Panel in the event that the post is established as a Chief Official; and
- (g) note that under the Scheme of Delegation the Chief Executive would agree all matters relating to the recruitment process for both the City Centre Programme Manager and Communication and Engagement Officer including role profile, person specification and salary, in conjunction with the Head of Human Resources and Customer Service and would provide a progress update to the Finance, Policy and Resources Committee at its meeting on 3 December 2015.

The Convener, seconded by the Vice Convener moved:-

to approve recommendations (a) to (d), (f) and (g) above, and amend recommendation (e) to read “approve the creation of an elected member Appointment Panel from the elected members of the City Centre Masterplan Reference Group only for the post of City Centre Director which will have authority to approve the job profile and assessed salary for that post”; and add the following recommendations:-

- (h) instruct officers to undertake transport modelling taking into account the transport implications associated with Broad Street and Schoolhill / Upperkirkgate and to consider the implications on areas such as Castlegate, Schoolhill Pocket Park, Queen Street, Golden Square and Bon Accord Square and report its findings to the Council in December 2015;
- (i) instruct officers to report back to the Communities Housing and Infrastructure Committee in March 2016 with the results of the city centre wide traffic modelling and interventions; and
- (j) to instruct officers to undertake a development brief of the Station Gateway intervention area and a review of public realm in the city centre and to report back to the Communities, Housing and Infrastructure Committee in January 2016.

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Councillor Cameron, seconded by Councillor Dickson, moved as an amendment:-
that Aberdeen City Council re-establishes the Director of Economic Development post and a support team to deliver the City Centre Masterplan, Strategic Infrastructure Plan and City Region Deal; and approve recommendations (h), (i) and (j) above as moved by the Convener

On a division, there voted:- for the motion (11) the Convener, the Vice Convener and Councillors Allan, Donnelly, Grant, Ironside, Malone, Milne, Reynolds, Jennifer Stewart and Taylor; for the amendment (6) Councillors Cameron, Dickson, Flynn, Noble, Samarai and Townson.

The Committee resolved:-
to adopt the motion.

DECLARATION OF INTEREST

Councillor Grant declared an interest in the following item of business by virtue of his employment with Aberdeen Inspired. Councillor Grant considered that the nature of his interest required him to leave the meeting and took no part in the deliberations thereon.

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 as approval was required so that bookings of equipment and suppliers for the Winter Festival could be finalised.

ABERDEEN WINTER FESTIVAL 2015 - OCE/15/034

29. With reference to article 16 of the minute of meeting of the previous meeting 9 June 2015, the Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided information on the plans for the Aberdeen Winter Festival 2015 and the Christmas Village on Union Terrace.

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The report recommended:-

that the Committee –

- (a) note the content of this report;
- (b) agree the programme of events proposed for the Aberdeen Winter Festival 2015, as detailed in the 9 June, 2015 Finance Policy and Resources Committee City Events report;
- (c) subject to a Service Provision Agreement, approve the payment of £132,350 from the £200,000 previously agreed at FP&R Committee on 9 June 2015 to Aberdeen Inspired to support the delivery of the Christmas Village;
- (d) agree to refer the recommendation to suspend the drinking in public places bye-law to the next available full council meeting on the 8 October 2015;

The Sub Committee resolved:-

- (i) to approve the recommendations;
- (ii) to instruct officers to forward any surplus from the projected income received from Aberdeen Winter Festival to the Lord Provost's Charitable Trust; and
- (iii) that officers discuss with Aberdeen Inspired the possibility of reducing the charges for the ice rink and fairground rides and that the possible use of the Access to Leisure – Accord Card scheme be investigated.

EXEMPTION FROM COUNCIL'S STANDING ORDERS RELATING TO CONTRACTS AND PROCUREMENT FOR THE PURCHASE AND INSTALLATION OF EARLY LEARNING AND CHILDCARE FURNITURE FOR NEW NURSERIES - ECS/15/045

30. The Committee had before it a report by the Director of Education and Children's Services which provided information on the request, under Standing Order 1 (6)(b), for an exemption from the Council's Standing Orders relating to Contracts and Procurement in relation to the contract for purchasing and installation of early learning and childcare furniture for the additional nurseries opening between August 2015 and February 2016.

The report recommended:-

that the Committee note the contents of the report and the reasons behind requesting the exemption from the relevant standing orders.

The Sub Committee resolved:-

to approve the recommendation.

In accordance with the decision recorded under article 25 of this minute, the following item was considered with the press and public excluded.

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ART GALLERY REDEVELOPMENT FUNDRAISING - ECS/15/048

31. The Committee had before it a report by the Director of Education and Children's Services which provided information on the philanthropic and public fundraising campaign for the Art Gallery redevelopment.

The report recommended:-

that the Committee notes progress with the campaign.

The Sub Committee resolved:-

- (i) to approve the recommendation;
- (ii) to request that an update report be submitted to the Committee in six months' time;
- (iii) that details relating to the funding allocation from the Marguerite McBey Trust be circulated to Councillor Jennifer Stewart; and
- (iv) that details of the decision to underwrite £10m for a public and Philanthropic fundraising campaign be circulated to Councillor Jennifer Stewart.

In accordance with the decision recorded under article 2 of this minute, the following items were considered with the press and public excluded.

DECLARATION OF INTEREST

Councillors Ironside CBE and Graham declared an interest in the following item of business by virtue of them being board members of Alcohol Support Limited. They both considered that the nature of their interest required them to leave the meeting and took no part in the deliberations thereon. Councillor Donnelly also declared a non-pecuniary interest in the item by virtue of him being a board member of Aberdeen Endowment Trust, although he did not consider that the nature of his interest required him to leave the meeting.

PENSION FUND GUARANTEE REQUESTS - CG/15/114

32. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which considered requests received from North East Scotland Pension Fund admitted bodies for Aberdeen City Council to become a guarantor for their pension fund liabilities and agree a process for the approval of any further requests.

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The report recommended:-

that the Committee -

- (a) approve that Aberdeen City Council act as guarantor for:
 - Middlefield Community Project;
 - St Machar Parent Support Group;
 - Printfield Community Project/Forum;
 - Alcohol Support Limited;
 - Aberdeen Greenspace;
 - Fersands and Fountain.
- (b) agree to provide delegated authority to the Head of Finance to consider and approve if appropriate any future requests from those bodies detailed in Section 5.6 (of the report) for the Council to act as a guarantor, in conjunction with the Convener of the Committee.

The Sub Committee resolved:-

to approve recommendation (a) only.

UNRECOVERABLE DEBT - CG/15/105

33. With reference to article 12 of the minute of meeting of 30 September 2014, the Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which sought approval on business rates debts recommended as unrecoverable during 2014/15 and in excess of £25,000 as required in terms of Financial Regulations 5.3.4. The report also advised that numbers and values, up to £10,000 of Council Tax, Business Rates, Community Charge and Housing Benefit overpayments deemed to be unrecoverable during 2014/15 after all approved recovery procedures have been followed, as required in terms of Financial Regulations 5.3.4.

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 and shown in appendices 1 to 4; and
- (b) approve that the Business Rates amounts over £25,000 shown in appendix 5 are also deemed as unrecoverable and be written off.

The Committee resolved:-

to approve the recommendations.

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COMMON GOOD FARMS - REFERRAL FROM PROPERTY SUB COMMITTEE - CHI/15/7595

34. With reference to article 8 of the minute of meeting of the Property Sub Committee of 2 September 2015, the Committee had before them by way of referral (a) a report by the Director of Communities, Housing and Infrastructure which provided members with an update on a range of issues in relation to agricultural tenancies; and (b) an extract of the minute outlining the decision taken by the Sub Committee.

The report recommended:-

that the Sub Committee –

- (a) remit it to the Head of Legal & Democratic Services to formally conclude the sale of Kirkhill Farm steading and house to the tenant Mr Mitchell on terms and conditions as are necessary to protect the City Council's interests;
- (b) remit it to the Head of Land & Property Assets to negotiate provisional terms and conditions for the renunciation of the relevant field from the farm lease of Fernhill Farm in exchange for the construction of a new larger shed, at the City Council's cost, on terms and conditions as are necessary to protect the City Council's interests;
- (c) approve the funding for the waygoing claim to the tenant at Holmhead Farm of circa £75,000; and
- (d) authorise the Head of Land and Property Assets to invite tender prices for the proposed works at Fernhill farm and accept any suitable tenders thereafter.

The Property Sub Committee resolved:-

to approve the recommendations subject to the Finance, Policy and Resources Committee approving the additional expenditure from the Common Good Fund for a replacement building at Fernhill Farm as outlined in recommendation (b) above.

The Committee resolved:-

to note the decision taken by the Property Sub Committee and approve the additional expenditure from the Common Good Fund for a replacement building at Fernhill Farm.

GREENFERNS FARM - REFERRAL FROM PROPERTY SUB COMMITTEE - CHI/15/7583

35. With reference to article 12 of the minute of meeting of the Property Sub Committee of 2 September 2015, the Committee had before them by way of referral (a) a report by the Director of Communities, Housing and Infrastructure which provided members with information on an area of land owned by the Council which is subject to an agricultural tenancy, and outlines options to bring the site forward for future development; and (b) an extract of the minute outlining the decision taken by the Sub Committee.

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The report recommended:-

that the Sub Committee –

- (a) authorise the Head of Legal and Democratic Services to make a formal offer to the tenant of Greenferns Farm to surrender his lease on the terms noted within the Report;
- (b) in the event that this offer is not accepted, offers are instructed to withdraw from all negotiations in relation to the lease surrender; and
- (c) instruct the Head of Land & Property Assets to bring a future report to this Committee on the outcome of these actions.

The Property Sub Committee resolved:-

to approve the recommendations contained within the report, subject to the Finance, Policy and Resources Committee approving the costs from the Common Good Fund.

The Committee resolved:-

to note the decision taken by the Property Sub Committee and approve the costs from the Common Good Fund.

TRANSITION EXTREME - CHI/15/254

36. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which sought approval to renew one loan guarantee and an overdraft guarantee to Transition Extreme.

The report recommended:-

that the Committee –

- (a) approve a renewed loan guarantee for Transition Extreme of its one remaining loan until its repayment date of 31 July 2017; and
- (b) approve the renewal of an overdraft guarantee of £200,000 for Transition Extreme until 15 September 2017 when it would be reviewed again.

The Committee resolved:-

to approve the recommendations.

DECLARATION OF INTEREST

Councillors Reynolds, Malone and Donnelly declared an interest in the following item of business by virtue of them being board members of Aberdeen Exhibition and Conference Centre. Councillor Reynolds and Malone considered that the nature of their interest required them to leave the meeting and took no part in the deliberations thereon. Councillor

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Donnelly did not consider that the nature of his interest required him to leave the meeting.

OUTCOME OF THE MARKET TESTING EXERCISE FOR THE OPERATION AND MANAGEMENT OF THE NEW ABERDEEN EXHIBITION AND CONFERENCE CENTRE (AECC)

37. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which outlined the findings from the market testing exercise for future operation and management models for the new AECC.

The report recommended:-
that the Committee –

- (a) note the results of the market testing exercise on the three viable options identified for the operation and management of the new AECC;
- (b) instruct officers to carry out a competitive dialogue tendering exercise to identify an operator and management for the new AECC; and
- (c) instruct officers to report the findings of the tendering exercise to this committee in Summer 2016.

The Committee resolved:-
to approve the recommendations.

UPDATE ON THE FUTURE OF THOMAS BLAKE GLOVER HOUSE - CHI/15/237

38. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on the actions related to the ownership of Glover House.

The report recommended:-
that the Committee –

- (a) authorise officers to commission work to complete the outstanding essential repairs to be undertaken at Glover House and report back to the Committee on other improvements to the property and grounds that may be required;
- (b) instruct officers to explore opportunities to work with VisitScotland and Scottish Enterprise in the development of Glover House going forward;
- (c) instruct officers to commission a feasibility study not to exceed £25,000 to determine alternative uses for the property and maximise benefit for the public pound; and
- (d) request officers to submit a report to a future meeting of the Committee detailing agreed uses for the house and request funding to support this.

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The Committee resolved:-

- (i) to approve recommendations (a) and (b);
- (ii) to instruct officers to commission a feasibility study not to exceed £25,000 to determine alternative uses for the property and maximise benefit for the public pound reporting back to the April 2016 Committee; and
- (iii) instruct the Convener and Vice Convener of Finance, Policy and Resources Committee to write a joint letter to the Scottish Government seeking financial support given the strong and ongoing links between Aberdeen and Nagasaki copying the letter to the Japanese consulate in Edinburgh and Mitsubishi.

CONDITION AND SUITABILITY - THREE YEAR PROGRAMME (APPENDICES)

39. The Committee had before it appendices relating to the report which provided sought approval of a three year Condition and Suitability Programme. (article 23 of this minute refers).

The Committee resolved:-

to note the appendices.

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 as it would have significant financial implications to the Council not to do so.

TOWN HOUSE - CLOCK TOWER WORKS - CHI/15/282

40. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on the status of roofing works currently being carried out at the Town House.

The report recommended:-

that the Committee –

- (a) instruct the Head of Land and Property Assets to proceed with Option 1, the preferred option detailed in the report, which recommends that the current contractor is instructed to carry out the phase 2 works to the clock tower; and
- (b) approve that £700,000 be funded from the 2015/16 Non Housing Capital programme contingency sum of £2.5 million which to date has had no call on it.

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The Committee resolved:-

- (i) to approve the recommendations contained within the report; and
- (i) that details of the costs incurred as a result of the delay to works be circulated to members of the Committee.

OCCUPATIONAL HEALTH SERVICE CONTRACT - CG/15/103

41. The Committee had before it a report by the Chief executive and interim Director of Corporate Governance which provided an update on the recent European Union complaint tender exercise undertaken for the provision of Occupational Health Services and notes the award of the contract under exemption of Standing Order 1(6)(b).

The report recommended:-

that the Committee note the award of contract, under the exemption of Standing Order 1(6)(b) for the provision of Occupational Health services to ATOS IT Services Limited trading as OHAssist commencing on 3 August 2015 for a period of 18 months with an option to extend for a further period of up to 24 months.

The Committee resolved:-

to approve the recommendation.

EXEMPTION FROM STANDING ORDERS IN RELATION TO PROCUREMENT OF BULK PRINTING SOLUTION - CG/15/69

42. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which provided details of a standing order exemption in relation to the procurement of a bulk printing solution which had been obtained.

The report recommended:-

that the Committee note the terms of the standing orders exemption approved by the Chief Executive, Head of Finance, Head of Legal and Democratic and Head of Procurement to enter a contract with Capita for the provision of a bulk printing solution for a 5 year period with an estimated financial expenditure of £74,191 for the period of the contract.

The Committee resolved:-

to approve the recommendation.

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SCHOOL AND SOCIAL WORK TRANSPORT PROCUREMENT 2016

43. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which sought approval from members to tender and award school, social work and client transport contracts with a set procurement process.

The report recommended:-

that the Committee –

- (a) instruct the Director of Communities, Housing and Infrastructure to proceed with the combined School and Social Work transport invitation to tender and award for 2016/17; and
- (b) approve the related estimated expenditure of £6.3m for the two, 4 year periods, as set out at paragraph 5.11 of the report.

The Committee resolved:-

to approve the recommendations.

TENDER ACCEPTANCE - SCOTLAND EXCEL FRAMEWORK AGREEMENTS - CG/15/116

44. The Committee had before it a report by the Chief Executive and Interim Director of Corporate Governance which advised on the intention to use Scotland Excel Framework Agreements and sought approval of the estimated expenditure as detailed within the report.

The report recommended:-

that the Committee –

- (a) approve the estimated expenditure under the Scotland Excel Frameworks as detailed in appendix 1 of the report for:-
 - Supply, Delivery and installation of domestic Furniture including White Goods;
 - Asbestos Surveys, removal and Disposal and Analytical services; and
 - Building and Timber Materials.
- (b) approve all potential call offs under these frameworks within the estimated expenditure as detailed in appendix 1 of the report and delegate the approval of any call off over £60,000 to the Head of Commercial and Procurement Services

The Committee resolved:-

to approve the recommendations.

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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 as the building requires to be opened as soon as possible as it is detrimental to the young people who use the building. It is also an important delivery function for the Council in meeting its corporate parent responsibilities.

311 CLIFTON ROAD - AUTHORITY TO GO TO TENDER - ECS/15/50

45. The Committee had before it a report by the Director of Education and Children's Services which sought approval to issue a tender for the refurbishment of 311 Clifton Road and approve the estimated expenditure of £750,000.

The report recommended:-

that the Committee –

- (a) approve the issue of a tender for the refurbishment of 311 Clifton Road;
- (b) note that funding of £750,000 has been set aside for the necessary work and agree for the sums identified to be used to meet the estimated capital costs; and
- (c) otherwise note the contents of the report.

The Committee resolved:-

to approve the recommendations.

- COUNCILLOR WILLIE YOUNG, Convener

FINANCE, POLICY AND RESOURCES COMMITTEE

COMMITTEE BUSINESS STATEMENT

UPDATED FOLLOWING MEETING OF 15 SEPTEMBER 2015

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)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
1.	Property Sub Committee 24/9/13 article 14	<u>Station House Community Centre</u> 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. to transfer item 10 (Station House Community Centre), to the Finance, Policy and Resources Committee Business Statement	Negotiations are on going 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. A report on the Station House Community Centre will be submitted to Committee after the recess. A report is included within the agenda.	Stephen Booth - Head of Asset Management and Operations		03/12/15
	Property Sub Committee 22 nd April 2014 Article 3					

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
2.	Finance, Policy and Resources 6/5/14 Article 27	<u>Review of Access to Leisure Scheme</u> 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 review of Access to Leisure is still to be completed. Officers have taken the opportunity to conduct a fundamental, wholesale review of the programme to ensure that as many individuals as possible can access leisure opportunities. It is anticipated that the outcome of this work will be reported to the Finance, Policy and Resources Committee in April 2016.	Euan Couperwhite (ECS)	30/09/14	19/04/16
3.	Finance, Policy and Resources 4/12/14 Article 15	<u>Shared Services - s.95 Officer</u> It was agreed to receive a report back on the outcome of the trial no later than December, 2015	A report is included within the agenda	Jeff Capstick - Corporate Governance	03/12/15	
4.	Finance, Policy and Resources 18/2/15 Article 18	<u>Aberdeen Japan Strategy</u> It was agreed to instruct officers to report on progress and impact of Strategy implementation after one year (January 2016) and after the conclusion of the Strategy period (January 2017).		Elaine Robertson - Communities, Housing and Infrastructure	16/02/16	
5.	Communities, Housing and Infrastructure Committee 18/3/15	<u>Management of Events and Commercial Lets in Aberdeen's Parks and Open Spaces'</u> It was agreed that all charges be		Daniel Parrot/Takki Sulaiman – Office of Chief Executive	19/04/16	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
	Article 32	reviewed and agreed at Committee on an annual basis and to request that officers provide a review of how the charges had worked over the last 12 months within that report."				
6.	Finance, Policy and Resources 23/4/15 Article 16	<u>Recruitment Advertising Arrangements</u> It was agreed to instruct the Heads of Communication and Promotion and Head of Human Resources and Organisational Development to report back to Committee on the experience of the (In-House) trial period with recommendations of how to deal with recruitment advertising going forward.		Jeff Capstick Corporate Governance	19/04/16	
7.	Finance, Policy and Resources 23/4/15 Article 26	<u>Satrosphere – Bank Guarantee Renewal 2015/16</u> It was agreed that a report providing detail on the outcomes of the property surveys being undertaken at 179 Constitution Street will be presented to a future meeting of the Committee.	Asset Management will be progressing this issue with the intent to report, initially, through the next meeting of the Property Sub-Committee and, as required, to a later Finance, Policy and Resources Committee meeting	Asset Management – Communities, Housing and Infrastructure		
8.	Finance, Policy and Resources 9/6/15 Article 7	<u>Financial Year End Monitoring – Funding Allocations</u> It was agreed that officers would report back to the Committee in six months' time (3 rd December 2015 meeting) with a progress update	The progress update will be included in the Council General Fund Monitoring 2015/16 report.	Sandra Buthlay/Steve Whyte – Corporate Governance	03/12/15	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		on the funding allocations of the projects.				
9.	Finance, Policy and Resources 9/6/15 Article 7	<u>Anti-Poverty Strategy</u> It was agreed that officers would bring forward options to the October meeting around the development of an up-to-date Anti-Poverty Strategy and Action Plan	A report is included within the agenda	Donald Urquhart – Communities Housing & Infrastructure	15/09/15	
10.	Council 24/6/15	<u>Aberdeen City Centre Masterplan and Delivery Programme</u> to agree that the Chief Executive will report to the Finance, Policy and Resources Committee on 15 September 2015 on a proposed programme of enabling works and activities.	Work is currently underway on City Centre Masterplan on traffic modelling to be reported to Council in December 2015. The results of this modelling will inform the programme of enabling works and activities which will be brought forward through the budget process for 2016/17.	Angela Scott/Ciaran Monaghan – Office of Chief Executive	15/09/15	
11.	Finance, Policy and Resources 15/09/15 Article 12	<u>Participatory Budget</u> The Committee agreed to instruct officers to bring a report to the June 2016 Committee on the effectiveness and impact of the process used.		Gail Woodcock - Communities Housing & Infrastructure	07/06/16	
12.	Finance, Policy and Resources 15/09/15 Article 28	<u>City Centre Masterplan – Delivery Team</u> The Committee agreed that under the Scheme of Delegation the Chief Executive would agree all matters relating to the recruitment	An update has been provided within the Information Bulletin report which has been circulated with the agenda.	Ciaran Monaghan – Office of the Chief Executive	03/12/15	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		process for both the City Centre Programme Manager and Communication and Engagement Officer including role profile, person specification and salary, in conjunction with the Head of Human Resources and Customer Service and would provide a progress update to the Finance, Policy and Resources Committee at its meeting on 3 December 2015.				
13.	Finance, Policy and Resources 15/09/15 Article 31	<u>Art Gallery Redevelopment Fundraising</u> The Committee agreed to request that an update report be submitted to the Committee in six months' time.		Neil Bruce – Education and Children's Services	19/04/16	
14.	Finance, Policy and Resources 15/09/15 Article 37	<u>New AECC - Market Testing Exercise</u> The Committee agreed to instruct officers to report the findings of the tendering exercise to this committee in Summer 2016.		Scott Ramsay – Communities, Housing and Infrastructure	07/06/16	
15.	Finance, Policy and Resources 15/09/15 Article 38	<u>Thomas Blake Glover House – Alternative Uses of the Property</u> The Committee agreed to instruct officers to commission a feasibility study not to exceed £25,000 to		Richard Sweetnam/Gordon McIntosh – Communities, Housing and Infrastructure	19/04/16	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		determine alternative uses for the property and maximise benefit for the public pound reporting back to the April 2016 Committee.				

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	3 December 2015
DIRECTOR	Richard Ellis
TITLE OF REPORT	Corporate Governance Performance Report
REPORT NUMBER:	CG/15/133
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

To present the Committee with an overview of key performance information and ongoing improvement work, across the Corporate Governance Directorate.

2. RECOMMENDATION(S)

The Committee are asked to:

Note the content of the performance report.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from the report although some reported measures are aligned with our priority to improve the use of resources.

4. OTHER IMPLICATIONS

There are no other implications specifically arising from this report although measures are aligned to the improvement in staff and customer experience.

5. BACKGROUND/MAIN ISSUES

The report before the Committee comprises:

- An analysis of some significant performance areas, including contextual information;
- A summary 'scorecard' report detailing performance indicators, information on direction of travel and performance against targets, where these have been set.

The report provides performance information at the Directorate level and where necessary to the level of Head of Service. The Corporate Governance Service Performance Dashboard displays a wider range of information including trend charts and

comparison between the different areas of the service, as well as underlying information to support indicators in some cases.

Performance measures have been aligned to the corporate drivers:

- Improving staff experience;
- Improving customer experience;
- Improving our use of resources;
- Delivering outcomes (*in development*)

6. IMPACT

Public – The report is designed for information purposes and no Equalities and Human Rights Impact Assessment has been prepared.

Services are required to carry out regular reporting of performance to committees. Corporate Governance undertakes to report performance to the Committee and into the public domain. All performance reports form a part of our public performance reporting requirement, which is subject to annual assessment by Audit Scotland and which we are working to improve through our corporate lead on performance management.

The report impacts more widely than the internal management of performance. Our performance and improvement framework supports delivery of outcomes at the council-wide level and in the Single Outcome Agreement. Our performance frameworks also impact on our requirement for good governance and assurance frameworks across the Council Group, including Arms-Length External Organisations.

Our reporting of information to the Committee therefore supports our commitment to:

- Best Value;
- Improved Public Performance Reporting.

7. MANAGEMENT OF RISK

The report identifies areas of performance which are aligned to the delivery of priorities. This delivery is subject to the management of risk.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Martin Allan
Business Manager
mallan@aberdeencity.gov.uk
01224 523603

10. REPORT

- 10.1 Timely, accurate performance data supports informed decision-taking, focuses resources on areas for improvement and assists with our commitment to the delivery of Best Value in public service activity. We aim to benchmark as much of our service activity as possible, mainly through our participation in the Scotland-wide Local Government Benchmarking Framework (LGBF) whilst also utilising our involvement in other benchmarking clubs where appropriate.
- 10.2 The Council receives an annual assessment of the strength of our Public Performance Reporting (PPR) arrangements from the Accounts Commission. This covers not only the breadth of services and functions for which we have a statutory requirement to report, but also the style, format and accessibility of the information we provide. Increasingly, auditors are requiring that a range of channels and performance information formats are used, to ensure that information reaches audiences in ways in which it is most useful, easy to understand and best illustrative of the Council's activities.
- 10.3 Research is to be undertaken later in the year to ascertain the types of performance information the public most wish to see, as well as the style of reports and the communication channels considered the most effective. Feedback from this research will be used to improve the nature of our PPR activities going forward.
- 10.4 In order to provide the Committee with an effective analysis of performance and trend analysis in each report, it is intended to move to a quarterly reporting frequency.
- 10.5 The attached performance scorecard uses traffic light symbols to aid the better understanding of direction of travel, where possible:



denotes an indicator which is not meeting target performance;



denotes an indicator which is at risk of falling significantly below target performance;



denotes an indicator which is meeting target performance;



denotes an indicator which is based on data collection only and no performance target is appropriate or where no performance data has arisen in the reporting period.

10.6 Targets

Where possible, services are encouraged to set meaningful performance targets as a means of contextualising performance and driving improvement. These are frequently based on benchmarking activity.

10.7 Analysis of performance of specific interest:

It is intended that a review of the measurements and details contained in the scorecard be undertaken to make the information as meaningful as possible for the Members of the Committee. It is hoped that the review will be concluded and reported to the next meeting of the Committee in February 2016.

In terms of specific analysis, it is worth outlining the statistics for Members' Enquiries. The statistics show that Legal and Democratic Services have answered 63% of the enquiries allocated to them within the required timescales. Greater scrutiny of the statistics (based on 3 enquiries not being answered within the timescales) reveal that Legal and Democratic were involved later on in the enquiry process for 2 out of the 3 enquiries which has had an impact on the answer time. These two enquiries were cross-service enquiries. In relation to the third enquiry a holding response has been given whilst input from another service is sought.

Corporate Performance Triangle



Improving Staff Experience

Capacity

Absence

Please note it is not currently possible to report on absence across the revised structure of Corporate Governance and the former HOS tier is therefore used for reporting this data.

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Average number of days lost through sickness absence - Corporate Governance overall		7		7.3		7					
Average number of days lost through sickness absence - Customer Service & Performance		6.1		6.7		6.3					
Average number of days lost through sickness absence - Finance		6.6		6.8		7.1					
Average number of days lost through sickness absence - Human Resources		6.7		6.8		6.6					
Average number of days lost through sickness absence - Legal & Democratic Services		10.4		10.5		10.5					
Average number of days lost through sickness absence - Commercial & Procurement Services		0		3		3					

Establishment

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Level of Staff Turnover (Corporate Governance) - Leavers		1.42%		0.91%		0.52%					
Level of Staff Turnover (Corporate Governance) - Starters		1.03%		1.18%		0%					
Establishment Control: Headcount - Corporate Governance		687		681		642					
Headcount of Agency Staff (Corporate Governance)		1		0		1					
Establishment Control: Full time equivalent (FTE) - Corporate Governance		632		626		591.5					
New Starts - Corporate Governance		7		7		8					
Leavers - Corporate Governance		11		7		4					
Vacancy rate – funded vacancies compared to funded establishment – Corporate Governance		10.28%		4.01%		16.18%					
Agency Monthly Expenditure v Budget as a % (Corporate Governance)		61.82%		68.38%		106.71%					
Overtime Monthly Expenditure v Budget as a % (Corporate Governance)		32.97%		39.82%		45.9%					
Expenditure on Overtime (accumulative) - Corporate Governance		£78,627		£94,966		£109,478					
Agency Monthly Expenditure (Corporate Governance)		£58,864		£65,110		£101,615					
Consultancy fee expenditure v. Budget as a % - Corporate Governance		168.03%		199.85%		277.85%					

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Consultancy fee actual expenditure – Corporate Governance		£187,271		£222,737		£309,676					

Staff Health, Safety & Wellbeing

Human Resources Policies

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Number of staff invoking the grievance procedure - New (Corporate Governance)		0		0		0					
Number of staff invoking the grievance procedure - Ongoing (Corporate Governance)		0		0		0					
Number of staff invoking the grievance procedure - Completed (Corporate Governance)		0		0		0					
Number of staff through the disciplinary procedure - New (Corporate Governance)		1		0		3					
Number of staff through the disciplinary procedure - Ongoing (Corporate Governance)		0		1		0					
Number of staff through the disciplinary procedure - Completed (Corporate Governance)		1		0		1					
No of staff whose performance is being managed - New (Corporate Governance)		0		0		1					
No of staff whose performance is being managed - Ongoing (Corporate Governance)		2		2		3					

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
No of staff whose performance is being managed - Completed (Corporate Governance)		1		0		0					
No of Long Term Sickness Cases - New (Corporate Governance)		2		0		0					
No of Long Term Sickness Cases - Ongoing (Corporate Governance)		2		3		3					
No of Long Term Sickness Cases - Completed (Corporate Governance)		2		1		0					
No of staff in short-term stages of Maximising Attendance - New (Corporate Governance)		0		0		0					
No of staff in short-term stages of Maximising Attendance - Ongoing (Corporate Governance)		1		1		1					
No of staff in short-term stages of Maximising Attendance - Completed (Corporate Governance)		0		0		0					
Bullying & Harassment Cases - New (Corporate Governance)		1		0		1					
Bullying & Harassment Cases - Ongoing (Corporate Governance)		1		0		0					
Bullying & Harassment Cases - Completed (Corporate Governance)		0		0		1					

Health and Safety Incidents and Near Misses

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Health & Safety Employee Reportable by Directorate - Corporate Governance								0		0	
Health & Safety Employee Non Reportable by Directorate - Corporate Governance								3		1	
Health & Safety 3rd Party Reportable by Directorate - Corporate Governance								0		0	
Health & Safety 3rd Party Non Reportable by Directorate - Corporate Governance								0		0	
Health & Safety Total Near Miss by Directorate - Corporate Governance								4		4	
Health & Safety Employee Near Miss by Primary Type (Violence) - Corporate Governance								0		2	
Health & Safety Employee Near Miss by Primary Type (Vandalism) - Corporate Governance								0		0	
Health & Safety Employee Near Miss by Primary Type (Inappropriate Communication) - Corporate Governance								4		1	
Health & Safety Employee Near Miss by Primary Type (Security) - Corporate Governance								0		0	
Health & Safety Employee Near Miss by Primary Type (Other) - Corporate Governance								0		1	
Health & Safety Injury/Incident Forms Raised (0-6 days) - Corporate Governance								3		1	
Health & Safety Injury/Incident Forms								0		0	

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Raised (07-10 days) - Corporate Governance											
Health & Safety Injury/Incident Forms Raised (11-15 days) - Corporate Governance								0		0	
Health & Safety Injury/Incident Forms Raised (Over 15 days) - Corporate Governance								0		1	

Capability

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status

Improving Customer Experience

Customer Service

Customer Contact Centre

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
CCC – Total Number of Calls taken across all queues		24,096		23,300		23,992					
CCC – Overall % of all calls in Contact Centre answered within 60 seconds	75%	64.08%		73.39%		81.18%					
CCC - Number of Council Tax Calls		7,487		6,961		6,620					
CCC - % of Council Tax Calls answered within 60 seconds	75%	47.72%		56.28%		72.01%					

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
CCC – Number of Housing Benefit and Council Tax Reduction Calls		2,303		2,051		2,245					
CCC – % of Housing Benefit and Council Tax Reduction Calls answered within 60 seconds	75%	45.74%		61.75%		76.72%					
CCC – Number of Scottish Welfare Fund Calls (crisis loans)		1,250		1,168		1,266					
CCC – % of Scottish Welfare Fund Calls (crisis loans) answered within 60 seconds	75%	65.88%		75.21%		85.57%					

Customer Service Centre

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
CSC – Total Number of Visitors in Corporate Governance queues		6,227		4,137		4,073					
CSC – Total % of customers seen within 10 minutes in Corporate Governance queues	80%	85%		71%		87%					
CSC - Number of Visitors for Council Tax Queue		978		911		796					
CSC – % of customers for Council Tax queries seen within 10 minutes		90%		72%		90%					
CSC - Number of Visitors for Housing & Council Tax Benefits Queue		1,310		1,172		1,372					
CSC – % of customers for Housing & Council Tax Benefit queries seen within 10 minutes		75%		67%		71%					
CSC - Number of Visitors for Accord and Sports Queue		601		593		561					

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
CSC – % of customers for Accord and Sports queries seen within 10 minutes		89%		75%		90%					
CSC - Number of Visitors for Payments Queue		118		144		142					
CSC – % of customers for Payment queries seen within 10 minutes		86%		90%		94%					

Regional Communications Centre

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Total no of calls offered to the Regional Communications Centre		46,146		49,906		52,234					

Switchboard

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015		Q2 2015	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Total no of calls offered to the Switchboard		20,258		22,664		21,941					

Online Transactions

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Online fault reporting - Benefit Fraud		19		0		0					
Online payments - Community Charge		0		0		0					
Online payments - Business Rates		9		22		12					
Online payments - Council Tax		8,554		8,989		8,099					

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Online payments - Housing Benefit Overpayments		72		70		70					
Online payments - Primary School Meal Payments		237		295		147					
Online Service Applications & Activities - Accord Card Top Ups		2,157		2,785		1,357					
Online Service Applications & Activities - Council Tax Applications		1,098		966		997					

What our customers are saying

Satisfaction with complaints handling

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Complaint Customer Satisfaction - Access to the Complaints Handling Policy		72.73%		81.82%							
Complaint Customer Satisfaction - Empathy (Understanding the customer's perspective)		45.46%		63.64%							
Complaint Customer Satisfaction - Clarity & basis of decision		36.36%		54.55%							
Complaint Customer Satisfaction - Positive treatment by staff		90.91%		80%							
Complaint Customer Satisfaction - Timescales & providing updates		90.91%		90.91%							

Complaints handling

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
The total number of complaints received (Corporate Governance)								34		30	
% Stage 1 resolved within time - Corporate Governance	100%							76%		83.33%	
% Stage 2 resolved within time - Corporate Governance	100%							83.33%		100%	
Number of complaints made with regards to customer service - Corporate Governance								9		3	
Number of complaints made with regards to quality of service provided - Corporate Governance								14		2	
Number of complaints made with regards to employee behaviour - Corporate Governance								3		0	
Number of complaints made with regards to policy - Corporate Governance								5		7	
Number of complaints made with regards to procedure - Corporate Governance								3		8	
Number of complaints made with regards to Equalities - Corporate Governance								0		9	
% of complaints resolved within time (Corporate Governance)	100%							77.42%		85.71%	
% of complaints upheld against closed (Stage 1 & 2 combined) - Corporate Governance								54.84%		28.57%	
% of complaints not upheld against closed (Stage 1 & 2 combined) - Corporate Governance								29.03%		67.86%	

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
% of complaints partially upheld against closed (Stage 1 & 2 combined) - Corporate Governance								16.13%		3.57%	

Compliments

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Compliments received by Corporate Governance								2		2	

Members Enquiries

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Percentage of Members' Enquiries dealt within 15 working days - Corporate Governance	100%	62.5%		85.7%		80%					
Percentage of Members' Enquiries dealt within 15 working days - CG Commercial & Procurement Services	100%	0		0		0					
Percentage of Members' Enquiries dealt within 15 working days - CG Finance	100%	50%		67%		100%					
Percentage of Members' Enquiries dealt within 15 working days - CG Human Resources and Customer Services	100%	0		100%		100%					
Percentage of Members' Enquiries dealt within 15 working days - CG IT &	100%	0		0		0					

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Transformation											
Percentage of Members' Enquiries dealt within 15 working days - CG Legal and Democratic	100%	67%		100%		63%					

IT Helpdesk Satisfaction

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Helpdesk Survey - Availability of IT services in the last month which enabled employee to do their job (Rated - Strongly Agree)		44%		37%							
Helpdesk Survey - Availability of IT services in the last month which enabled employee to do their job (Rated - Agree)		48%		56%							
Helpdesk Survey - Availability of IT services in the last month which enabled employee to do their job (Rated - Disagree)		4%		7%							
Helpdesk Survey - Availability of IT services in the last month which enabled employee to do their job (Rated - Strongly Disagree)		4%		0%							
Helpdesk Survey - Problems resolved quickly and kept informed of progress (Rated - Strongly Agree)		30%		33%							
Helpdesk Survey - Problems resolved quickly and kept informed of progress (Rated - Agree)		57%		56%							
Helpdesk Survey - Problems resolved quickly and kept informed of progress (Rated - Disagree)		4%		11%							

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Helpdesk Survey - Problems resolved quickly and kept informed of progress (Rated - Strongly Disagree)		9%		0%							
Helpdesk Survey - Found the Helpdesk easy to deal with (Rated - Strongly Agree)		48%		30%							
Helpdesk Survey - Found the Helpdesk easy to deal with (Rated - Agree)		44%		67%							
Helpdesk Survey - Found the Helpdesk easy to deal with (Rated - Disagree)		4%		4%							
Helpdesk Survey - Found the Helpdesk easy to deal with (Rated - Strongly Disagree)		4%		0%							

Satisfaction with Customer Service & Contact Centres

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Customer Satisfaction with Customer Contact Centre (Rating: Scale of 1-5 where 1 is poor, 5 is excellent)		4.21		4.2		4.85					
Customer Satisfaction with Customer Service Centre (Rating: Scale of 1-5 where 1 is poor, 5 is excellent)		4.69		3.75		4.53					

Freedom of Information Requests

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
% of Freedom of Information requests replied to within timescale (Commercial &	85%	100%		80%							

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Procurement Services)											
% of FOI requests replied to within timescale (Corporate Governance)	85%	100%		94%							
% of Freedom of Information requests replied to within timescale (Legal & Democratic Services)	85%	100%		100%							
% of Freedom of Information requests replied to within timescale (Finance)	85%	100%		92%							
% of Freedom of Information requests replied to within timescale (Human Resources & Customer Services)	85%	100%		100%							
% of Freedom of Information requests replied to within timescale (IT & Transformation)	85%	100%		100%							

Data Breaches

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Data Breaches Reported - IT & Transformation								0		1	
Data Breaches Reported - Finance								2		0	
Data Breaches Reported - Human Resources & Customer Services								0		0	
Data Breaches Reported - Legal & Democratic Services								1		1	
Data Breaches Reported - Commercial & Procurement Services								0		0	
Data Breaches Reported - Business								0		2	

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Support Unit											

Use of Resources

Revenue

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
% spend against Revenue Budget (Corporate Governance)		35.59%		42.48%		59.17%					

Capital

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
% spend against Capital budget (total) - Corporate Governance		2.06%		2.81%		3.11%					

Insurance

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
No of Insurance Claims received (Employee Liability) - Corporate Governance		0		0		0					
No of Insurance Claims received (Motor Liability) - Corporate Governance		0		0		0					

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
No of Insurance Claims received (Public Liability) - Corporate Governance		0		0		0					
Cost of Insurance Claims received (Employee Liability) - Corporate Governance		£0		£0		£0					
Cost of Insurance Claims received (Motor Liability) - Corporate Governance		£0		£0		£0					
Cost of Insurance Claims received (Public Liability) - Corporate Governance		£0		£0		£0					
No of settled Insurance Claims (Employee Liability) - Corporate Governance		0		0		0					
No of settled Insurance Claims (Motor Liability) - Corporate Governance		1		0		0					
No of settled Insurance Claims (Public Liability) - Corporate Governance		0		0		0					
Cost of settled Insurance Claims (Employee Liability) - Corporate Governance		£0		£0		£0					
Cost of settled Insurance Claims (Motor Liability) - Corporate Governance		£0		£0		£0					
Cost of settled Insurance Claims (Public Liability) - Corporate Governance		£0		£0		£0					

Delivering Outcomes

IT & Transformation

IT Helpdesk

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Helpdesk calls resolved within agreed timescales	82%	82%		77%		85%					
% of ICT Helpdesk Calls responded to within timescale (Priority A - 1 day)	85%	100%		100%		100%					
% of ICT Helpdesk Calls responded to within timescale (Priority B - 3 days)	85%	77%		76%		82%					
% of ICT Helpdesk Calls responded to within timescale (Priority C - 10 days)	85%	94%		81%		88%					

Finance

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Correct amount of Housing Benefit paid to customer	95%	91.7%		91.67%		91.16%					
Budget Holder Meetings - Corporate Governance (Including Office of the Chief Executive)	100%							90.24%		92.31%	
Committee Reports Reviewed by Finance Partners - Finance Policy & Resources								13		14	
The percentage of Council Tax collected during the year, net of reliefs and rebates	95% (annual)	47.86%		56.65%		65.23%					
In Year Business Rates Collected	98% (annual)	41.11%		54.49%		63.38%					

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015/16		Q2 2015/16	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Average Number of Days to Process New Benefit Claims	20	18.09	✓	17.96	✓	18.36	✓				
Right Time Indicator - Average number of time taken in calendar days to process all new claims and change events in Housing Benefit/Council Tax Benefit	12	9.42	✓	9.46	✓	9.75	✓				
Average Number of Days to Process Change of Circumstances	9	7.94	✓	8.02	✓	8.22	✓				
% of new claims decided within 14 days of receiving all information	90%	89.03%	⚠	88.99%	⚠	88.54%	⚠				

Human Resources & Customer Services

Human Resources Service Centre

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015		Q2 2015	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
Human Resources Service Centre (First 24 Hour Resolution)	75%	84.16%	✓	77.67%	✓	84.58%	✓				

Legal & Democratic Services

Committee Services

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015		Q2 2015	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
% of decision sheets issued to officers within 2 working days	100%							90.91%	⚠	83.33%	⚠
% of decision sheets published within 4 workings days	100%							91.67%	⚠	100%	✓

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015		Q2 2015	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
% of draft minutes issued within 3 weeks	100%							81.82%		66.67%	

Legal Services

Commercial & Procurement Services

Indicator	Target	Aug 2015		Sep 2015		Oct 2015		Q1 2015		Q2 2015	
		Value	Status	Value	Status	Value	Status	Value	Status	Value	Status
No data											

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources Services Committee
DATE	3 December 2015
DIRECTOR	Richard Ellis
TITLE OF REPORT	2015/16 Financial Monitoring–Corporate Governance
REPORT NUMBER	CG/15/141
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- i) Inform the Committee of the 2015/16 revenue and capital budget's financial performance for the period to 30 October 2015 and forecast outturn position for 2015/16 for the services within Corporate Governance; and
- ii) Advise on any areas of risk and management action.

2. RECOMMENDATION(S)

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.

3. FINANCIAL IMPLICATIONS

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

4. OTHER IMPLICATIONS

- 4.1 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 Members. This report is part of that framework and has been produced to provide an overview of the current operating position.

5. BACKGROUND/MAIN ISSUES

- 5.1 This report provides a high level summary of forecast expenditure as at the end of October 2016, shown in Appendix A.
- 5.2 The Service report shows net forecast outturn under spend of £1.2m across the current net budget of £28m. The following items are of note and they have been incorporated into the net outturn:-
- Staff costs are forecast to be underspent by £586k, inclusive of the cost of the 2015 pay award. Offsetting costs outlined below include consultancy costs and loss of recharge income arising from the non- filling of posts. Interim staff forecast to cost £250k previously accounted for within Supplies and Services are now accounted within Staff costs.
 - Property costs are forecast to be overspent by £85k largely as a result of insurance costing more than budgeted.
 - Transport costs are forecast to be overspent by £125k largely as a result of vehicle insurance costing more than budgeted.
 - Administration Costs are forecast to be underspent by £178k with anticipated savings on general insurance of £181k and an anticipated underspend on courses of £95k offset by an anticipated overspend on bank charges of £59k.
 - Supplies and Services are forecast to be overspent by £104k. Consultants are anticipated to be overspent by £295k. This is for consultants for the PACE project within Procurement. This is partially offset by a forecast underspend of £236k within Procurement and Commercial Services staffing and 50% of the unbudgeted consultancy cost is rechargeable to Aberdeenshire Council, resulting in higher than budgeted income. The main anticipated underspends in this area is for hardware maintenance/rental of £187k and hardware purchases of £69k offset by an anticipated overspend of £58k for the Internal Audit contract.

- Income is forecast to be over budget by £859k with the largest areas of favourable variance being recharges of £285k to Aberdeenshire Council for Procurement Services, £100k to Bon Accord Care for telecoms, £67k to Police Scotland for payroll services, £79k from Scottish Water and £359k for recharges to the HRA. Recharges to NESPF are forecast to be £207k below budget reflecting lower spending on rechargeable staff identified above. Procurement Services income is forecast to be £100k under budget, offset by £50k of unbudgeted income in Financial Services and £69k of unbudgeted income from the Employee Benefits Scheme.
- Other Smaller variances within non-staff budgets account for the remainder of the movement from budget.

Ear-marked Reserves

- 5.3. Included at Appendix B is a table of projects within Earmarked Reserves.

Capital

- 5.4. Included at Appendix C is a summary of the Corporate Governance capital programme projects.

6. IMPACT

Improving Customer Experience –

Accurate budget monitoring and forecasting assists the Council to plan and design our services around current and future customer needs as much as possible.

Improving Staff Experience –

Good financial information improves good financial management and helps to track how successful management initiatives, such as service redesign, have been.

Improving our use of Resources –

As a public sector organisation, the Council has a legal duty to be open, transparent and accountable for spending public funds.

Corporate -

Aberdeen the Smarter City:

Smarter Governance (Participation)

Accurate budget monitoring and forecasting contributes to the process of Smarter Governance.

Smarter Living (Quality of Life)

Corporate Governance services contribute to all services provided by ACC.

Public –

The Council has a duty to ensure that best value is considered in all of its operations and this report helps to inform that process.

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.

8. BACKGROUND PAPERS

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

9. REPORT AUTHOR DETAILS

James Hashmi
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Appendix A

	Year To Date			Forecast to Year End			
As at Period 7 2015/16	Revised Budget	Actual Expenditure	Variance Amount	Full Year Revised Budget	Forecast Actual	Variance Amount	Change from previous forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Finance	3,710	3,193	(517)	5,280	4,836	(444)	8
Legal & Democratic Services	809	562	(247)	1,412	1,364	(48)	13
HR, Organisational Development & Customer Services	3,913	3,748	(165)	6,678	6,383	(295)	68
Commercial & Procurement Services	1,959	1,992	34	3,395	3,379	(15)	29
IT & Transformation	5,635	5,486	(148)	9,642	9,241	(401)	73
Housing Benefits	713	1,372	659	1,222	1,222	0	0
Total	16,738	16,353	(385)	27,629	26,425	(1,204)	190

	Year To Date			Forecast to Year End			
As at Period 7 2015/16	Revised Budget	Actual Expenditure	Variance Amount	Full Year Revised Budget	Forecast Actual	Variance Amount	Change from previous forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff	14,603	14,042	(561)	25,034	24,448	(586)	(470)
Property	355	408	53	598	690	92	(9)
Administration	1,575	1,358	(216)	2,902	2,725	(178)	(5)
Transport	289	356	66	496	621	125	8
Supplies and Services	3,861	3,996	136	6,686	6,789	103	262
Transfer Payments	29,598	32,892	3,294	50,739	50,856	117	5
Gross Expenditure	50,281	53,052	2,771	86,455	86,129	(326)	(209)
Government Grants	(29,425)	(32,046)	(2,621)	(50,449)	(50,537)	(88)	0
Other Grant/Reimbursement/Contribution	(1,132)	(1,474)	(342)	(1,941)	(2,528)	(586)	0
Customer & Client Receipts	(735)	(780)	(45)	(1,260)	(1,292)	(32)	13
Interest	(14)	(12)	2	(24)	(22)	2	(0)
Recharges to Other Heads	(1,779)	(1,925)	(146)	(4,367)	(4,544)	(177)	(0)
Other Income	(458)	(460)	(2)	(785)	(783)	3	7
Total Income	(33,543)	(36,699)	(3,155)	(58,826)	(59,704)	(878)	19
Net Expenditure	16,738	16,353	(385)	27,629	26,425	(1,204)	(190)

As at Period 7 2015/16	Balance b/f 1 April 2015	Forecast for Year	New Amounts / (Unrequired) Amounts	Projected c/f 31 March 2016	Details (reason for holding, plans for using, assumptions on new amounts and reasons for unrequired amounts)
	£'000	£'000	£'000	£'000	
<i>Projects:</i>					
Strategic Infrastructure Plan	76	76	0	0	Salary for SIP Programme Manager.
ICT Projects	606	495	0	111	Project contributions to approved NHCP 15/16 £463k, Digital Services fixed term post £32k 15/16.
ICT Rolling Programme	777	777	0	0	Revenue contribution to Education Server Rationalisation programme –currently at Proof of Concept stage prior to determining the wider procurement.
New Microphones	165	165	0	0	Microphones for Council Chambers.
Star Awards Sponsorship	25	25	0	0	To fund Star Awards 2015.
Business Plan Service Options	637	637	0	0	3 Information Management staff, Information Records Store Officer, 4 Fixed term Analysts and Customer Service experience £25k.
Employee Benefit Scheme	113	80	(33)	0	For marketing of employee benefits scheme.
<i>Revenue Grants:</i>			0		
2005-06 Rederminations-Mgf3-Crm	29	29	0	0	For implementing improvements that will be delivered through the Customer Experience Programme.
2005-06 Rederminations-Mgf3-Accord	54	54	0	0	This budget will be used to develop customer services enabled by the Aberdeen City smartcard, the Accord Card. These funds will be used for any supplier costs for software development, hardware requirements and any ICT infrastructure/ networking requirements. The current projects these funds will be used for are the roll out of cashless catering in primary schools and pre-ordering of meals in Very Sheltered Accommodation Units.
2005-06-Rederminations-Mgf3-Gazete	6	6	0	0	To purchase data management software called FME and pay for the additional training and installation costs.
Total	2,488	2,344	(33)	111	

Appendix C

As at Period 7 2015/16 Corporate Governance	Figures for Total Project			Pr	Cu
	Approved Budget	Expenditure to Date	Forecast Expenditure		
	£'000	£'000	£'000		
ICT Data Centre	3,000	27	3,000	G	G
Technology Investment Requirements	2,700	996	2,700	A	A
	5,700	1,023	5,700		

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	3 December 2015
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Council General Fund Monitoring 2015/16
REPORT NUMBER	CG/15/144
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This report provides an opportunity to consider the current financial position for the Council and the forecast outturn for the financial year 2015/16, highlighting assumptions made, areas of risk identified and management action to mitigate these risks.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- i) note the financial position contained within this report; and
- ii) note the progress to date of those projects approved in June 2015 and agree that amounts remaining unspent at year end can be carried forward to 2016/17.

3. FINANCIAL IMPLICATIONS

3.1 Revenue

3.1.1 The financial position as at the end of October 2015 can be seen in Appendix A.

3.1.2 The indications are that an underspend of £2.5 million against budget is achievable.

3.1.3 It should be noted that the figures for services include the impact of the pay award which has now been processed by payroll and paid to staff. This is offset by corresponding amounts in the corporate budgets to provide the overall council position as above.

3.1.4 Against a background of absorbing cost pressures, a tightening of the financial position of the council is to be expected and this is demonstrated by the current forecast surplus which is less than that seen in previous years.

- 3.1.5 In arriving at the forecast outturn, a number of assumptions have been made based on currently available data. In addition, a number of key areas have been identified as requiring further in depth analysis by the Service and Finance to understand and assess the impact of demand changes on forecast outturns.
- 3.1.6 Appendix B provides details of these assumptions and areas of risk.
- 3.1.7 The council has a number of earmarked reserves for specific projects. It is currently predicted that £17.6 million of these will be used during 2015/16.
- 3.1.8 At its meeting on 9th June 2015 this committee approved a number of projects to be funded in 2015/16 by earmarking sums from the 2014/15 underspend. The committee also requested that progress on these projects be reported back in six months and this is contained in Appendix C.
- 3.1.9 Included within earmarked reserves is the Financial Risk Fund of £5.5 million, as agreed during the budget process to provide financial resilience against growing cost pressures. Whilst all mitigating actions will be taken to control expenditure and maximise income, it may be necessary to utilise this reserve to ensure the revenue budget remains in at least a balanced position.

3.2 Capital

- 3.2.1 The financial position as at the end of October 2015 can be seen in Appendix D.
- 3.2.2 As the majority of capital projects span more than one financial year, the focus when considering the position of the capital programme takes account of the whole life of projects rather than just the in year position. The exception to this is the rolling programmes which are shown separately in the appendix.
- 3.2.3 Funding comes from a number of sources, including the Scottish Government General Capital Grant, other third party grants and contributions, capital receipts, revenue contributions, usable capital reserves and borrowing. These are managed each year to ensure capital investment is funded in the most effective way, both in year and in planning for the future.
- 3.2.3 At this stage there are no indications of any major variances in the overall programme for projects. The fleet replacement and roads infrastructure rolling programmes are currently showing small underspends against budget.

3.3 Reserves

- 3.3.1 The recommended level of uncommitted general fund revenue reserves of £11.3 million, as approved by committee in October 2012, will continue to be maintained. This ensures the Council can deal with unexpected and unplanned expenditure should it arise.

3.3.2 The Council sets aside funds for specific projects and for specific purposes. These are commonly referred to as “earmarked reserves” and fall into specific categories – financial risks; specific contingent risks; unspent grant income; specific projects; and the Devolved Education Management scheme.

3.3.3 Earmarked reserves include the investment strategy and it is recommended that any uncommitted revenue surplus be set aside for this purpose.

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 2015/16.

5.2 Specific service reports are presented to the relevant service committee’s and can be referred to for further detailed information.

5.3 In addition, the Common Good position is presented to the committee whilst the Housing Revenue Account is considered by the Communities, Housing and Infrastructure committee.

5.4 The financial position, assumptions, risks and management actions are detailed in Appendices A, B and D to this report.

6. IMPACT

Improving Customer Experience –

No direct impact arising from this report.

Improving Staff Experience –

No direct impact arising from this report.

Improving our use of Resources –

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.

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

Corporate -

Financial governance is a vital part of ensuring that the resources required to take forward the council's plans and vision are robustly monitored and used effectively.

Public –

This report is likely to be of interest to the public as it concerns the stewardship of the council's financial resources.

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.

8. BACKGROUND PAPERS

Financial Ledger Data and Service Monitoring Reports;
Redetermination letters received from the Scottish Government;

9. REPORT AUTHOR DETAILS

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Aberdeen City Council							
Corporate Financial Reporting Summary 2015/16							
As at end of October 2015 Accounting Period 7	Year to Date			Forecast to Year End			
	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Full Year Revised Budget £'000	Forecast Outturn £'000	Variance Amount £'000	Variance Percent % £'000
Services							
Office of Chief Executive	1,927	1,964	37	3,232	3,459	227	7.02%
Corporate Governance	16,738	16,353	(385)	27,629	26,425	(1,204)	(4.36%)
Communities, Housing & Infrastructure	47,483	45,223	(2,260)	81,400	82,210	810	1.00%
Education & Children's Services	127,170	124,041	(3,129)	213,208	213,735	527	0.25%
Adult Social Care	51,457	51,133	(324)	88,195	88,199	4	0.00%
Total Service Budgets	244,775	238,714	(6,061)	413,664	414,028	364	0.09%
Total Corporate Budgets	(477)	(1,494)	(1,017)	29,963	27,034	(2,929)	(9.78%)
Total Net Expenditure	244,298	237,220	(7,078)	443,627	441,062	(2,565)	(0.58%)
Funding:							
<u>Government Support:-</u>							
Revenue Support Grant & Non Domestic Rates	(198,219)	(198,083)	136	(339,804)	(339,804)	0	0.00%
<u>Local Taxation:-</u>							
Council Tax & Community Charge Arrears	(60,653)	(70,774)	(10,121)	(103,823)	(103,827)	(4)	0.00%
Total Funding	(258,872)	(268,857)	(9,985)	(443,627)	(443,631)	(4)	0.00%
Net Impact on General Fund (Surplus)/Deficit	(14,574)	(31,637)	(17,063)	0	(2,569)	(2,569)	0.00%
Transfer from GF Earmarked Reserves (Used)	10,254	1,620	(8,634)	17,581	17,581	0	0.00%
Transfer to GF Earmarked Reserves (Added)	0	0	0	0	(2,569)	(2,569)	0.00%
Transfer (to)/from GF Uncommitted Reserves	0	0	0	0	0	0	0.00%
Net Impact on General Fund	(4,320)	(30,017)	(25,697)	17,581	15,012	(2,569)	(14.61%)

ASSUMPTIONS & RISKS			
Service	Budget Description	Details	Mitigation/Action Required
Corporate Governance	Housing Benefits	This is a demand led service which is largely funded by the DWP and Scottish Government (SG). The main area of risk for this budget is Discretionary Housing Payments (DHP) which is experiencing a high level of demand but with only some elements of the scheme likely to be fully funded by DWP/SG monies. At this stage it has been assumed that spend will be fully offset by income received. There is a risk this may not be the case.	Actively manage the award of those elements of the scheme for which external funding is unlikely to be received. Contact SG to make the case for additional DHP funding. Make use of the £2m sum earmarked for Welfare Reform
Communities, Housing & Infrastructure (CH&I)	Housing Support/Access	It has been assumed that an overall underspend will be seen in this area as a result of additional income from private sector leasing and lower spend on staffing and the purchase of furniture.	Continue to monitor progress against budget to ensure the assumed level of underspend is achievable.
	Fleet	In order to make required improvements, the service is currently employing a number of agency staff/consultants. In addition, previous savings built into the budget are unlikely to be achieved. Therefore, an overspend position is predicted which has the potential to increase further. Whilst investment in new fleet will start to bring costs down the full impact of this will take some time to flow through.	Actively manage staffing levels to ensure there is a balance between what is affordable and what is necessary to improve the service as required by the Traffic Commissioner.
	Waste	A number of identified cost pressures were absorbed into the 2015/16 budget. At this stage it has been assumed that the service will come in on budget overall largely on the basis that a budgeted CFCR contribution will not be made. However, there is a risk that cost pressures will materialise which cannot be offset by underspends in other areas of the service.	Further detailed work is ongoing to assess the impact of absorbing cost pressures to provide greater clarity on which areas of the waste budget can be controlled such to reduce the risk of overspend whilst also understanding the impact this may have on the provision of the service.

	Roads Operational	In previous years this service has experienced considerable underspends largely due to reduced staff costs and additional late funding from NESTRANS for specific projects to utilise their available funding. Underspends in staffing has been assumed in 2015/16 although recruitment is ongoing. Additional funding from NESTRANS has not been assumed as they are currently moving away from annualised budgets and will have more scope to carry forward funding.	Continue to monitor progress against budget to ensure the assumed level of underspend is achievable.
	Economic Development	At these still early stages of the Hydrogen Bus project it has been assumed that the project will be on budget. However, there is a risk that spend will not match income. The council has a Euro bank account which is used to receive funding and make payments in Euro's for EU projects falling within the remit of Economic Development. For accounting purposes the account must be restated to sterling each year. As with any foreign currency transaction there will be gains and losses which will result in a charge or credit to the service which is not budgeted for.	Further work is required on a review of recoverable costs which will be reported on in future months. The balance on the account should be kept to a minimum to reduce the level of gains and losses. Thus, payments where possible for EU projects should be made from this account.
	Planning Income	It is assumed that planning income will achieve the increased 2015/16 budgeted level. Income for larger projects is still being received although it is unclear how sustainable this is in the current economic climate. Whilst there is a risk that income levels may not be achieved it is equally likely that income above that budgeted could materialise.	Continue to monitor economic activity across the city and the impact this could have on the achievement of planning income.

	Bus Lane Enforcement	Income and associated spend has not been included in the forecast actual on the basis that the surplus is required by statute to be earmarked for the Local Transport Strategy.	None required directly although there is a need to monitor the performance of the service.
Education & Children's Services	DEM	The scheme enables establishments to utilise current year underspends in future years with these amounts being earmarked. It has been assumed these budgets will be required in full on the basis that any underspend on devolved budgets will result in a change to the level of earmarked sums.	None required directly although there is a need to monitor budgets to ensure overspends do not occur and that underspends earmarked are kept within the limits of the scheme.
	Out of Authority Placements	The level of commitments on the Out Of Authority Placements budget will vary depending upon a number of factors, including judgements by the Children's Panels or the Additional Support Needs Tribunal. This estimate is likely to fluctuate during the year. Forecasts include assumptions on the period of placements with an overspend predicted based on current commitments. There is a risk this may worsen due to increasing care packages costs when new or alternative placements are arranged and/or additional packages are put in place.	Continued monitoring of such placements is essential to control costs going forward. This should include close working with the Children's Panel and Additional Support Needs Tribunal to ensure all options are explored prior to the use of this form of placement.
	Energy	An underspend against budget has been assumed based on similar weather conditions to last year being experienced in the second half of the year, whilst also taking account of known contractual uplifts. There is a risk that a more severe winter than last year could increase heating costs and eradicate this predicted underspend.	Whilst nothing can be done about weather conditions, usage and the associated costs must be closely monitored ensure data used and any financial implications are taken account of.

Adult Social Care	Commissioned Services	This needs led budget presents a significant risk to the council with major fluctuations in commitment levels being experienced due to demand pressures and data recording issues. With a 1% increase in adults care packages costing approximately £740k, the pressure on this budget could easily increase.	Whilst it is difficult to predict future demands with certainty, it is imperative that close monitoring of this budget is undertaken to control costs wherever possible. A working group is in place to look at improving data recording which will in turn enhance forecasting in this area.
	Client Contributions	This income budget is dependant on the financial assessment of clients and is therefore subject to variations arising from the differing financial means of clients. This presents risks in achieving the budgeted level of income.	The council cannot predict or influence the ability of clients to fund their care packages. However, it is essential that robust processes are in place to ensure timely financial assessments and billing of clients to maximise income.
Corporate / CH&I	Trading Surpluses	It is currently assumed that the trading services will achieve their budgeted surplus. However, there is a significant risk of a shortfall in that achievable by Building Services. In addition, there is a risk that the current downturn in the oil industry may affect the Property Letting market whilst Car Parking is showing signs of falling income.	Building Services – detailed work must be undertaken on a regular basis to ensure there is full understanding of job costing and the associated billing position. Property Letting and Car Parking – continued awareness and review of the position is required.
Corporate	Contingency	A number of specific contingency sums are held e.g. to fund the pay award as well as credit amounts for savings not allocated specifically to services. For these credit amounts – procurement and vacancy management – it has been assumed that the savings are included in the forecast actuals of services and thus will not be allocated against the contingency. Furthermore, it has been assumed at this stage that the general contingency amount will not require to be utilised. There is a risk that presently unknown costs may exceed the level of contingency remaining.	Work is required to verify that vacancy management savings within services are in line with those identified within services. In addition, there should be an alignment of procurement savings identified against service budgets. This has historically proved to be challenging. Continual review of the financial position and any calls on contingency must be undertaken.

APPENDIX C

		Amount			
Service	Project Description	£'000	Budget Manager	What will funding be used for?	Progress to date with the use of funds
CH&I	Auchmill Terrace (Park)	25	Steven Shaw	New play equipment	Quotes received so expect spend early 2016
CH&I	Cairncry Community Centre (Park)	45	Steven Shaw	New play equipment	Quotes received so expect spend early 2016
CH&I	Hallfield Road (Park)	3	Steven Shaw	Play bark and paintwork of play area	Expecting spend early 2016
CH&I	Seaton Park	100	Steven Shaw	Play equipment, paths, bins & benches, signage, wet land, refresh planting	Funding of £140k from Sustrans has been awarded which will be used with £40k of the earmarked reserve for this work. Proposals for the remaining £60k are being considered with the Friend of Seaton Park. The full amount may not be spent in 2015/16.
CH&I	Hazlehead Pets Corner Renovation & Expansion	100	Steven Shaw	Renovation & Expansion	This will form part of the funding package for the project which will not commence until all funding is in place.
CH&I	Duthie Park, David Welch Winter Gardens Education Room	40	Steven Shaw	Improvements	The Friends of Duthie Park are currently considering how best to utilise the funding.
CH&I	Mens Shed Dyce	10	Gail Woodcock	Building work or equipment	The group are considering how to use the funding thus no spend to date. May not all be spent in 2015/16.
CH&I	Balnagask (Old Torry) Community Centre Flooring	7	Alan Mulvie	Fit for purpose flooring	Survey has been carried out which identified structural work required to support the flooring improvements. The management committee are to provide additional funding for the project. This funding will be released to the Management Committee once the final amount is confirmed.
E&CS	Hilton Outdoor Centre	25	Unknown	Unknown	Officers have been unable to obtain clarification on the purpose of this funding.
E&CS	Under 12s Clubs & Youth Work	100	Fiona Gray	Under 12s and youth work in regeneration areas	Funding has been allocated to the different regeneration areas and participatory budgeting events are to take place with Youth groups invited to submit their 'pitch' for funding by 6th November.
E&CS	Sea Cadets	10	Not applicable	Unknown	Funding has been paid out to the two groups.
E&CS	Transition Extreme	100	Euan Couperwhite	Building redevelopment	Funding has been paid out on the basis that the organisation meet Following the Public Pound requirements.
		565			

APPENDIX D

As at Period 7 2015/16	Figures for Total Project				
Non Housing Capital - Projects	Approved Budget	Expenditure to Date	Forecast Expenditure		
	£'000	£'000	£'000	Pr	Cu
Communities Housing & Infrastructure	232,487	71,077	232,487	G	G
Corporate Governance	5,700	1,023	5,700	G	G
Education & Children's Services	133,538	19,927	133,538	G	G
Integration Joint Board	4,400	421	4,400	G	G
Construction Inflation (Unassigned)	2,500	0	2,500	G	G
	378,625	92,447	378,625		

As at Period 7 2015/16					
Non Housing Capital - Rolling Programmes	Approved Budget	Expenditure to Date	Forecast Expenditure		
	£'000	£'000	£'000	Pr	Cu
Communities Housing & Infrastructure - Rolling Programmes	20,981	8,968	19,160	G	G
	20,981	8,968	19,160		

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	3 December 2015
DIRECTOR	Richard Ellis
TITLE OF REPORT	2015/16 Common Good Fund – Monitoring Report Update
REPORT NUMBER	CG/15/146
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to:
- a) Bring to Committee members attention the current year revenue budget performance for the Common Good Fund; and
 - b) Provide a forecast position of the cash balances as at 31 March 2016.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- a) Notes this report on the forecast outturn of the Common Good budget.
 - b) Notes the estimated cash balances as at 31 March 2016 of £14.5m based on current estimates, which is within the recommended levels indicated by the Head of Finance;
 - c) Notes the position regarding earmarked reserves.

3. FINANCIAL IMPLICATIONS

- 3.1 The total Common Good revenue budget amounts to £534k net expenditure.
- 3.2 Based upon present forecasts it is anticipated that the financial performance of the Common Good Fund will result in a budget overspend of £39k.

4. OTHER IMPLICATIONS

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

5. BACKGROUND/MAIN ISSUES

- 5.1 This report informs Members of the current year Common Good revenue budget performance, and provides a high level summary for consideration of Members, to period 7 (to end of October 2015) at Appendix A.

Financial Position

Income and Expenditure – Outturn

- 5.1 The outturn figures for the year to 31 March 2016 show a forecast deficit position of £573k which is an unfavourable variance of £39k. This forecast overspend reflects anticipated savings in staff costs due to turnover in posts funded by the Common Good Budget offset by a waygo payment to tenant farmer due at end of their lease. A table summarising income and expenditure is given in Appendix A to this report.

Cash Balances

- 5.2 The cash balance as at 31 March 2016 is forecast to be £14.47m which includes earmarked reserves. A number of park and property maintenance & development projects were not completed within 2014/15 and £518k of earmarked reserves is included in this figure. Appendix B summarises the earmarked reserves position
- 5.3 The Council agreed at the budget setting meeting on 5th February 2015 that the minimum cash balance should be the equivalent of two years worth of expenditure. This equates to £6.1m. Added to this figure is the proceeds of sale of properties which are invested to provide future

income for the fund resulting in a total minimum cash balance of £13.6m.

- 5.4 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. IMPACT

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

Improving Customer Experience -

Accurate budget monitoring and forecasting assists the Council to plan and design our services around current and future customer needs as much as possible.

Improving Staff Experience -

Good financial information improves good financial management and helps to track how successful management initiatives, such as service redesign, have been.

Improving our use of Resources –

As a public sector organisation, the Council has a legal duty to be open, transparent and accountable for spending public funds.

Corporate –

Aberdeen the Smarter City:

Smarter Governance (Participation)

Accurate budget monitoring and forecasting contributes to the process of Smarter Governance.

Smarter Living (Quality of Life)

One of the conditions of common good funding is that it should benefit citizens of Aberdeen as a whole. Careful monitoring of budget ,means that we can ensure that money provides value for our citizens and that it is used to provide services that can contribute to their well being and quality of life in Aberdeen.

Public

The Council has a duty to ensure that best value is considered in all of its operations and this report helps to inform that process.

7. MANAGEMENT OF RISK

A variety of risk factors are considered in the planning and monitoring of expenditure within the Common Good Fund. The review of this report is part of the management of financial risk. Both members and officers have differing roles in the management of risk which is constantly being reviewed.

8. BACKGROUND PAPERS

Financial ledger data extracted for the period.

9. REPORT AUTHOR DETAILS

Catriona Gilmour - Accountant



(34)6377

Email cgilmour@aberdeencity.gov.uk

Appendix A – Common Good Fund Income and Expenditure

	Year To Date			Forecast to Year End		
As at Period 7 2015/16	Revised Budget	Actual Expenditure	Variance Amount	Full Year Revised Budget	Forecast Actual	Variance Amount
	£'000	£'000	£'000	£'000	£'000	£'000
Recurring Expenditure	682	682	0	3,036	3,001	(34)
Recurring Income	(1,676)	(1,677)	(1)	(3,053)	(3,054)	(1)
Budget After Recurring Items	(993)	(995)	(1)	(17)	(53)	(36)
Non Recurring Expenditure	62	62	0	552	627	75
Non Recurring Income	0	0	0	0	0	0
Total	(931)	(932)	(1)	534	573	39
Cash Balances as at 1 April 2015 (unaudited)				(15,041)	(15,041)	
Estimated Cash Balances as at 31 March 2016				(14,507)	(14,468)	
Minimum cash balance requirement per budger report (Council February 2015)				(13,643)	(13,643)	

Appendix B – Common Good Fund Earmarked Reserves

As at Period 7 2015/16	Balance b/f 1 April 2015	Forecast for Year	New Amounts / (Unrequired) Amounts	Projected c/f 31 March 2016	Details (reason for holding, plans for using, assumptions on new amounts and reasons for unrequired amounts)
	£'000	£'000	£'000	£'000	
<i>Projects:</i>					
Steading at Kepplehills & Kirkhill Farm	55	55	0	0	Steading is in the process of being built.
Fernhill Farm Replacement Building	40	40	0	0	Funds to allow replacement building to be built. The building is required under the terms of the farm lease.
Consultancy Costs	71	71	0	0	To meet costs relating to work done by consultants re rent reviews, and property management.
Auchmill Golf Course	197	197	0	0	Ongoing works at Auchmill Golf course.
Property Repairs & Maintenance	66	66	0	0	To cover electrical and asbestos work on farm properties to meet standards. Contract awarded and work is in progress.
Union Terrace Gardens Repairs	50	50	0	0	Expenditure is committed and part of a larger project to be completed early 2016.
March Stone Upkeep	5	5	0	0	Work to be completed early 2016.
Torry Battery Park	3	3	0	0	Officers in discussion with Torry Community Council regarding this. To be completed early 2016.
Cromwell Wall, Marischal Court Repairs	3	3	0	0	Project is covering two financial years. Work was half completed in 14/15 so remaining funds rolled over to allow it to continue. Work is now on going to complete repairs.
Twinning Grants	28	28	0	0	FP&R committee decision (18.02.15) to use funds to pay grants in 15-16.
Total	518	518	0	0	

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	3 December 2015
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Treasury Management Policy & Strategy – Mid Year Review
REPORT NUMBER	CG/15/130
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This report provides an update on Treasury Management activities undertaken to date in 2015/16.

2. RECOMMENDATION(S)

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

- a) Note the Treasury Management activities undertaken in 2015/16 as detailed in this report.

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 and Strategy on 18 February 2015 which includes a requirement 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 2015/16

The following is a summary of Treasury Management activities which have been undertaken thus far in 2015/16: -

Long Term Borrowing

No new long-term borrowing has been undertaken to date. Two PWLB loans for £5m matured on the 15th May 2015. These loans have not as yet been replaced.

The 'cost of carry' on new longer term borrowing remains a prohibitive issue, and we will monitor this situation throughout the financial year.

We remain open to the possibility of undertaking some longer-term borrowing later in this financial year, should market conditions be favourable.

Short Term Borrowing

Short-term borrowing is still available from other Local Authorities at relatively low levels. Temporary Loans for up to three months, are available at rates around the 0.35% level, with loans for up to six months, coming in at around the 0.45% mark. These levels are an attractive option when compared to more expensive, longer-term loans.

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, which reduces the Council's overall borrowing costs.

The Council currently has some £35m of Temporary Loans from other Local Authorities, at an average rate of 0.40%. This debt will be replaced over time with long-term PWLB loans, as temporary loan rates should start to rise, along with the Bank of England Base Rate.

Current forecasts are that the Bank's Base Rate should begin to rise gradually in the first half of 2016.

Investments

A review of the Council's Counterparty list was recently undertaken and this was approved by Committee on 15 September 2015. These changes were in line with recommendations by Capita, the Council's appointed Treasury Management advisors, and have provided additional options for the Council's investments.

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 now has seven 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

Improving Customer Experience –

No direct impact arising from this report.

Improving Staff Experience –

No direct impact arising from this report

Improving our use of Resources –

The strategy of using cost-effective short-term borrowing to help reduce the Council's financing costs demonstrates a pro-active approach, which will use the Council's resources more effectively.

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.

Public –

This report is likely to be of interest to the public as it reports on a previously approved Treasury Management strategy and demonstrates the Council's stewardship of public funds.

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, 01224 522696

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	3 December 2015
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Small Financial Assistance Grants and Gala Funding 2015/16
REPORT NUMBER	CG/15/140
CHECKLIST COMPLETED	Yes

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 advise Elected Members that following the decision to approve future gala funding through the small financial assistance scheme that Officers are currently working on a process for this, which will be presented at the next meeting.

2. RECOMMENDATION(S)

It is recommended that the Committee:-

- i) consider the applications received and agree to award grant funding based on the following recommendations:-
 - Castlegate Arts, a production of the musical Cabaret to coincide with Holocaust Memorial Day 2016 – a maximum of £2,500;
 - Chernobyl Children Life Line, a contribution towards the cost of a visit by Chernobyl Children to Aberdeen – a maximum of £2,500;
 - Ferryhill Railway Heritage Trust, a contribution towards the cost of the construction of a footpath linking the Ferryhill Engine Shed and Turntable to the Duthie Park – a maximum of £2,500 subject to the final cost of construction;

- Bucksburn & District Pipe Band, a request for financial assistance towards their annual concert – a maximum of £2,500;
- XV International Brigade Aberdeen Commemoration Committee, a donation towards the ongoing running costs of the Committee who will be arranging annual commemoration events and educational activities - £1,000;
- Somebody Cares, a request for financial assistance towards a Christmas event at AECC to distribute food and presents for poor, vulnerable and marginalised people of Aberdeen – a maximum of £2,500.

- ii) note that a process for gala funding will be reported on at the next meeting.

3. FINANCIAL IMPLICATIONS

- 3.1 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 2015/16 Council's Revenue Budget for small financial assistance grants.

If the above recommendations are approved the amount remaining would be £18,420.

- 3.3 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:

Small Financial Assistance Grants – Assessment Criteria	
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.

Small Financial Assistance Grants – Conditions of Award	
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 Castlegate Arts, a production of the musical Cabaret to coincide with Holocaust Memorial Day 2016 - Further information at Appendix A

An application has been received from the Artistic Director of Castlegate Arts for a contribution towards the cost of presenting a production of the musical Cabaret to coincide with Holocaust Memorial Day 2016 (27 January). Included in the production will be displays from groups representing victims of the Nazi holocaust, an art installation representing the experience of a concentration camp and an exhibition of the genocides that have happened since the end of World War Two.

The cast for the show will be made up of local amateur theatre-makers, who will work alongside West End professionals. This will give local talent a unique opportunity, invaluable if they want to pursue a career in theatre.

The show will open on Holocaust Memorial Day. The central vision of this day is to learn from the past in order to create a safer, better future.

It is considered appropriate for this event to be considered under the small financial assistance grants assessment criteria. As it meets the criteria, it is recommended that a maximum of £2,500 of funding be awarded towards the cost of the Holocaust Memorial Day production.

5.2.2 Chernobyl Children Life Line, a contribution towards the cost of a visit to Aberdeen by Chernobyl Children – Further information at Appendix B

An application has been received from the Chairman of Chernobyl Children Life Line for a contribution to allow a visit from Chernobyl Children to Aberdeen to coincide with the 30th anniversary of the

explosion at the Chernobyl nuclear reactor, the cost of which is anticipated to be between £6,000 and £7,000.

It is considered appropriate for this visit to be considered under the small financial assistance grants assessment criteria. As it meets the criteria, it is recommended that a maximum of £2,500 of funding be awarded towards the cost of the visit.

5.2.3 Ferryhill Railway Heritage Trust, a contribution towards the cost of the construction of a footpath linking the Ferryhill Engine Shed and Turntable to the Duthie Park – Further information at Appendix C

An application has been received from the Chairman of the Ferryhill Railway Heritage Trust for assistance towards the cost of the construction of a footpath to link the Ferryhill Engine Shed and Turntable with the Duthie Park.

It is estimated that the construction of the footpath will cost £12,500. This total includes a contingency of £670. An application has been made to Awards for All for £10,000, leaving a balance of £2,500.

The construction of the footpath would demonstrate greater public participation and financial support would demonstrate confidence in the success of the overall aim of operating a self-financing Heritage Centre, allowing the Trust to make other funding applications.

As the request meets the financial assistance grants assessment criteria it is recommended that up to £2,500 of funding be awarded towards the cost of construction of the footpath, dependent upon the actual final cost.

5.2.4 Bucksburn & District Pipe Band, a request for financial assistance towards their annual concert – Further information at Appendix D

A request has been received from the Treasurer of Bucksburn & District Pipe Band for £3,000 - £3,500 of financial assistance towards the cost of their annual concert which is to be held at the Beach Ballroom. This event has been held at the Music Hall for the past 5 years. The move to the Beach Ballroom has been caused by the refurbishment of the Music Hall and has led to a higher cost.

The cost of holding the event at the Beach Ballroom has been quoted at £9,500, although this could be reduced to £7,500 and further dependant upon the takings on the day of the event.

As the request meets the small financial assessment criteria, it is recommended that a maximum of £2,500 be awarded towards the cost of the hire of the Beach Ballroom.

5.2.5 XV International Brigade Aberdeen Commemoration Committee, a donation towards the ongoing running costs – Further information at Appendix E

The XV International Brigade Aberdeen Commemoration Committee recently organised a programme of activities around the International Brigade Memorial Trust AGM which was held in Aberdeen on the 16th - 18th October. The Commemoration Committee have requested a general donation of £1,000 towards the ongoing running cost of the Committee.

The Committee will be arranging commemoration events and educational activities to keep alive the memory of the men who joined the International Brigades to fight against Fascism during the Spanish Civil War, particularly those men from Aberdeen.

As the request meets the small financial assessment criteria, it is recommended that £1,000 be awarded towards the running costs.

5.2.6 Somebody Cares, a contribution towards the cost of a Christmas event to be held at AECC – Further information at Appendix F

Last year Somebody Cares held a free event at the AECC to allow the city's poor, vulnerable and marginalised families to enjoy a Christmas event and to allow them to collect food and presents. As the organisation were the AECC's 'charity of the year' the venue was provided free.

Somebody Cares would like to repeat the event this year at an overall cost of £8,200 (£6,000 + VAT for the venue and £1,000 for refreshments).

As the request meets the small financial assessment criteria, it is recommended that £2,500 be awarded towards the cost of holding this event.

6. IMPACT

Improving Customer Experience – by granting financial assistance The Council supports individuals, groups and organisations within the City and broadens the experiences available to the citizens of Aberdeen.

Improving Staff Experience – staff will be involved in updating the process for gala funding and should therefore be engaged and committed to the process.

Improving Our Use of Resources – this report allows Elected Members so consider each applicant in an open and transparent way.

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 of 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

Karen Black, Finance Officer
kblack@aberdeencity.gov.uk
(52) 3567

Letter received from Paula Gibson, Artistic Director

City Chamberlain
Corporate Governance
Aberdeen City Council
Town House
Broad Street
Aberdeen
AB10 1AH



10th August 2015

Dear City Chamberlain

We are presenting a production of the musical Cabaret to coincide with Holocaust Memorial Day 2016. Set in a glamorous nightclub in 1930s Germany as the Nazi party begins its rise to power, and acting as an allegory about the way people become bystanders and ignore the evil going on around them, the show explores how quickly, and with such little resistance, Berlin became unsafe for the Jewish and homosexual communities.

Our vision for this production is to create an immersive piece of theatre that defies convention and will blur the lines between performance and spectator. We hope to give the audience an experience that feels more like they are entering a real life cabaret in 1930's Germany, rather than an evening at the theatre. Included in the production will be displays from groups representing victims of the Nazi holocaust, an art installation representing the experience of a concentration camp and an exhibition of the genocides that have happened since the end of World War Two.

Working with a London based, award-winning production team; the cast for the show will be made up of local amateur theatre-makers, who will work alongside West End professionals in a presentation that will attain high production values. This will afford local talent the unique opportunity of gaining experience working with west end professionals, invaluable if they want to pursue a career in theatre. The director of this production started his theatrical career with ACT Aberdeen at the age of 15.

The show will open on Holocaust Memorial Day as this year's theme, set by The Holocaust Memorial Day Trust, is "Don't Stand By". The central vision of Holocaust Memorial Day is to learn from the past in order to create a safer, better future. We will create a thought provoking evening of entertainment and education, by contrasting a lavish way of life against the horrors of the holocaust.

As part of this project some of our young people will be hearing a survivor speak, alongside visiting a concentration camp. Their experiences will be used to inform the exhibition, as well as enable them to produce resources that will be made available to schools and colleges for ensuing Holocaust Memorial Days.

We view this project as the first of regular collaborations, offering emerging talent the opportunity of performing alongside theatre professionals, and expect it to create significant interest from outside the city. It is part of our strategy to increase the diversity of our patrons, augmenting our regular audience for productions at ACT Aberdeen, boosting the membership of our friends' scheme and increasing the number of people engaging with theatrical events across the city.

The total cost of this production is budgeted at £97,550 and a bid to Creative Scotland for £35,000 towards the total cost has been submitted and accepted, and we are waiting on their decision. We are also approaching Aberdeen based businesses with sponsorship proposals, and are about to launch a publicity campaign that will be aimed at cities across Scotland, as well as Aberdeen. Any financial assistance you can give us towards creating this unique experience would be most appreciated.

Letter received from David Henderson, Chairman

Chernobyl Children Life Line

(To help children suffering from the after effects of the Chernobyl disaster and economic situation)

12 August 2015

Lord Provost
Town House
Broad Street
Aberdeen
AB10 1LP

Dear Lord Provost

Chernobyl Children – Aberdeen City & Shire Link

Thank you for meeting my group of children from Gomel District, Belarus and giving them a tour of the Town House. They thoroughly enjoyed the tour and were very interested to see inside such an historic building. The children have now returned home after having a very enjoyable break in the Aberdeen area.

Next year is the 30th anniversary of the explosion at the Chernobyl nuclear reactor and I am hoping to be in a position to organise a visit next summer. These respite holidays to the UK are of immense benefit to the health and wellbeing of the children.

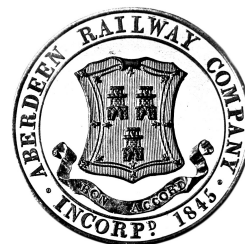
However, in order to allow me to bring another group of children to Aberdeen next year, I require to raise a sum of money (£6-7,000), which is a considerable amount for such a small group of people.

I am exploring the possibility of applying for funding through Aberdeen City Council given the city's close links with Gomel.

Yours faithfully

Letter received from Dr J Tyler

Ferryhill Railway Heritage Trust



Cllr Ross Thomson
Aberdeen City Council
Town House
Broad Street
Aberdeen
AB10 1FY

9th September 2015

Dear Cllr Thomson

Ferryhill Engine Shed and Turntable

Further to our recent discussions, you will be aware that Historic Scotland has recently announced a building repair grant to the Trust of £298,158 being 40% of the eligible costs of repairs to the fabric of the Council's building and Network Rail's Turntable. However, this is in danger of being withdrawn unless match funding can be obtained for repairs to the Council's building. 40% match funding has already been successfully obtained from the Railway Heritage Trust for the Turntable together with a grant of £15,000 from the Architectural Heritage Fund to cover professional fees. 60% of the cost of the repairs to the Council's building remains to be secured - around £400,000.

We are keen to resubmit our application to the Heritage Lottery Fund but we need to demonstrate greater Public Participation and reduce potential financial risk. We believe that we can address the Public Participation aspect by ensuring that the Pedestrian Link Path to Duthie Park is constructed as already agreed with the Council. In terms of addressing the financial risk, we would ask that the Council consider contributing to the budget for the project, thereby demonstrating the confidence in the success of the project which has been so whole heartedly backed by the Community Council, Councillors, MSPs and MPs and the general public over the recent past.

Our Project Viability Study gives us confidence that the Trust can achieve its aim of operating a self-financing Heritage Centre which will have a substantial number of visitors every year.

On Tuesday we held an on-site meeting attended by the Council's Alan Findlay – Facilities Manager, Ian Esslemont – Design & Development manager and Louisa Ratana-Arporn -

Estates Surveyor. The route of the proposed public footpath and its relationship with the current wall reconstruction were discussed. It was explained that the Trust has

applied for a grant towards the cost of materials for the footpath construction. It was considered that while this was helpful in progressing the construction, further funds would be required to be able to meet the standards required for the footpath surface and edging by the Council.

The Trust therefore formally requests that the Council consider making a small grant to the Trust which would go some way to meeting these standards.

The Trust would also formally request that the Council demonstrates its support for the Project by contributing some match funding to the Building Repair Grant awarded by Historic Scotland. This contribution would help to underline the fact that there is considerable local support for the project and enable the Trust to resubmit its application for the remaining funds to the Heritage Lottery Fund with some confidence of a successful outcome.

Please feel free to contact me if you need any further information.

Yours sincerely

Jon Tyler (Dr)
Chairman
Ferryhill Railway Heritage Trust

Extract of email received from Dr J Tyler

I can confirm that our request is for a contribution towards the footpath. We have an existing application to Awards for All for £10,000 to complete the project. I have attach plans and the estimates. Please let me know if you require any further information.

Estimates of Footpath Construction Cost

Length metres	cost per m	Item cost	Cash	In-Kind
180	£43.50	£7,830.00	£7,830.00	
Groundworks		£2,000.00		£2,000.00
Sub-base		£3,000.00	£3,000.00	
Edging		£1,000.00	£1,000.00	
Signage		£1,000.00		£1,000.00
Contingency		£670.00	£670.00	
Total		<u>£15,500.00</u>	<u>£12,500.00</u>	<u>£3,000.00</u>
Costings based on Paths for All Guidance				

Initial email from Fred McKay

My name is Fred McKay of Bucksburn & District Pipe band John Reynolds asked me to give you details of our costs from our annual concert which has been held in the Music hall for the past five years.

Obviously we have had to look elsewhere to keep this successful concert going we invite the top grade 1 bands to come here and promote piping and drumming in the North east, all have been successful

and the last two years have seen the visiting band go on and win the World championship held in Glasgow each year so we are bringing the very best to Aberdeen.

The Beach Ballroom is the only real option for us Theatre is booked up and the Exhibition Centre is unsuitable because of the sound issue caused by the metal roof, The costs associated with the beach at

the weekend is just too much for us to meet from ticket sales, hence my exploring avenues through John Reynolds who is always invited as a guest at the concert.

Some of the costs from the music hall which varies every year The hire of the venue is £1800 including Vat the supply of sound engineers £268.98 and the Box office charges are £36.00 now there was other

charges which will not be applicable or unavailable at the Beach Ballroom and I am aware that they might have some ancillary charges to add but by and large that is our costs previously.

I have seen your initial comment to John and am delighted to get such a positive response from the city council as we need to fill this venue void for the next two years until the music hall refurbishment is complete.

I look forward to hearing from you in the near future

Extract from further email

Attached is the proposed concert posters for your information. The cost of the ballroom is quoted at £9500.00 this figure apparently includes everything no additional charges

the music hall price is made up of many add on prices most of which we won't have at the Ballroom. I have sent Willie Young the list of charges that we would expect from the Music Hall and excluded the other extras that we don't want like a private bar for invited guests, we intend to use the bar and the eating facilities at the ballroom throughout the day and hope to spend between the band and the public a sum over £5000 pounds which we have been informed will reduce the costs.

Ray at the ballroom said it could be reduced to £7500 and further if we spent £5000 or more and yes the box office and sound engineer would be about the same but the

engineer already included in the quote, the Ballroom does not have the same sound problems as the Music hall where we had great difficulty getting the sound last year due to new personnel and took us all day to get it right.

From our perspective the quoted price does not work for us, we only have the ticket revenue to cover the costs we are promoting Pipe Bands of the highest standard annually in Aberdeen

The last two bands that were our guests went to win the world championships later the same year so you can see we are bringing top quality to Aberdeen.

We have to pay a fee to the visiting band also the transport and overnight accommodation at the Douglas Hotel we are a charity registered band and have limited resources hence our request to get some council support for the next two years while the Music Hall is unavailable to us.

The target we are looking for is £3000 –to £3500 which we feel is equal to what we would have from the music hall We have booked the venue and have printed tickets now available at the Box office



**Bucksburn & District
Pipe Band**

&

**ScottishPower
Pipe Band**

present

REVOLUTION

Aberdeen Beach Ballroom



SCOTTISHPOWER
Pipe Band

14 May 2016

7:30pm

£19 & £17

Tickets available from the Aberdeen box office

Union St Aberdeen, AB10 1QS

www.boxofficeaberdeen.com

Tel: 01224 641122

scottishpowerpipeband.com

bucksburnpipeband.com

Letter received from Tommy Campbell, Secretary

XV International Brigade Aberdeen

Commemoration Committee c/o Unite the Union,

44 King Street, Aberdeen AB24 5TJ

Stephen Whyte
Small Grants Committee
Aberdeen City Council
Town House
Aberdeen

23rd September 2015

Dear Stephen

Ref: International Brigade Memorial Trust AGM

The AGM is being held this year in Aberdeen at the Town House from Friday 16th to 18th October and we attach the AGM programme of activities organised by the Aberdeen Commemoration Committee.

We are now seeking financial support from Aberdeen City Council to cover some of these costs which are -----

Unveiling two new plaques to

Bob Cooney and John Londragan	£470
Publication of Bob Cooney booklet	£600
Transport costs of Anti-Fascistas Exhibition	£250
Grampian District Pipes and Drummers Band	£300
Invitation cards for the social evening approx..	£80
Postage costs approx.	£100
Musical entertainment approx.	£400
Commemorative T-shirts and badges approx.	£250
Sandwiches, tea/coffee & biscuits	£300
General donation towards ongoing running costs	£1000

Total ----- £3750

We are requesting the general donation towards the ongoing running costs of the XV International Brigade Aberdeen Commemoration Committee which will be arranging annual commemoration events and educational activities to keep the memory alive particularly the men from Aberdeen who joined the International Brigades to fight against Fascism during the Spanish Civil War.

I attach a copy of our constitution.

Any financial donation towards our costs , no matter how small, will be greatly appreciated.

Should the Small Grants Committee make a donation then a cheque should be made payable to the –

XV International Brigade Aberdeen Commemoration Committee

We wish to thank the City Council for its existing support for this important weekend of events when we in Aberdeen commemorate the honourable and brave anti-fascist fighters who fought as part of the International Brigades.

NO PASARAN !

Yours sincerely

Antifascistas



BRITISH VOLUNTEERS IN THE SPANISH CIVIL WAR

Aberdeen
Central Library

1 September – 14 October 2015

Rosemount Viaduct
Aberdeen AB25 1GW

Monday to Saturday
9am – 5pm (8pm Mon & Weds)



International Brigade Memorial Trust
www.international-brigades.org.uk



Email received from Brian Taylor, Chief Executive, Somebody Cares

I was told to contact you by Steven White to see if we would qualify for a grant for an event we are doing on 13th December.

I am the Chief Executive of Aberdeen's biggest charity providing for the city's poor, vulnerable and marginalised people.

An indication of what we do is...

We furnished over 2,200 homes in the last year.

We gave out over 130 tonnes of food.

We gave huge quantities of clothes and school clothes out. (we don't count this. People arrive at our warehouse and we tell them to help themselves. We are happy if they take 1 or 2 black bags)

We gave out the equivalent of over £750,000 free support and diverted over 730 tonnes from landfill.

And much, much more!!

We are the only organisation that does everything for free and are working with over 80 city agencies.

Every year we run a huge Christmas appeal where we feed thousands of families and give every child a present

As part of that, we run a free Christmas event and bring as many of these families together.

This has 2 purposes...

1. To give them a great time at Christmas and...
2. To bring as many together to collect their food and presents, as trying to get out the volume of food and gifts is a logistical nightmare.

Last year we did this in the AECC, given free, as we were their charity of the year. Over 850 people attended with Stagecoach giving us 5 double deck buses free to help get them there.

The event was a huge success and we want to repeat it this year. We believe we will fill the venue this year.

Unfortunately, we are no longer the AECC charity of the year and would have to pay to get the venue.

The cost for this is £6000 + VAT

Teas coffees, juice, Christmas pies and shortbread £1000 giving us a total cost of £8,200.

We are applying to see if the Council would give us £3,500 towards the cost of this albeit we understand the amount given is normally less than this.

We would not be able to do this without help and hence this application.

Best regards

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources Committee
DATE	3 December 2015
DIRECTOR	Richard Ellis (Interim Director of Corporate Governance); Pete Leonard (Director of Communities, Housing & Infrastructure)
TITLE OF REPORT	Draft Housing Revenue Account (HRA) Budget and Housing Capital Budget 2016/17 to 2020/21
REPORT NUMBER:	CG/15/145

1. PURPOSE OF REPORT

To provide elected members with information to allow the setting of the rent level for the financial year 2016/17 as well as provisional rent levels for the financial years 2017/18 to 2020/21. In turn, this will allow a capital programme for 2016/17 as well as a provisional programme for 2017/18 to 2020/21.

2. RECOMMENDATIONS

It is recommended that Committee consider the draft Housing Revenue Account Budget and refer it to Council on 16 December 2015 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 4 April 2016;
- c. Approve the level of revenue contribution to the Housing Capital budget for 2016/17 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 2016/17 and future years where applicable;
- 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 2016/17 based on the rent strategy adopted as well as the indicative level of programme for the financial years 2017/18 and 2020/21;

- 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 that the purpose of this report is to set the HRA budget for 2016/17 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 and Energy Efficiency for Social Housing Standards.
- 4.2 Work is ongoing to ensure the Council operates within the guidance issued by the Scottish Government for 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 Council has reviewed and documented internal costs charged to the HRA. Work is ongoing to review the treatment of the Building Services surplus and all non residential assets held on the HRA to ensure compliance with the guidance.
- 4.4 This will be the final year of the current rental policy of RPIX +1%, therefore all rental assumptions from 2017/18 onwards will be subject to change. Tenants are to be consulted on a future policy which will consider expenditure priorities, stock condition, cost pressures as well as the appropriate indices to be used.

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 Council rents should increase by RPIX + 1% for 2016/17 (at the date of publishing the consultation document this was 2.1%). The results are shown on page 18 of Appendix 1, 3,212 tenants responded, this equates to 14.5% of all tenants, 65% disagreed with the rental increase with 35% agreeing.
- 5.3 Schedule 15 of the Housing (Scotland) Act 1987 requires expenditure in the following 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.
- 5.4 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.
- 5.5 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.
- 5.6 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 1.9%** (RPIX at September 2015 of 0.9% plus 1%).

- 5.7 In the UK, the short term outlook for inflation is muted and the falls in energy prices are expected to continue until the middle of 2016. The Bank of England inflation target remains at 2%.
- 5.8 It is worth looking at the future projections for inflation in setting the rent increase for 2016/17:

FORECAST						
End period %	Oct 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
RPI inflation	1.0	1.1	1.9	2.0	2.1	2.5
RPIX inflation	1.1	1.3	1.9	2.0	2.0	2.4
CPI inflation	0	0.1	0.8	1.0	1.1	1.5

Source – Capital Economics – Forecasts (Oct 2015)

- 5.9 The above table indicates that inflation is expected to increase to 1.1% in Q4 2015 and to increase in Q2 2016 to 2%, therefore the same as the Bank of England's target of 2%.

5.10 **Welfare Reform and Working Balances**

The full impact of Welfare Reform has not been felt and it is expected Universal Credit will be rolled out in November 2015 in Aberdeen. Tenants have continued 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 2015/16, this opening figure for 2016/17 should be approximately £8.4 million as detailed below:

MOVEMENT IN WORKING BALANCES		£000
Working Balances as at 1 April 2015		9,808
Less: Earmarked sums (2014/15)		
Housing repairs	(1,206)	
House Sales – Non RTB	(245)	
Land Transfer	(305)	
Finance Lease Liability	(645)	(2,401)
Projected Uncommitted Working Balances 1 April 2015		7,407
15/16 Contribution to the Working Balance		1,000
Projected Uncommitted Working Balances as at 31 March 2016		8,407
16/17 Contribution to the Working Balance		500
Projected Uncommitted Working Balance as at 31 March 2017		8,907

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.

5.11 Capital Expenditure

The draft budget for 2016/17 (and the subsequent four financial years) is attached as Appendix 1 of this report. This shows gross expenditure of £48.8m financed by £15m of borrowing, Scottish Government Grant for New Build of £4.7m and £23.8m by way of a revenue contribution to fund the net programme of £43.5m.

- 5.12 This capital budget reflects and includes a proposed rent increase of 1.9%. The details of the potential projects to be included in this programme are contained in Appendix 1 – pages 23 to 25.

5.13 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 16 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.**

5.14 Prudential Code

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.

5.15 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 £48.8m. This is attached in Appendix 1 at pages 23 to 25.

5.16 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.

5.17 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.

5.18 2017/18 to 2020/21 Budget

Included within Appendix 1 is an indicative budget for 2016/17 to 2020/21 with an assumed rent increase of 3.5% for all years, this will be subject to change following the review of the rental strategy. There is also an analysis of the management and administration, the repairs and maintenance and capital budgets.

5.19 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.

5.20 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 4 April 2016 which in turn will allow decisions to be taken on the level of capital investment.

6. IMPACT

Improving Customer Experience –

Accurate budget monitoring and forecasting assists the Council to plan and design our services around current and future customer needs as much as possible. Housing Revenue Account delivers affordable rents to the tenants.

Improving Staff Experience –

Good financial information improves good financial management and helps to track how successful management initiatives, such as service redesign, have been.

Improving our use of Resources –

As a public sector organisation, the Council has a legal duty to be open, transparent and accountable for spending public funds also ensuring best value.

Corporate -

Aberdeen the Smarter City:

Smarter Governance (Participation)

Accurate budget monitoring and forecasting contributes to the process of Smarter Governance.

Smarter Living (Quality of Life)

Housing Revenue Account delivers the priority 'tenants have a dry, warm home in a safe and enjoyable environment'.

Public –

The Council has a duty to ensure that best value is considered in all of its operations and this report helps to inform that process.

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 2015

9. REPORT AUTHOR DETAILS

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Appendix 1

Aberdeen City Council Draft Housing Revenue Account 2016/17 – 2020/21 Budget



Steven Whyte
Head of Finance

Pete Leonard
Director of Communities, Housing and Infrastructure

DRAFT HOUSING REVENUE ACCOUNT

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Section 2 – HRA Budget 2017/18 – 2020/21

Page 19	.	.	.	.	.	5 Year HRA Budget
Page 21	.	.	.	.	.	5 Year HRA Assumptions
Page 22	.	.	.	.	.	5 Year Repairs Budget
Page 23	.	.	.	.	.	5 Year Capital Budget

Revenue Assumptions

In preparing the information for the draft Housing Revenue Account budget for the financial year 2016/17, 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 (Communities Housing & Infrastructure) on (34)6353 or e-mail 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 2016/17, (there are some exceptions to this rule such as contractual uplifts etc. and these are stated in the variance notes). Inflation is currently running at approximately 0.9% (RPIX at September 2015). (Source: Office of National Statistics)

Housing Stock

The number of Council houses owned by the Council, as at 31 October 2015, is 22,211. It has been assumed that there will be a further 68 sales during the financial year 15/16, bringing total sales for the year to 155. The average selling price for the period 1 April 2015 to 31 October 2015 is approximately £67,600.

Set Aside Rules

For the financial year 2015/16 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 2016/17 until Right to Buy comes to an end.**

Council House Sales

It has been assumed that the level of house sales will be 155 in 2015/16. The average selling price for 2015/16 is currently estimated at £67,600. The average number of houses for the financial year 2015/16 is therefore estimated to be 22,220 properties.

Rental Income

The income available in 2016/17 to fund the proposed budgeted level of expenditure has been calculated by taking the current out turn uplifting by 1.9% (RPIX at September 2015 + 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 2016/17. No decrease in 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 balance continues to be maintained at 10%.**

Housing Capital Expenditure Programme

Housing Investment Programme

The major projects undertaken by the Council are as follows:

Complete work on the Seaton 7 multi storey over cladding projects at Linksfield, Promenade and Regent Courts and commence work at Aulton, Beachview, Bayview and Northsea Courts during 2016/17.

Installation of District Heating to Kincorth Land, Balmoral Court, Gairn Court and Regensburg Court.

New Build projects at Smithfield and Manor Walk

External insulation works to tenement blocks in the Froghall area.

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:

2016/17 - £43.473 Million
2017/18 - £42,792 Million
2018/19 - £26,835 Million
2019/20 - £26,459 Million
2020/21 - £19,661 Million

	Housing Revenue Account				
	Draft 2016/17 Budget	Budget	Out-turn	Budget	Notes
		2015/16	2015/16	2016/17	
		£000's	£000's	£000's	
	Premises Costs				
1	Rates	28	32	32	
2	Rent – Other	215	215	97	1
3	Repairs and Maintenance	22,462	23,742	24,746	2
4	Maintenance of Grounds	3,293	3,293	3,244	3
5	Gas	765	610	610	4
6	Electricity	3,405	2,346	2,346	5
7	Cleaning Service	435	435	480	6
8	Security Service	380	260	380	7
9	Window Cleaning	25	25	25	
10	Refuse Collection	345	301	286	8
11	Cleaning – Sheltered Housing	504	504	510	9
12	Premises Insurance	57	0	0	
13	Other Property Costs - Council Tax	201	103	103	10
		32,114	31,866	32,859	
	Administration Costs				
14	Downsizing Grants/Direct Debit Incentives	52	19	102	11
15	Legal Expenses	201	397	397	
16	Office Tel / Rent	90	20	14	
17	Former Tenants Arrears	2,000	2,000	2,000	12
18	Charges - Services Admin & Management.	8,963	8,880	9,173	13
19	General Consultancy	55	119	55	14
20	Training for Front Line Staff	100	100	100	14
21	Benefits Staff	142	41	42	14
22	Charges - Tenants Participation	210	210	214	15
23	Charges for Environmental Health	229	188	190	
		12,042	11,974	12,288	
	Supplies & Services				
24	Provision of Meals	234	156	174	16
25	Television Licence	5	5	5	
26	Integrated Housing System	302	175	231	17
		541	336	410	
	Agencies				
27	Mediation Service	100	100	81	18
28	Energy Advice	83	83	80	19
29	Citizens Advice Bureau	14	14	14	14
30	Disabled Persons Housing Service	39	39	39	14
31	Ethnic Minority Worker	12	12	13	14
		248	248	228	

	Housing Revenue Account	Budget	Out-turn	Budget	
	Draft 2016/17 Budget	2015/16	2015/16	2016/17	
		£'000	£'000	£'000	
	Transfer Payments				
32	Aberdeen Families Project	465	465	465	20
33	Loss of Rent - Council Houses	1,274	1,516	1,121	21
34	Loss of Rent - Garages, Parking etc	226	418	426	
35	Loss of Rent - Modernisation Works	104	104	106	
36	Home Loss & Disturbance Payment	184	184	184	22
37	Supporting People Contribution	406	203	0	
38	CFCR	20,732	24,312	23,846	
		23,391	27,202	26,148	
	Capital Financing Costs				
39	Loans Fund Instalment	5,860	5,311	6,091	
40	Loans Fund Interest	9,125	8,015	8,504	
		14,985	13,326	14,595	23
	Expense Total	83,321	84,952	86,528	
	Income				
41	Ground Rentals	(27)	(27)	(20)	
42	Dwelling Houses Rent Income	(80,000)	(81,015)	(82,554)	24
43	Housing - Heat with Rent Income	(2,047)	(2,387)	(2,047)	25
44	Housing - Garages Rent Income	(1,221)	(1,230)	(1,176)	26
45	Housing - Parking Spaces Rent	(180)	(221)	(180)	26
46	Housing - Insurance Income	(2)	(24)	(2)	
47	Housing - Other Service Charge	(489)	(547)	(547)	26
48	Legal Expenses	(225)	(387)	(387)	
49	Revenue Balance Interest	(130)	(114)	(114)	27
	Income Total	(84,321)	(85,952)	(87,028)	
	Net Expenditure	(1,000)	(1,000)	(500)	
	Projected Working Balance at 1 April 2016			8,907	

HOUSING REVENUE ACCOUNT 2016/17 BUDGET

Variance Notes

Comparing Draft Budget 2016/17 to Estimated Out-turn 2015/16

Expenditure Movements

1. Rent

This budget is for the rent of Accommodation for Community Groups and Housing Offices. The reduction in budget reflects the anticipated sale of the Police Houses

2. Repairs and Maintenance

An analysis is contained at page 11.

3. Maintenance of Grounds

Maintenance of Grounds budget has two elements: Ground Maintenance and cleansing/weed control. The budget for 2016/17 has been calculated by using the anticipated out-turn for 2015/16 uplifted by 2.5% (the budgeted pay awards of 1.5% in 2015/16 and 1% for 2016/17).

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. It has been assumed that consumption and rates will remain at 2014/15 levels.

5. Electricity

This will be the second year of the new contract (previously a four year contract was in place). The budget has been calculated by using actual figures from 2014/15 as per the gas note.

6. Cleaning Service

This budget is for communal cleaning. The new cleaning contract commenced on 1 July 2015 and is expected to run for 3 years. The contractual value for 2016/17 has been calculated as £480,000.

7. Security Service

The cost of the security included in the budget for 2016/17 is £380,000 and includes the control room team.

8. Refuse Collection

The budget for 2016/17 has been calculated by using the actual for 2014/15 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 actuals for 2014/15 uplifted by 2.5% for salary increases.

10. Other Property Costs – Council Tax on void properties

This budget is for the cost of Council Tax due on void properties. The budget for 2016/17 has been based on the actuals for 2014/15 on the assumption that there will be no significant increase of void properties and no increase in Council Tax

for 2016/17 based on the terms and conditions of the award of the General Revenue Grant.

11. Downsizing Grants/Direct Debit and Void Incentives

There are three schemes within this budget line which are Downsizing grants (£50,000), Direct Debit Incentives (£2,000) and in addition in 2016/17 Voids (£50,000).

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.

To support tenants move into their new homes and improvement of void property management performance, a new homes incentive scheme is being developed. The scheme may include provision of decoration vouchers.

12. Former Tenants Arrears

The budget has been maintained at £2M, as at the end of October 2015 current rent arrears are £2.7m. The budget for former tenant arrears is for the write off of uncollectable arrears and any increase in the debt provision.

13. 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 2.5% has been allowed for which is in line with the assumptions contained within the Council's General Fund.

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

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. The additional £30k has been continued to allow for work to be undertaken on the rent consultation for 2016/17.

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. This has been uplifted for 2016/17 to reflect the accumulated 2.5% pay award.

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.

15. 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.

16. Provision of Meals

This budget is for the provision of meals at Denmore and Kingswood extra care housing by Bon Accord Care. Bon Accord Care provide the budget based on out-turn for 2015/16 allowing for a 2.5% uplift for salaries. The income for this service is contained in line 47 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 16) 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.

17. Integrated Housing System

This budget is based on the IT requirements for 2016/17 which includes all the support and maintenance costs.

18. Mediation Service

The budget for 2016/17 has decreased due to amendments to the Service Level Agreement with SACRO. This is as a result of a smaller case-load and savings to the service provision.

19. 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.

20. Aberdeen Families Project/ Priority Families

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.

Proposals are being developed through Community Planning Aberdeen to introduce a 'Priority Families Service' by developing and adapting our families project approach. This service would support families address a wider range of needs than solely antisocial behaviour including employability.

21. Loss of Rent Council Houses

The budget has been calculated based on 2015/16 forecast outturns uplifted by RPIX at September 2015 of 1.9%.

22. 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.

23. Capital Financing Costs

The budget for Capital Financing Costs is based on the likely level of capital spend in 2015/16 as at the end of September 2015 and a possible future programme for 2016/17 of £43.4 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 4.05%.

Income

24. Dwelling Houses Rent Income

The budgeted income from Dwelling House Rent has increased by the potential rent increase of 1.9% (RPIX at September 2015 +1%) which is in line with current Council policy on rent setting. The budget for 2016/17 has been calculated based on the 2015/16 outturn.

25. Housing – Heat with Rent Income

A review was undertaken of the income and expenditure of Heat with Rent and further details are contained on page 17.

26. Housing – Garages Rent Income, Housing Parking Spaces Rent, Housing – Other Service Charges

This budget will move depending on the level that miscellaneous rents are set at, as covered on page 16. The current budget therefore assumes that there will be no increase at present.

27. 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 2014/15 and current economic conditions.

	HOUSING REPAIRS DRAFT BUDGET	Approved Budget 2015/16 £'000	Projected Spend 2015/16 £'000	Base Budget 2016/17 £'000
<u>PLANNED AND CYCLICAL MAINTENANCE</u>				
1	External Joiner work Repairs including external painter work etc.	1,275	987	1,028
2	Boiler Maintenance – Sheltered Housing	359	250	261
3	Controlled Entry Systems – Maintenance	407	324	338
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	192	186	194
5	Flat Roofs/Dormers – Renewal & Insulation	10	146	153
6	Common Rooms – Replacement of Furniture	41	41	43
7	Gas Servicing, Maintenance and Repair	4,193	3,954	4,120
8	Laundry Equipment Replacement & Maintenance	125	51	53
9	Legionella Testing incl. Repair/Renewal of Tanks	33	45	47
10	Lift Maintenance	189	342	356
11	Mutual Repairs outwith Housing Action Areas	26	26	27
12	Pumps & Fans - Maintenance & Renewal	51	60	62
13	Sheltered Housing - Replacement of Carpets, furnishings etc	41	41	43
14	Standby Generators – Maintenance	45	98	102
15	Warden call systems- maintenance and Repair	92	92	96
16	Provision of Community Alarm	236	236	246
17	Environmental Improvements (including internal communal areas)	1,200	1,087	1,200
18	Void Properties	4,009	3,824	3,985
19	Asbestos	16	73	77
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities	235	235	245
Planned/Cyclical Maintenance Sub Total		11,575	12,099	12,674
<u>DAY TO DAY RESPONSE MAINTENANCE</u>				
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	158	114	119
22	Car Park Repairs	9	13	14
23	Chimney heads - Repointing and Rebuilding	0	40	42
24	Condensation - Treatment of Walls	60	87	91
25	Electrical Work - General Repairs	1,166	1,255	1,308
26	Emergency Work - Out of Hours Service	376	518	540
27	External/Internal Response Paintwork	168	217	226
28	Fire Damage Repairs	72	25	26
29	Garage Repairs	10	67	70
30	Glazier work	167	151	157
31	Joiner work - General Repairs	2,324	2,474	2,578
32	Mason work and Water Penetration Repairs	502	464	484
33	Minor Environmental Services	372	646	673
34	Plasterwork – General	236	300	313
35	Plumber work – General	1,093	1,165	1,214
36	Slater work	845	1,117	1,164
37	Snow Clearance	53	53	55
38	TV Aerial	56	110	115
39	Rubbish Removal	13	26	27
40	Vandalism	58	53	55
41	Water Services Charges	10	10	10
Day to Day Response Maintenance Total		7,748	8,906	9,280
42	Fees	1,939	2,737	2,792
TOTAL REPAIRS AND MAINTENANCE BUDGET		22,462	23,742	24,746

REPAIRS AND MAINTENANCE BUDGET 2016/17

General

The projected spend figures have been taken from invoicing up to the end of September 2015 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 2015/16 is currently anticipated to be above budget however this can be subject to change as this budget is demand led.

In most items the budget has been calculated by uplifting the projected out-turn by 4.2% (RICS building Costs Information Service is forecasting a rise in General building cost indices of 4.2%).

Specific Items

Planned and Cyclical Maintenance

Item 7 Gas Servicing, Maintenance and Repairs

As at 6 October 2015, 16,999 Council Properties had gas heating or flues of those properties 16,509 properties had gas safety checks carried out within 12 months of the previous check (98%), therefore the budget must be maintained at current level.

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)

The level of voids remains high therefore maintained at 2015/16 levels. An action plan was agreed at Communities, Housing & Infrastructure Committee on 27 October 2015 to reverse this trend, with a progress report due back in 6 months.

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. Uplifted by 2.5% for wage inflation.

	Management & Admin		Proposed	
		Budget	Budget	
		2015/16	2016/17	Notes
		£000's	£000's	
	Staff Costs			1
1	Salaries	5,471	5,642	
2	Overtime	46	81	
3	Superannuation	1,018	1,038	
4	N.I	393	563	
5	Other Staff Costs	237	389	
6	Vacancy Factor		(351)	
		7,165	7,362	
	Premises Costs			2
7	Rates	29	29	
8	Rent	26	26	
9	Electricity/Gas	23	23	
10	Rubbish Removal	3	3	
11	Cleaning	25	25	
12	Repairs and Maintenance	3	3	
		109	109	
	Administration Costs			2
15	Printing	77	77	
16	Photocopying	14	14	
17	Stationery	18	18	
18	Subscriptions	23	4	
19	Postages	87	87	
20	Telephones	40	40	
21	Bank Charges(inc Cash in transit	76	77	
22	Advertising	45	45	
23	Course Expenses	14	14	
26	Tenants Participation Expenses	11	11	
		405	387	
	Transport Costs			
	Travel Costs	97	97	
		97	97	

				Proposed	
		Budget		Budget	
		2015/16		2016/17	
		£'000		£'000	Notes
	Supplies & Services				2
28	Equipment Purchases	15		15	
29	Computer Software Support	302		231	
30	Sundry Outlays	155		174	
		472		420	
	Corporate/Directorate Recharge				
31	Corporate/Directorate Recharges	2,184		2,365	3
		2,184		2,365	
	Expense Total	10,432		10,740	
	Income				
	Recharges:-				
34	Management & Admin – HRA	(8,863)		(9,173)	
35	Tenants Participation – HRA	(210)		(214)	
36	Other Housing	(220)		(231)	
37	Homeless Persons	(53)		(53)	
38	Housing Capital	(784)		(838)	
	Integrated Housing	(302)		(231)	
		(10,432)		(10,740)	
	Income Total	(10,432)		(10,740)	
	Net Expenditure	0		0	

MANAGEMENT AND ADMINISTRATION BUDGET

Variances and Notes

The 2016/17 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. A vacancy factor of 8% has been introduced as per base assumptions of the General Fund.

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					
		2016/17			
		Current	Proposed	Increase	Percentage
		Rental	Rental	Per Week	Increase
Note	Miscellaneous Increases	£	£	£	%
	Garages	10.80	11.00	0.20	1.85
	Denburn and West North Street Spaces	4.90	5.00	0.10	2.04
1	Denburn and West North Street Spaces – Non Resident	35.00	35.00	0.00	0.00
	Garages Sites	4.20	4.30	0.10	2.38
	Car Ports	4.60	4.70	0.10	2.17
	Car Parking Spaces – Local Residents	3.80	3.90	0.10	2.63
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 2016/17 have been increased broadly in line with the proposed rental increase subject to:

Note 1 A report will follow later in the year once a review of the Housing Account Car Parks is complete by the Service.

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 2016/17.

Note 4 This is an annual charge per owner as a result of the Property Factors Act which was introduced on 1st October 2012, a report will follow later in the financial year once a review is complete by the Service.

Heat with Rent calculations for 2016/17

It was agreed in the 2015/16 budget process to not apply an increase and for officers to form a group to review the heat with rent charges to avoid in the future large increases.

A review of consumption and costs is required each year and especially as only the electric contract is fixed for a number of years. There is also potential revised costs for CHP and Gas each year. This year the consumption has been taken for the last three years to even out any potential peaks and troughs.

Heat with Rent provides a number of benefits to the tenants principally the charge is the same every week therefore no unexpected large bills in cold winters and the 5% VAT charge is not passed onto the tenants.

It is proposed to apply a decrease in Heat with Rent of £2 on all charges.

It is proposed that a different method is adopted in future years for setting the heat with rent charge. Instead of forecasting future costs we would use the actual consumption and charges for the year. This would mean that costs would be a year in arrears however would be an actual reflection of cost and consumption. Further work would be required on the detail of the charges, for example pooling of energy sources, room differentials, common rooms.

Heat with Rent – 48 week basis		
	Previous	Proposed
Gas Heated Properties	£	£
Bedsits	10.55	8.55
1 bed roomed flats	11.85	9.85
2 bed roomed flats	13.15	11.15
3 bed roomed flats	14.45	12.45
Electrically Heated Properties		
Bedsits	11.55	9.55
1 bed roomed flats	12.85	10.85
2 bed roomed flats	14.15	12.15
3 bed roomed flats	15.45	13.45
CHP Properties		
All 1 Bed roomed Properties	11.60	9.60
All 2 Bed roomed Properties	12.90	10.90

ABERDEEN CITY COUNCIL Tenants Consultation

Aberdeen City Council is committed to ensuring that tenants' views are both sought and listened to. On 27 August 2015 Councillors agreed that the rent policy of inflation (RPIX) + 1% should continue for the years 2016/17.

Tenants will be consulted on the introduction of the new rent increase policy for 2017 onwards in early in 2016. Working through the business plan, options will be provided to the tenants on priorities for example new build, energy standards, stock conditions and the appropriate indices to be used. The result of this consultation will be reported back to Communities Housing & Infrastructure at a later date and will inform any future policy.

A questionnaire was sent out to tenants in September 2015. The table below shows the results of the questionnaire

ANNUAL RENT CONSULTATION – Feedback

On 27 August 2015 Councillors agreed that the rent policy of inflation (RPIX)* +1% should continue for the year 2016/17.

Currently the RPIX inflation stands at 1.1%. This would mean an increase of £1.60 per week to the average weekly rent.

Do you agree that Council rents should increase by RPIX +2.1% for 2016/17?

	Returns	Percent
Yes	1,135	35%
No	2,077	65%
Total	3,212	100

	Housing Revenue Account						
		Budget	Budget	Budget	Budget	Budget	Notes
		2016/17	2017/1	2018/19	2019/20	2020/21	
		£000's	£000's	£000's	£000's	£000's	
	Premises Costs						
1	Rates	32	33	34	35	36	
2	Rent	97	99	102	104	107	
3	Repairs and Maintenance	24,746	25,323	25,914	26,519	27,139	1
4	Maintenance of Grounds	3,244	3,276	3,309	3,342	3,376	2
5	Gas	610	659	712	768	830	4
6	Electricity	2,346	2,557	2,787	3,038	3,312	4
7	Cleaning Service	480	492	504	517	530	3
8	Security Service	380	390	399	409	419	2
9	Window Cleaning	25	26	26	27	28	3
10	Refuse Collection	286	289	292	295	298	2
11	Cleaning – Sheltered Housing	510	515	520	525	531	2
12	Premises Insurance	0	0	0	0	0	3
13	Other Property Costs - Council Tax	103	103	103	103	103	
		32,859	33,762	34,702	35,683	36,707	
	Administration Costs						
14	Down sizing Grants/Direct Debit Incentives	102	102	102	102	102	
15	Legal Expenses	397	397	397	397	397	
16	Office Tel / Rent	14	14	15	15	16	3
17	Former Tenants Arrears	2,000	2,000	2,000	2,000	2,000	
18	Charges - Services Admin & Management	9,173	9,265	9,357	9,451	9,545	2
19	General Consultancy	55	55	55	55	55	
20	Training for Front Line Staff	100	103	105	108	110	
21	Benefits Staff	42	42	43	43	44	2
22	Charges - Tenants Participation	214	219	225	230	236	2
23	Charges for Environmental Health	190	192	194	196	198	2
		12,288	12,390	12,493	12,598	12,704	
	Supplies & Services						
24	Provision of Meals	174	179	183	188	192	
25	Television Licence	5	5	5	5	6	
26	Integrated Housing System	231	237	243	249	255	3
		410	421	431	442	453	

	Housing Revenue Account	Budget	Budget	Budget	Budget	Budget	
		2016/17	2017/1	2018/19	2019/20	2020/21	
		£000's	£000's	£000's	£000's	£'000	
	Agencies						
27	Mediation Service	81	82	83	83	84	2
28	Energy Advice	80	81	82	83	84	2
29	Citizens Advice Bureau	14	14	15	15	15	2
30	Disabled Persons Housing Service	39	39	40	40	41	2
31	Ethnic Minority Worker	13	13	13	13	14	
		228	230	232	234	237	
	Transfer Payments						
32	Aberdeen Families Project	465	470	474	479	484	2
33	Loss of Rent - Council Houses	1,121	1,160	1,201	1,243	1,286	5
34	Loss of Rent - Garages, Parking etc	426	441	456	472	489	
35	Loss of Rent - Modernisation Works	106	109	111	114	117	
36	Haudagain Home Loss & Disturbance Payments	184	184	0	0	0	
37	Supporting People Contribution	0	0	0	0	0	
38	CFCR	23,846	24,431	25,118	26,825	28,916	
		26,148	26,795	27,360	29,133	31,292	
	Capital Financing Costs						
39	Loans Fund Instalment	6,091	6,909	7,931	8,408	8,649	
40	Loans Fund Interest	8,504	8,911	9,257	9,004	8,665	
		14,595	15,820	17,188	17,412	17,314	
	Expense Total	86,528	89,417	92,407	95,502	98,706	
	Income						
41	Ground Rentals	(20)	(20)	(20)	(20)	(20)	
42	Dwelling Houses Rent Income	(82,554)	(85,444)	(88,434)	(91,529)	(94,733)	5
43	Housing - Heat with Rent Income	(2,047)	(2,047)	(2,047)	(2,047)	(2,047)	
44	Housing - Garages Rent Income	(1,176)	(1,176)	(1,176)	(1,176)	(1,176)	
45	Housing - Parking Spaces Rent	(180)	(180)	(180)	(180)	(180)	
46	Housing - Insurance Income	(2)	(2)	(2)	(2)	(2)	
47	Housing - Other Service Charge	(547)	(547)	(547)	(547)	(547)	
48	Legal Expenses	(387)	(387)	(387)	(387)	(387)	
49	Revenue Balance Interest	(114)	(114)	(114)	(114)	(114)	
	Income Total	(87,028)	(89,917)	(92,907)	(96,003)	(99,206)	
	Net Expenditure	(500)	(500)	(500)	(500)	(500)	

HOUSING REVENUE ACCOUNT

FIVE YEAR BUDGET ASSUMPTIONS

1. Repairs and Maintenance

The analysis of the five year budget follows. The budget has been uplifted by 2.5% in 2017/18 to 2020/21. 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 1.5% in 2016/17 and 1% for all other years has been applied to reflect the anticipated public sector pay awards.

3. Cleaning Service, Security Service, Training for front line staff, Window Cleaning, Office Telephone, Integrated Housing, Loss of rent modernisation works.

These budgets have been uplifted by the inflationary increase in the HRA Business Plan of 2.5%.

4. Gas & Electricity

Gas has been uplifted 8%, Electricity & Combined Heat & Power 9% from 2017/18 onwards.

5. Dwelling Houses Rent Income and Transfer Payments

The budgeted income from Dwelling House Rent is uplifted by 1.9% for 2016/17 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 2016/17 £'000	Base Budget 2017/18 £'000	Base Budget 2018/19 £'000	Base Budget 2019/20 £'000	Base Budget 2020/21 £'000
PLANNED AND CYCLICAL MAINTENANCE						
1	External Joiner work Repairs including external paintwork etc.	1,028	1,054	1,080	1,107	1,135
2	Boiler Maintenance - Extra Care Housing	261	267	274	281	288
3	Controlled Entry Systems – Maintenance	338	346	355	364	373
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	194	199	204	209	214
5	Flat Roofs/Dormers – Renewal & Insulation	153	156	160	164	168
6	Common Rooms - Replacement of Furniture	43	44	45	46	47
7	Gas Servicing, Maintenance and Repair	4,120	4,223	4,328	4,436	4,547
8	Laundry Equipment Replacement & Maintenance	53	54	55	57	58
9	Legionella Testing incl. Repair/Renewal of Tanks	47	48	49	50	52
10	Lift Maintenance	356	365	374	383	393
11	Mutual Repairs outwith Housing Action Areas	27	28	28	29	30
12	Pumps & Fans - Maintenance & Renewal	62	64	66	67	69
13	Extra Care Housing - Replacement of Carpets, furnishings etc	43	44	45	46	47
14	Standby Generators – Maintenance	102	105	108	110	113
15	Warden call systems- Maintenance and Repair	96	98	101	103	106
16	Provision of Community Alarm	246	252	258	265	271
17	Environmental Improvements	1,200	1,230	1,261	1,292	1,325
18	Relets	3,985	4,084	4,186	4,291	4,398
19	Asbestos	77	78	80	82	84
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities	245	251	257	264	270
Planned/Cyclical Maintenance Sub Total		12,674	12,991	13,316	13,648	13,990
DAY TO DAY RESPONSE MAINTENANCE						
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	119	122	125	128	131
22	Car Park Repairs	14	14	14	15	15
23	Chimney heads - Repointing and Rebuilding	42	43	44	45	46
24	Condensation - Treatment of Walls	91	93	95	98	100
25	Electrical Work - General Repairs	1,308	1,341	1,374	1,408	1,444
26	Emergency Work - Out of Hours Service	540	554	568	582	596
27	External/Internal Response Paintwork	226	232	238	244	250
28	Fire Damage Repairs	26	26	27	28	28
29	Garage Repairs	70	71	73	75	77
30	Glazier work	157	161	165	169	174
31	Joiner work – General Repairs	2,578	2,642	2,708	2,776	2,845
32	Mason work and Water Penetration Repairs	484	496	508	521	534
33	Minor Environmental Services	673	690	708	725	743
34	Plasterwork – General	313	321	329	337	345
35	Plumber work – General	1,214	1,244	1,276	1,307	1,340
36	Slater work	1,164	1,193	1,223	1,253	1,285
37	Snow Clearance	55	57	58	59	61
38	TV Aerial	115	118	121	124	127
39	Rubbish Removal	27	28	28	29	30
40	Vandalism	55	56	58	59	60
41	Water Services Charges	10	11	11	11	12
Day to Day Response Maintenance Total		9,280	9,152	9,750	9,994	10,243
Fees		2,792	2,820	2,820	2,877	2,905
TOTAL REPAIRS AND MAINTENANCE BUDGET		24,746	25,323	25,323	26,519	27,139

Draft Housing Capital Budget 2016/17 to 2020/21

PROJECT	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
SCOTTISH HOUSING QUALITY STANDARDS					
1 Compliant with the tolerable standard					
1.1 Major Repairs-	400	95	0	0	0
Roofs Renewal/Gutters/RWP/Roughcast					
Undertaking large scale repairs to Roofs/Gutters/RWP/Roughcast					
	400	95	0	0	0
2 Free from Serious Disrepair					
2.1 Primary Building Elements					
Structural Repairs Multi Storey	9,424	5,980	1,360	1,115	1,270
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	3,600	2,000	2,000	2,000	2,000
Structural works carried out in order to keep the building stable and structurally sound.					
<u>Secondary Building Elements</u>					
2.2 Upgrading Of Flat Roofs General	100	50	50	350	350
Replacement of existing roof covering and upgrading of insulation to meet current building regulations.					
2.3 Upgrade Flat Roofs Multi Storey	1,020	1,572	1,650	1,445	606
Full replacement of the flat roofs and also checking the replacement of roof ventilation as required					
2.5 Mono Pitched Types	810	852	650	650	650
Replacement of the external render of the building, replacement of gutters and downpipes, environmental works					
2.6 Window Replace General	483	2,739	1,207	2,274	1,576
Window Replace General – Communal	171	80	99	0	0
2.7 Window Replace – Multi Storey	0	389	0	0	0
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	0	0	0	0	9
2.9 Balcony Glass Renewal – Multi Storey	0	0	0	0	0
	15,608	13,662	7,016	7,834	6,461
3 Energy Efficient					
<u>Effective insulation</u>					
3.2 General Houses Loft Insulation	76	77	83	86	86
Installation of loft insulation where there is none previously or the topping up of existing insulation to comply with current building regulations.					
<u>Efficient Heating</u>					
3.3 Heating Systems Replacement	4,369	7,553	8,751	9,101	3,433
Replacement of boiler/whole system as deemed necessary.					
3.5 Energy Efficiency – Major Blocks	1,600	1,200	1,600	1,600	1,600
Contribution to Aberdeen Heat & Power for the creation of Combined Heat & Power Plants					
3.6 Energy Efficiency Sheltered	0	0	0	0	0
Introduction of energy efficiency measures in extra care housing such as new or upgraded heating systems.					

	2016/17	2017/18	2018/19	2019/20	2020/21
<u>Additional Energy Efficiency measures</u>	£000	£000	£000	£000	£000
3.7 SCARF	35	35	35	35	35
3.8 Solid Wall Insulation	0	500	500	500	500
3.9 Vestibule Doors	0	0	0	0	0
	6,080	9,365	10,969	11,322	5,654

Modern Facilities & Services

<u>Bathroom and Kitchen Condition</u>					
4.1 Modernisation Programme – Bathroom	381	326	467	541	471
Modernisation Programme – Kitchen	959	1,007	460	555	1,532
Replacement of bathrooms and kitchens.					
	1,340	1,333	927	1,096	2,003

5 Healthy, Safe & Secure

Healthy

5.1 Condensation Measures	21	22	23	24	24
Installation of heating systems and ventilation measures to combat condensation.					

Safe

5.3 Rewiring	2,645	2,476	2,128	1,112	288
Replacement of cabling, fittings and distribution boards as necessary. This work is carried out in every property on a cyclical basis					
5.4 Lift Replacement Multi Storey/Major Blocks	1,125	1,181	1,240	1,563	1,368
Replacement of lifts where they are beyond economical repair. This can be full replacement or replacement of specific parts of the lift.					
5.5 Smoke Detectors – Common Areas Major Blocks	318	83	109	92	115
5.6 Services	50	50	50	50	50
Cyclical maintenance/replacement of the following services					
Ventilation Systems, water tanks/pipe work, refuse chutes/chamber, Dry risers systems, Standby Generators					
5.9 Upgrading of lightning	0	0	0	0	0

Secure

5.11 Door Entry Systems	353	95	101	45	149
Installation of door entry and replacement of existing doors where required					
5.12 Replace Door Entry Systems - Major Blocks	0	101	106	222	233
Installation of door entry and replacement of existing doors where required					
5.13 Other Initiatives					
Upgrading of stairs and installation of security doors and door entry systems	290	173	0	0	375
	4,802	4,181	3,757	3,108	2,602

NON SCOTTISH HOUSING QUALITY STANDARDS

6 Community Plan & Single Outcome Agreement

6.1 Housing For Varying Needs	400	50	50	50	50
New build projects or adaptation/refurbishment of existing properties to create accommodation which is suitable for occupation by tenants with particular needs.					

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
6.2 Community Initiatives	450	300	300	300	300
Refurbishment of properties or environmental improvements in designated areas. Cruyff Court redevelopment.					
6.5 Regeneration/Acquisition of Land or Houses	1,000	500	500	500	500
Early Action projects linked to Regeneration and Master planning Briefs for Regeneration.					
Acquisition of Land/Houses for the new build programme.					
6.6 CCTV – Multi Storey	154	162	170	179	0
Provision of CCTV for the Multi Storey Service					
6.7 Adaptations Disabled	1,000	1,000	1,000	1,000	1,000
6.8 Special Initiatives/Barrier Free Housing	100	50	50	50	50
Provision of specialist facilities or housing for tenants with particular needs i.e. extensions					
6.9 Housing For Varying Needs- Amenity/Adaptations	30	30	30	30	30
Conversion of properties to Amenity Level standard					
6.10 Housing For Varying Needs- Extra Care/Adaptations	70	70	70	70	70
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	200	200	200	200	200
Formation or upgrading of paths					
6.13 Garage	0	0	0	0	0
6.14 New Affordable Housing	11,100	11,090	1,085	0	0
	14,604	13,552	3,555	2,479	2,300
7 Service Development					
7.1 Conditions Surveys	0	0	0	0	0
7.2 Property Database	120	0	0	0	0
Integrated Housing System	20	20	20	20	20
	140	20	20	20	20
8 Service Expenditure					
8.1 Other Departmental Fees	5,872	5,873	3,908	3,870	3,051
	5,872	5,873	3,908	3,870	3,051
Gross Programme	48,846	48,081	30,152	29,729	22,091
Less 11% Slippage	5,373	5,289	3,317	3,270	2,430
Net Programme	43,473	42,792	26,835	26,459	19,661
Financed by :-					
Borrowing	14,961	18,361	1,717	0	0
Scottish Government Grant – New Build	4,666	0	0	0	0
CFCR	23,846	24,431	25,118	26,456	19,661
Total Funding	43,473	42,792	26,835	26,459	19,661

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COMMITTEE: Finance, Policy and Resources

DATE: 3 December 2015

INTERIM DIRECTOR: Richard Ellis

TITLE OF REPORT: Audit Scotland – Borrowing and Treasury Management in Councils

REPORT NUMBER: CG/15/148

CHECKLIST COMPLETED: Yes

1. PURPOSE OF REPORT

The purpose of this report is to provide an overview of the report prepared by Audit Scotland and published by the Accounts Commission on Borrowing and Treasury Management in Councils and the suggested actions in response to the recommendations contained in that report.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- i) note the content of this report; and
- ii) agree the actions detailed in Appendix A in response to the Audit Scotland report.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

Borrowing in itself has significant financial implications and treasury management plays a key role in ensuring strategies are in place to effectively manage borrowing through the analysis and demonstration of affordability and sustainability.

4. OTHER IMPLICATIONS

This report will have implications for the Council's Treasury Management Policy and Strategy and the reporting thereof.

5. BACKGROUND/MAIN ISSUES

5.1 Audit Scotland, on behalf of the Accounts Commission, undertook an audit on 'Borrowing and Treasury Management in Councils'. Audit Scotland completed the audit by reviewing the strategies of twelve Councils and undertook detailed fieldwork at six of these. The audit assessed how councils show best value in borrowing and treasury management decisions. Its specific objectives were to answer:

- What is borrowing and treasury management in councils?
- To what extent do councils' borrowing and treasury management strategies meet good practice and contribute to corporate plans and priorities?
- Can councils demonstrate the affordability and sustainability of borrowing decisions? For example, can they show that borrowing will not adversely affect their financial position? Will that continue to be the case in future?
- How effective are the governance arrangements for borrowing and treasury management? Governance covers areas such as responsibility and accountability for borrowing and treasury management decisions, arrangements for reporting decisions and for scrutinising them.

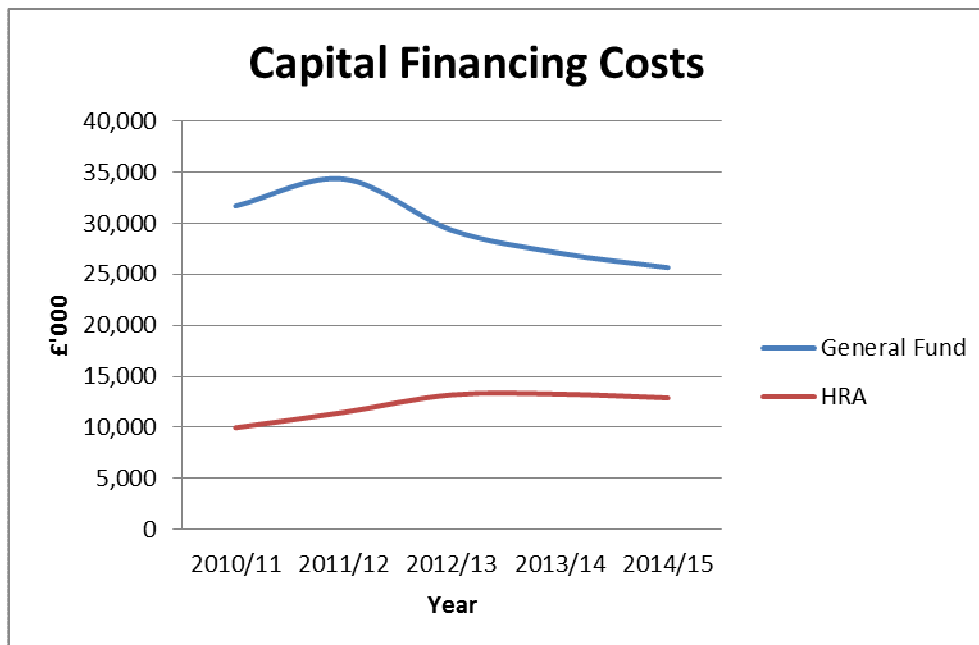
5.2 Following on from their detailed audit, a report was published by the Accounts Commission on the 19th of March 2015 and is attached at Appendix B. The report has three parts:

1. Setting the Scene;
2. Demonstrating the affordability and sustainability of borrowing; and
3. Effective management and scrutiny.

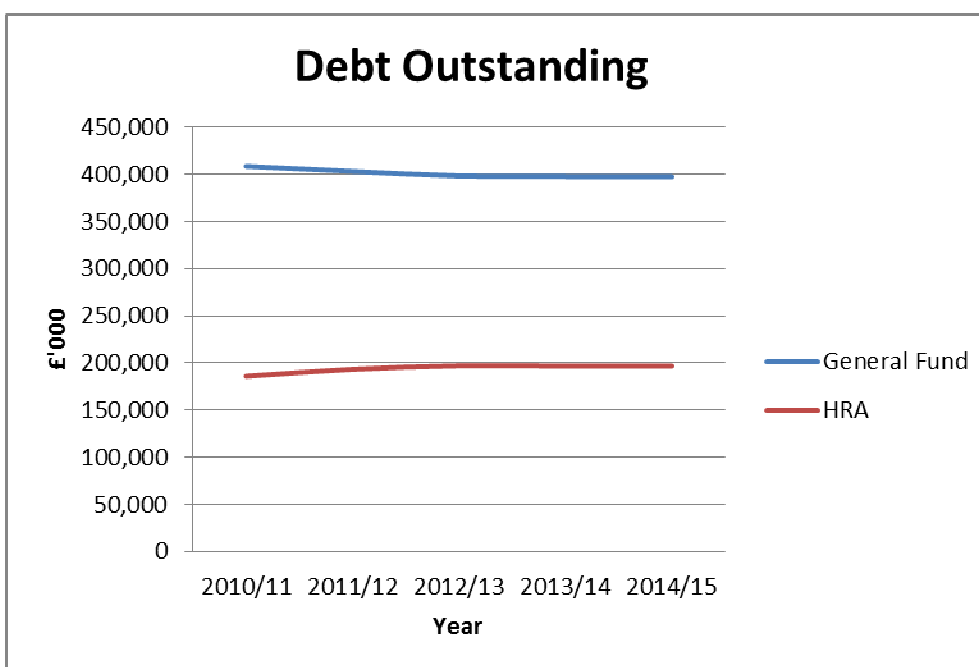
5.3 The report lists five key messages from its findings which are detailed below:

1. Councils have total debt of £14.8 billion of which £12.1 billion, 82% is from borrowing. Debt commits Councils to charges over the long term. There are different types of debt with different features and varying degrees of risk.
2. Borrowing is a key source of finance for councils to invest in vital public services. Overall borrowing has remained at around £12 billion for the last three years, with total assets of £39 billion. Councils have developed borrowing strategies to suit their own local priorities and needs, in response to the flexibility introduced by the Prudential Code in 2004. Seventeen councils have increased their borrowing levels, in real terms, over the last ten years.

3. Councils are following the general principles of the relevant codes of practice in demonstrating short-term affordability, but they are not always highlighting the strategic importance of borrowing and treasury management or clearly analysing and reporting the long-term affordability and sustainability of their borrowing. Councils need to develop detailed analysis to support borrowing decisions and to demonstrate they represent best value for the Council.
 4. Treasury management is a professionally run function in Councils with appropriately qualified officers. Succession planning, ongoing training and the availability of appropriate professional qualifications are important. Councils have started to integrate their treasury management and capital investment functions which is a positive step.
 5. Councils need to improve scrutiny of borrowing and treasury management. This is a complex and technical subject and officers need to provide wider training and support to councillors, and also provide clearer, more accessible reports. The current governance structures in some Councils could be improved to support more effective scrutiny.
- 5.4 In terms of key messages 1 and 2 above on borrowing, at its meeting on 9th June 2015, this committee received and considered the “Financial Year End Monitoring 2014/15” report which contained information on the council’s capital debt outstanding and associated capital financing costs for the period 2010/11 – 2014/15. The information from this report is replicated below:
- 5.4.1 *The Corporate Budgets include contributions to investment as well as associated repayment and servicing of borrowing to pay for capital projects. Savings have arisen from both the lower value of expenditure on capital projects than budgeted and, through active treasury management, the reduction in the loans pool interest rate that applies to the cost of borrowing. This, coupled with the use of the capital fund and investment strategy, has resulted in keeping capital financing costs below budget and is a key objective for future years to minimise the impact on front line services of any potential grant reductions.*
- 5.4.2 *The following two charts show the impact this strategy has had from 2011/12 to 2014/15. If the Council had continued to increase its level of debt at 2011/12 levels then capital financing charges would have been almost £10 million higher than they are for 2014/15. Clearly this would have to be adjusted to take account of the underlying economic and market conditions.*



5.4.3 The table below shows falling debt for the General Fund and relatively static debt for the HRA. The combined debt for both accounts is £615 million. However, to put this in context this debt is in relation to the Council's asset base which has a value at 31 March 2015 of £2,079 million. Further, the cost of servicing this debt represents 4% of General Fund gross spend and 16% of HRA gross income.



5.5 The report contains seven recommendations which are detailed in Appendix A along with comments and actions from an Aberdeen City Council perspective.

6. IMPACT

Improving Customer Experience –

Actions taken to amend the Treasury Management Policy and Strategy and the reporting thereon will provide further transparency and enable enhanced scrutiny of the council's borrowing and treasury activities by Elected Members.

Improving Staff Experience –

No direct impact arising from this report.

Improving our use of Resources –

Actions taken to amend the Treasury Management Policy and Strategy and the reporting thereon will ensure that the Council is demonstrating openness and transparency in its borrowing and treasury management activities which in turn enhances its accountability in the use of public funds.

Corporate –

The Audit Scotland report highlights a need for sharing good practice and exchanging ideas between councils. There are already a number of treasury forums in place which allow this to happen and officers will continue to participate in these as well as look for further opportunities for this type of joint working.

Public –

This report is likely to be of interest to the public as it concerns the use of public funds and the reporting of this.

7.

8. MANAGEMENT OF RISK

There are no direct risks arising from the content of this report.

8. BACKGROUND PAPERS

Accounts Commission "Borrowing and Treasury Management in Councils".
CIPFA "Code of Practice for Treasury Management in the Public Services",
Capita Asset Services "Treasury Management Annual Investment Strategy",
Scottish Government "The Investment of Money by Scottish Local Authorities".

9. REPORT AUTHOR DETAILS

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01224 522565

No.	Recommendation	Comments	Actions
<i>Council officers should:</i>			
1.	Use the treasury management strategy to present a wider strategic view of borrowing and treasury management. It should use clear and accessible language and be prepared for councillors as the key audience. It should include how the borrowing strategy is informed by corporate priorities and capital investment needs. The strategy should include: • links to capital investment plans and corporate objectives; • all borrowing and other debt; • prudential indicators as a core part of the strategy; • a clear assessment of the affordability and the impact on revenue budgets both in the short and long term.	The Council's annual Treasury Management Policy and Strategy report currently gives an overview of the authority's strategy for the following three financial years. The report includes the Council's Treasury Management Policy Statement, Borrowing Strategy and Investment Strategy.	Review the Treasury Management Policy & Strategy report in conjunction with current reporting arrangements around capital and prudential indicators, taking account of this recommendation, to ensure reporting to councillors contains sufficient detail whilst remaining clear and understandable.
2.	Create more detailed and longer-term borrowing and treasury management analysis as informed by the council's financial strategy. It should include:– • scenario planning to show the potential impact of different budget scenarios, income generation plans, and changes in external factors such as interest rates; • analysis of capital financing options to compare affordability and sustainability between different debt and borrowing options; • the use of indicators over a longer period than the minimum three years set by the Prudential Code.	The Council's loan maturity profile analyses the long-term borrowing due for repayment in each year, up to 2078. This is a key document and all long-term borrowing is undertaken with reference to this, to minimise any chance of future refinancing risk. Scenario plans are currently prepared when any new longer-term borrowing options are proposed. The different borrowing scenarios are scrutinised and compared, and these findings are used to support the decisions made. The Council currently produces the prudential indicators for the current year and also three financial years ahead.	Review the current methodology for scenario planning and analysis of financing options to ensure they continue to be fit for purpose. Consider the calculation and reporting of prudential indicators for at least a five year period in line with the current budget setting regime.

3.	Share strategies with other councils to help inform good practice, and exchange of ideas	Treasury matters are regularly discussed with other Scottish Councils, particularly Aberdeenshire Council, with whom we have a close working relationship. Capita, our appointed Treasury advisers work with the majority of local authorities in Scotland, and good practice and ideas are shared. We are also members of an Investment Benchmarking group, where our strategies, average rates of return etc. are compared.	Continue to participate in forums and working groups with other councils and specialist advisors.
4.	Carry out joint planning with other councils to identify future qualification and training needs and enhance their capacity, in order to negotiate with training providers	Treasury training is currently provided to the Council in the form of workshops and seminars, which include talks by industry respected speakers. These courses are provided by Capita (part of our Treasury Advisory contract) and also by CIPFA's Scottish Treasury Management Forum.	Raise with contacts at other councils as and when the opportunity arises.
5.	Review the content of year-end reports to ensure they provide an assessment of the effectiveness of the year's borrowing and treasury management activities and the performance of the treasury management function. This should include appropriate indicators, comparative figures, and appropriate explanations.	The year-end treasury report currently provides details of key areas from the performance of the function over the previous 12 months. These include the average Loans Pool rates for the year, all new long-term borrowing undertaken, explanations for particular courses of borrowing/investment action taken (and their financial impact) and a snapshot of the Council's investments as at 31 st March.	Review the year end report, taking account of this recommendation, to ensure sufficient and relevant information, comparisons and explanation is provided.

Council Officers and councillors involved in treasury management should:			
6.	Review governance arrangements, and update as necessary, to ensure they provide: - the treasury management strategy, mid-year and year-end reports to the same council committee, and that the full council has access to them; - councillors with mid-year reports by the end of December each year; - councillors with the wider picture, that is, make the links to capital investment decisions and revenue budgets; - councillors with access to all reports relating to borrowing and treasury management activity including risk registers.	The current governance arrangements include the reporting of the annual Treasury Management Policy and Strategy, mid year review and year end report to the Finance, Policy and Resources Committee for initial consideration and referral to Council for approval. The report to approve the strategy for the forthcoming and following two years is considered and approved in February, the mid year report as close to December as possible (dependent on committee dates) and the year end report the following June (dependent on committee dates). The annual strategy includes a section on treasury management risks and controls in relation to borrowing and investments. Reporting on revenue and capital budgets provide information on the links between the two.	No action required in relation to reporting arrangements. A review of reporting on revenue and capital budgets will be undertaken to ensure the wider picture and links are clearly made.
7.	Ensure scrutiny arrangements are robust by: - considering widening the range of training options to councillors on borrowing and treasury management activities and whether this training should be mandatory; - considering whether training for councillors provides a balance of scrutiny skills and knowledge of treasury management.	Training was last made available to councillors in February 2013.	Consult with councillors on what training and support they would like to see in this area and thereafter work with our Treasury Advisors to develop and deliver training to meet their needs.

Borrowing and treasury management in councils



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The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about/ac 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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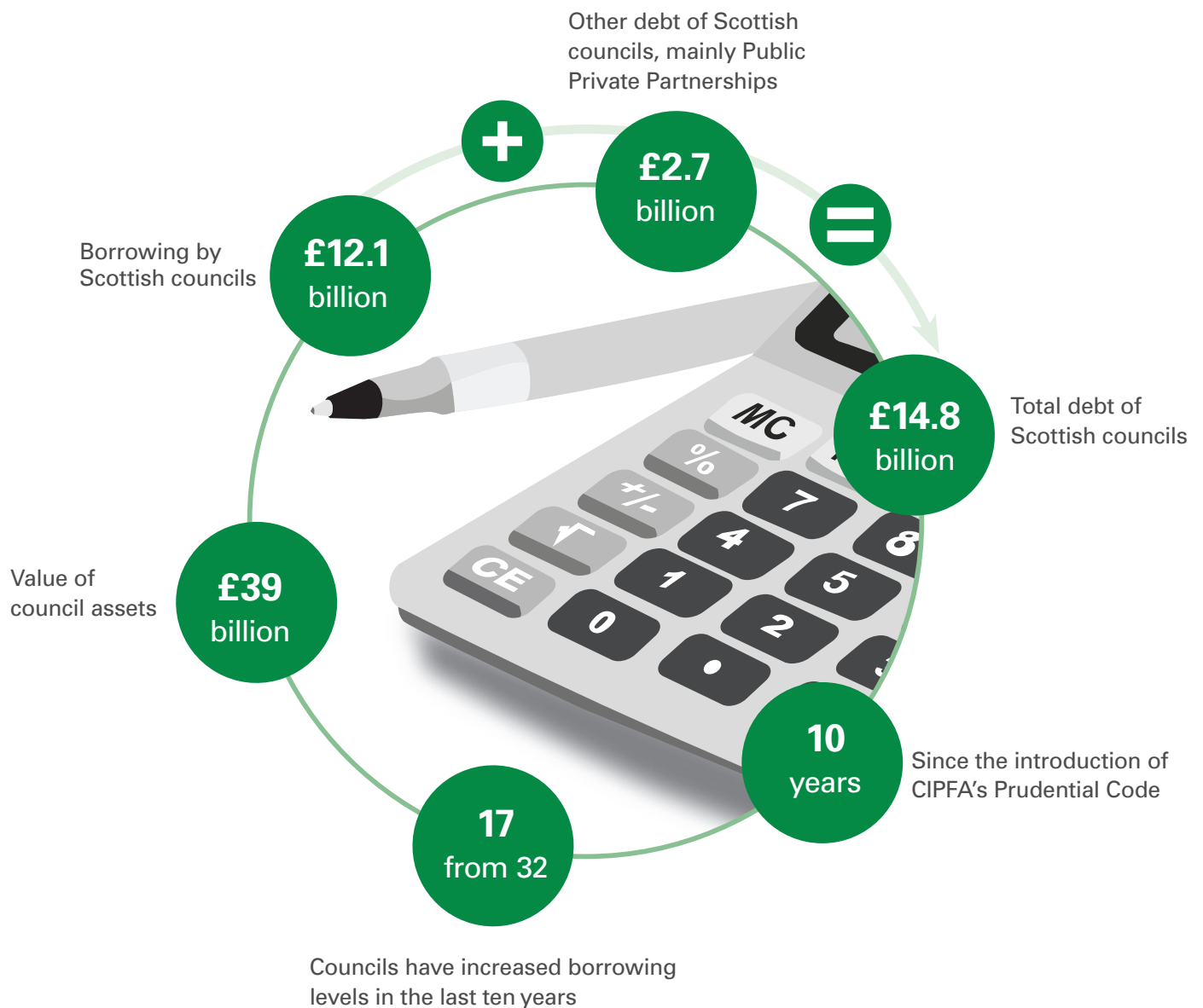
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Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

Key facts



Summary



Key messages

- 1** Councils have total debt of £14.8 billion of which £12.1 billion, 82 per cent, is from borrowing. Debt commits councils to charges over the long term. There are different types of debt with different features and varying degrees of risk.
 - 2** Borrowing is a key source of finance for councils to invest in vital public services. Overall borrowing has remained at around £12 billion for the last three years, with total assets of £39 billion. Councils have developed borrowing strategies to suit their own local priorities and needs, in response to the flexibility introduced by the Prudential Code in 2004. Seventeen councils have increased their borrowing levels, in real terms, over the last ten years.
 - 3** Councils are following the general principles of the relevant codes of practice in demonstrating short-term affordability, but they are not always highlighting the strategic importance of borrowing and treasury management or clearly analysing and reporting the long-term affordability and sustainability of their borrowing. Councils need to develop detailed analysis to support borrowing decisions and to demonstrate they represent best value for the council.
 - 4** Treasury management is a professionally run function in councils with appropriately qualified officers. Succession planning, ongoing training and the availability of appropriate professional qualifications are important. Councils have started to integrate their treasury management and capital investment functions which is a positive step.
 - 5** Councils need to improve scrutiny of borrowing and treasury management. This is a complex and technical subject and officers need to provide wider training and support to councillors, and also provide clearer, more accessible reports. The current governance structures in some councils could be improved to support more effective scrutiny.
-

Recommendations

These recommendations focus on the evidence gathered and our findings on borrowing within councils. We suggest councils consider the wider relevance of these to total debt.

Council officers should:

- use the treasury management strategy to present a wider strategic view of borrowing and treasury management. It should use clear and accessible language and be prepared for councillors as the key audience. It should include how the borrowing strategy is informed by corporate priorities and capital investment needs. The strategy should include:
 - links to capital investment plans and corporate objectives
 - all borrowing and other debt
 - prudential indicators as a core part of the strategy
 - a clear assessment of the affordability and the impact on revenue budgets both in the short and long term
- create more detailed and longer-term borrowing and treasury management analysis as informed by the council's financial strategy. It should include:
 - scenario planning to show the potential impact of different budget scenarios, income generation plans, and changes in external factors such as interest rates
 - analysis of capital financing options to compare affordability and sustainability between different debt and borrowing options
 - the use of indicators over a longer period than the minimum three years set by the Prudential Code
- share strategies with other councils to help inform good practice, and exchange of ideas
- carry out joint planning with other councils to identify future qualification and training needs and enhance their capacity, in order to negotiate with training providers
- review the content of year-end reports to ensure they provide an assessment of the effectiveness of the year's borrowing and treasury management activities and the performance of the treasury management function. This should include appropriate indicators, comparative figures, and appropriate explanations.

Council officers and councillors involved in treasury management should:

- review governance arrangements, and update as necessary, to ensure they provide:
 - the treasury management strategy, mid-year and year-end reports to the same council committee, and that the full council has access to them
 - councillors with mid-year reports by the end of December each year
 - councillors with the wider picture, that is, make the links to capital investment decisions and revenue budgets
 - councillors with access to all reports relating to borrowing and treasury management activity including risk registers
 - ensure scrutiny arrangements are robust by:
 - considering widening the range of training options to councillors on borrowing and treasury management activities and whether this training should be mandatory
 - considering whether training for councillors provides a balance of scrutiny skills and knowledge of treasury management.
-

About the audit

1. This audit assesses how councils show best value in borrowing and treasury management decisions. Its specific objectives are to answer:

- What is borrowing and treasury management in councils?
- To what extent do councils' borrowing and treasury management strategies meet good practice and contribute to corporate plans and priorities?
- Can councils demonstrate the affordability and sustainability of borrowing decisions? For example, can they show that borrowing will not adversely affect their financial position? Will that continue to be the case in future?
- How effective are the governance arrangements for borrowing and treasury management? Governance covers areas such as responsibility and accountability for borrowing and treasury management decisions, arrangements for reporting decisions and for scrutinising them.

2. Councils have total debt of £14.8 billion, of which 82 per cent (£12.1 billion) is as a result of borrowing ([Exhibit 1, page 9](#)). Total debt includes Private Finance Initiative/Non Profit Distributing (PFI/NPD) contracts, Tax Incremental Financing (TIF), the City Deal agreement, the Growth Accelerator Model (GAM) and borrowing. Each type of debt has unique features, is at different stages of development and implementation and has varying degrees of risk. This is the first report that we have produced on council debt with the focus specifically on borrowing. This allows us to focus on the arrangements that councils have in

place to assess the affordability of borrowing. We may propose further work on other elements of council debt in due course.

3. This report focuses on whether councils openly and clearly demonstrate the affordability and sustainability of borrowing decisions over the short term, ie the next couple of years, and long term, that is ten years onwards to cover the term of the borrowing. It also looks at whether councils' approach to borrowing, as outlined in their treasury management strategy, reflects their corporate priorities and aims. Councillors have a key role in holding officers to account and this report evaluates the councillor's role in considering borrowing and treasury management reports, including the strategy. We use the term borrowing to mean borrowing from a source outwith the council.

4. Our focus is on borrowing to fund capital expenditure, such as building schools or improving roads. We did not evaluate day-to-day cash, investment and borrowing transactions. We have not explored in detail other forms of debt. This includes the new capital financing options available to councils including TIF, or City Deal that may have an element of borrowing to them ([Exhibit 1, page 9](#)). These new options are just being introduced and are not yet fully operational. Although the messages in our report are based on current borrowing, they will apply equally to other forms of debt including these new financing options.

5. We gathered audit evidence from:

- published and unpublished data on borrowing and treasury management activity including audited accounts, Chartered Institute of Public Finance and Accountancy (CIPFA) statistics and Scottish Government data
- our review of the treasury management strategies of 12 councils
- fieldwork at six councils involving interviews with officers and councillors
- interviews with representatives from organisations including the Scottish Government, CIPFA, CIPFA Treasury managers' forum and the Society of Local Authority Chief Executives (SOLACE).

6. [Appendix 1](#) provides further details of our audit approach.

7. This report has three parts:

- [Part 1](#): setting the scene
- [Part 2](#): demonstrating the affordability and sustainability of borrowing
- [Part 3](#): effective management and scrutiny.

8. Our website contains a [Supplement: Scrutiny guidance and questions for councillors \[PDF\]](#)  to help them implement the recommendation we make in this report.

Exhibit 1

Borrowing is 82% of total debt

New capital financing method. Council borrows to invest in infrastructure projects which will deliver economic growth. Additional business rate income from the new business generated pays for borrowing charges.

Tax Incremental Financing

Public Private Partnership £2.7bn

Partnership where public and private sector partners agree a contract to build and maintain an asset for public sector use.

Public body pays an annual charge over the life of the asset to the contractor from its revenue budget.

Private Finance Initiative

Similar to PFI, but limits the profits that the private sector contractor may retain.

Public body pays an annual charge over the life of the asset to the contractor from its revenue budget.

Non-profit distributing contracts

City deal

Agreement signed with UK and Scottish Governments by the 8 Glasgow and Clyde Valley councils. Currently the only deal in Scotland.

The deal involves the councils investing an additional £130 million to unlock additional grants of £1 billion from the UK and Scottish Governments combined.

Investment by councils will involve additional borrowing, with charges covered by additional grant income.

Growth Accelerator Model

Public body borrows to invest in capital investment project.

Expected that additional business rates will accrue to Scottish Government owing to investment.

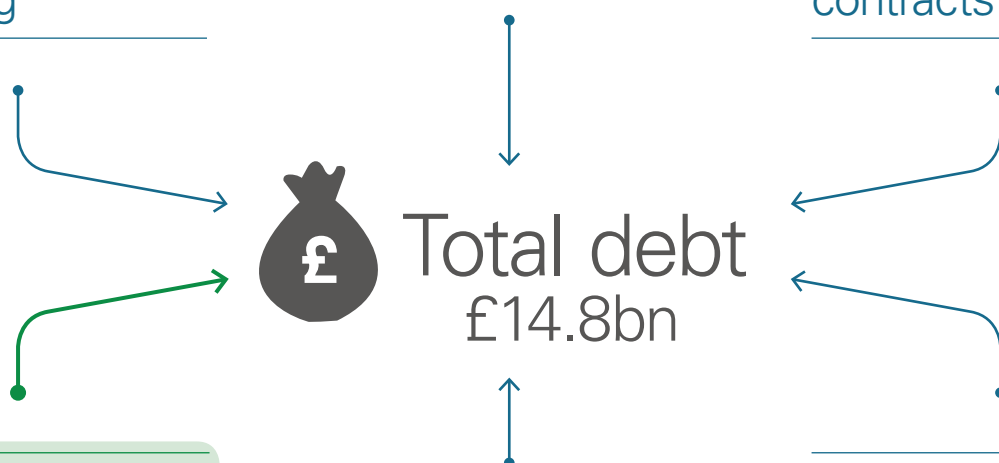
Scottish Government makes payment to public body, based on additional economic growth.

Borrowing £12.1bn

From Public Works Loan Board (public sector source of lending for public bodies)

From banks

Borrowing charges paid from revenue budget over life of loan.



Note: £2.7bn includes finance leases. TIFs, GAM and City Deal are just introduced and are not yet fully operational.

Source: Audit Scotland

Part 1

Setting the scene



Key messages

- 1** Councils' outstanding debt was £14.8 billion at 31 March 2014, with borrowing making up £12.1 billion, 82 per cent of this.
- 2** Councils use borrowing to pay for assets such as schools and roads to provide local services and meet local priorities. This has an impact on future revenue budgets, as the council needs to pay interest on the borrowing. Total assets were £39 billion at 31 March 2014.
- 3** The Prudential Code was introduced in 2004 to provide greater flexibility for councils to manage and control their own capital investment activity following a period of government regulation. Councils' borrowing strategies, levels of borrowing and debt profiles differ widely.

Councils invest in services for communities

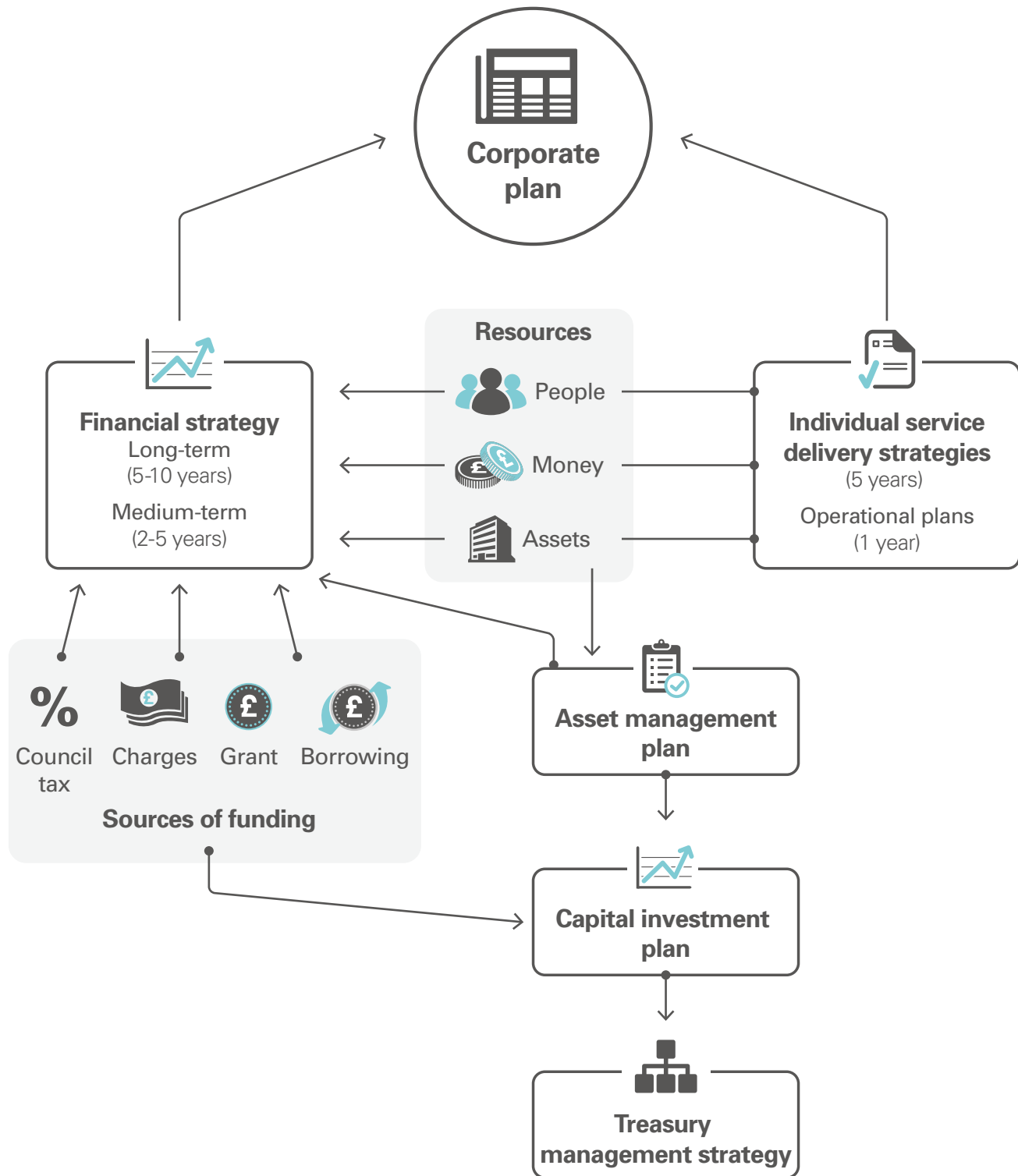
9. A council has a corporate plan setting out its priorities and objectives and how it plans to achieve them ([Exhibit 2, page 11](#)). This may, for example, include the priority to build a new school to deal with an expected increase in demand as a result of significant new housing. These plans are often over the medium term, typically three to five years, but may be over a longer term, ie up to 15 years. The council targets its resources, that is people, money and assets, at its priorities and objectives. The corporate plan should feed into the asset management plan to identify what assets are needed to achieve its objectives. For example, this could be building new housing. The council, through a capital investment plan, sets out how it will finance the spending on these assets. This may be by using cash resources, for example cash reserves built up over time or capital grants, or through external finance.

10. Methods of external finance include borrowing, PFI schemes and other mechanisms including NPD schemes, TIF schemes, or the new GAM. Entering into external financing arrangements will create debt for the council, and means that the council needs to pay financing charges each year over the life of the arrangement, which may be up to 50 years. It is important for a council to assess the affordability of decisions in the context of the financing charges of its total debt.

councils' ability to manage and control their own investment activity is reflected in borrowing levels and strategies

Exhibit 2

Corporate and strategic influences on treasury management strategy



Source: Audit Scotland

11. Councils should also have medium (two to five year) and long-term (five to ten year) financial strategies. The council will estimate future funding and income, costs and demand for services, and how much it will need to spend to achieve its future objectives. The strategy should identify how the council will make up any shortfall between estimated funding and projected costs and demand. The financial strategy should include the financing cost of borrowing and other debt. This is the annual repayment of interest charged on borrowing or other external financing and any other associated costs. Councils make this repayment out of future budgets, so it decreases the level of available budget remaining and reduces flexibility in future budget decisions.

12. Borrowing involves accessing finance and then repaying it over a longer period of time. These periods can be for up to 50 years, so today's decisions can have a sustained impact on future generations. Borrowing decisions involve a careful balancing act between prioritising investment, and making sure the council can:

- manage the consequences of its decisions over the whole life of the borrowing
- provide evidence showing how it will manage these long-term consequences.

13. Borrowing therefore is set firmly within the framework of wider council activity and should be driven by the corporate plan, capital investment plan and medium and long-term financial plans ([Exhibit 2, page 11](#)).

Borrowing is the main element of total debt

Councils' outstanding borrowing is £12.1 billion and has been between £10.5 and £12 billion for the last six years

14. Councils spend around £20.8 billion a year. Of this, £18.6 billion is for day-to-day expenses including salaries, and £2.2 billion on buying, building and maintaining assets such as schools, housing and care homes.

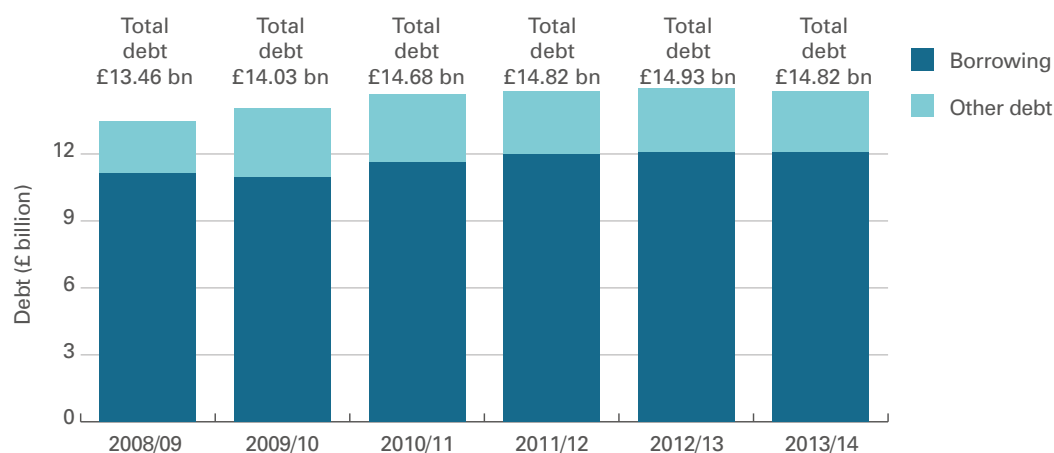
15. Councils' total debt at 31 March 2014 was £14.8 billion, with total assets of £39 billion. Borrowing is the main form of debt for Scottish councils ([Exhibit 1, page 9](#)). Councils had overall borrowing of £12.1 billion at 31 March 2014 and other debt of £2.7 billion ([Exhibit 3, page 13](#)). Borrowing has remained between £10.5 and £12 billion for the last six years. Other debt levels have fluctuated between £2.2 billion and £2.8 billion over the last six years. Other debt comprises both PFI and NPD schemes and the new financing methods, including TIF, GAM and City Deal that are just being introduced.

16. Comparing council borrowing levels over the last ten years, between 2003/04 and 2013/14, shows that 17 of Scotland's 32 councils have increased borrowing levels in real terms, that is, including the effects of inflation ([Exhibit 4, page 13](#)). Changes in borrowing levels over this period reflect differences in councils' corporate priorities, capital investment plans, levels of cash resources and other available financing options, amongst other factors.

17. Councils do not always need to increase debt or borrowing if internal sources of finance are available to them. This includes using cash reserves that have been built up over time or capital grants.

Exhibit 3

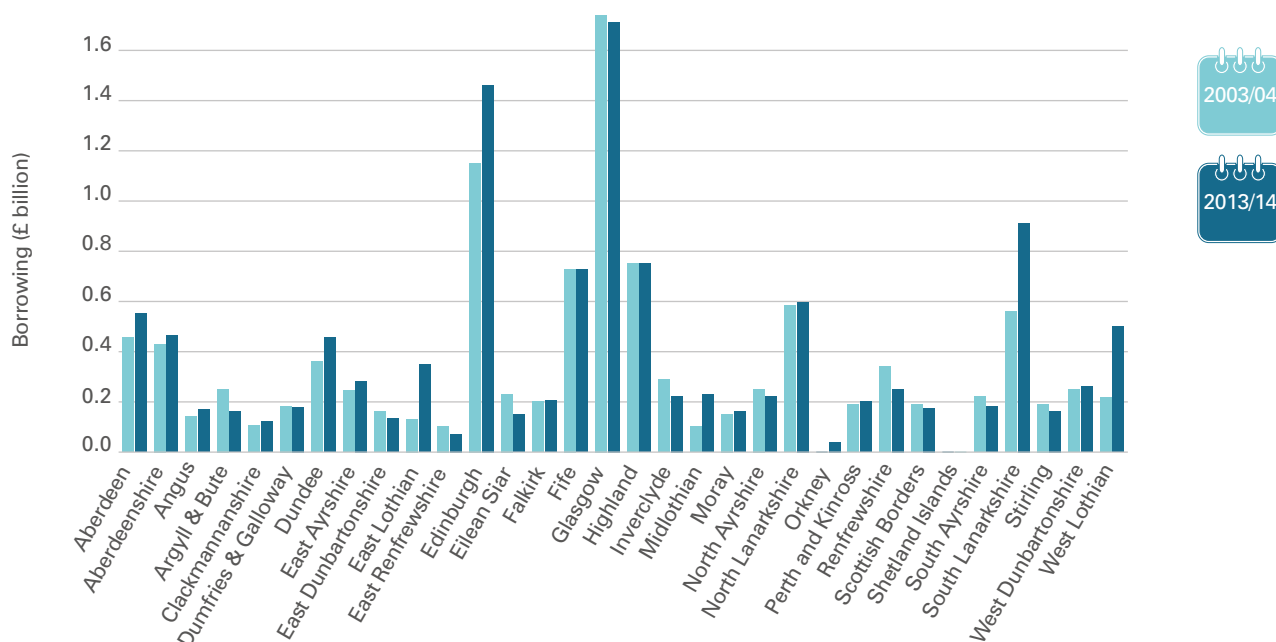
Total debt of Scottish councils (2013/14 real terms prices)



Source: Council audited annual accounts 2008/09 to 2013/14

Exhibit 4

Comparison of total borrowing by councils in 2003/04 and 2013/14 (2013/14 real terms prices)



Source: Council audited annual accounts 2003/04 and 2013/14

18. Current interest rates are low, which is an advantage to councils that need to borrow for capital investment as interest charges are cheaper than when rates are higher. Our analysis shows that two-thirds of councils are currently borrowing, although fewer councils are borrowing now than ten years ago. Councils are borrowing shorter term, typically for less than 15 years, at fixed rates, from government-backed institutions such as the Public Works Loan Board (PWLB), as this has offered the most competitive rates.

Borrowing is a long-term commitment, with a third of current borrowing due to be repaid in over 40 years

19. The repayment of a council's borrowing influences its long-term financial planning and its assessment of whether it will be able to afford its existing borrowing in the future. To manage levels of borrowing we would expect to see a spread of borrowing with different maturity periods so that it is more manageable. We would also expect councils to avoid periods when high levels of repayments may impact on money available for other priorities. On maturity, councils can either decide to repay borrowing, or take a new loan to replace the old borrowing. [Exhibit 5 \(page 15\)](#) shows the profile of borrowing for 2009/10 to 2012/13 and highlights:

- the profile of borrowing is evening out and the percentage of loans maturing in over 20 years has fallen. At 2009/10, over 61 per cent of borrowing would mature in over 20 years; this decreased to 52 per cent by 2012/13
- councils have increased short-term borrowing. At 2009/10, around five per cent of borrowing was for less than two years, increasing to 8.5 per cent at 2012/13
- around a third of councils' borrowing is due to be repaid in the next ten years (35 per cent)
- around another third of borrowing will be due for repayment in over 40 years (34.8 per cent).

Borrowing is a key part of treasury management

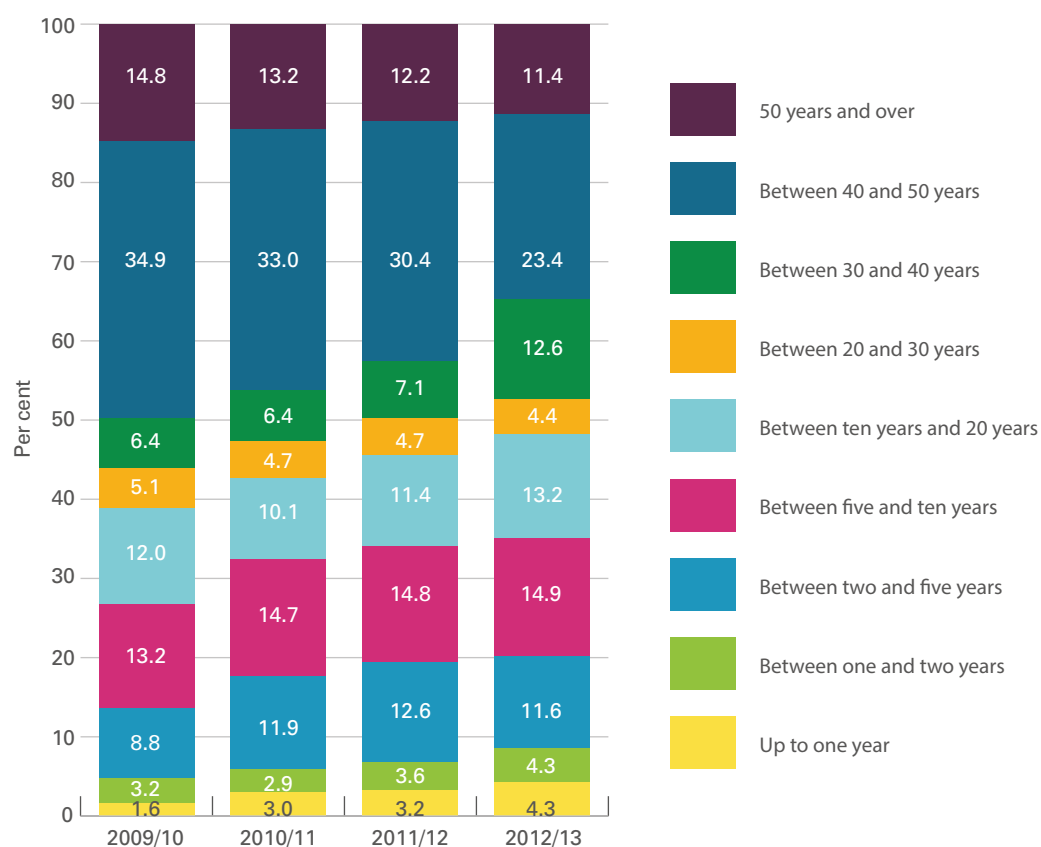
20. Treasury management is the process that councils use to ensure cash is available when needed. This includes day-to-day expenses like paying salaries or electricity bills, and building new assets, such as a new school, or improving existing ones, such as roads. It also involves ensuring that any temporary surplus cash is safely invested. Borrowing is one of the larger cash flows that a council needs to manage, so borrowing is a central part of treasury management. [Exhibit 6 \(page 16\)](#) shows examples of the typical cash flows in a council together with their timing.

21. Councils have two types of budgets to finance and to balance: revenue and capital. Revenue expenditure pays for daily activities like salaries or electricity bills. Capital expenditure is what councils spend on premises, equipment and vehicles; on improvements like roads repairs; and on providing new assets like schools or council houses. Councils can borrow to finance capital expenditure but not revenue expenditure, unless approved by Scottish ministers. Borrowing charges are revenue expenditure. Councils that own council houses must keep a separate budget and account for revenue and capital expenditure on the housing stock.

Exhibit 5

Scottish councils—maturity of total borrowing 2009/10 to 2012/13

Percentage of borrowing due to be repaid in the periods shown.



Source: *Capital Expenditure and Treasury Management*, CIPFA Statistics, June 2014

Borrowing to invest in housing must be repaid from the future housing budget, and therefore funded from future housing rental income.

Councils must comply with borrowing and treasury management rules and regulations

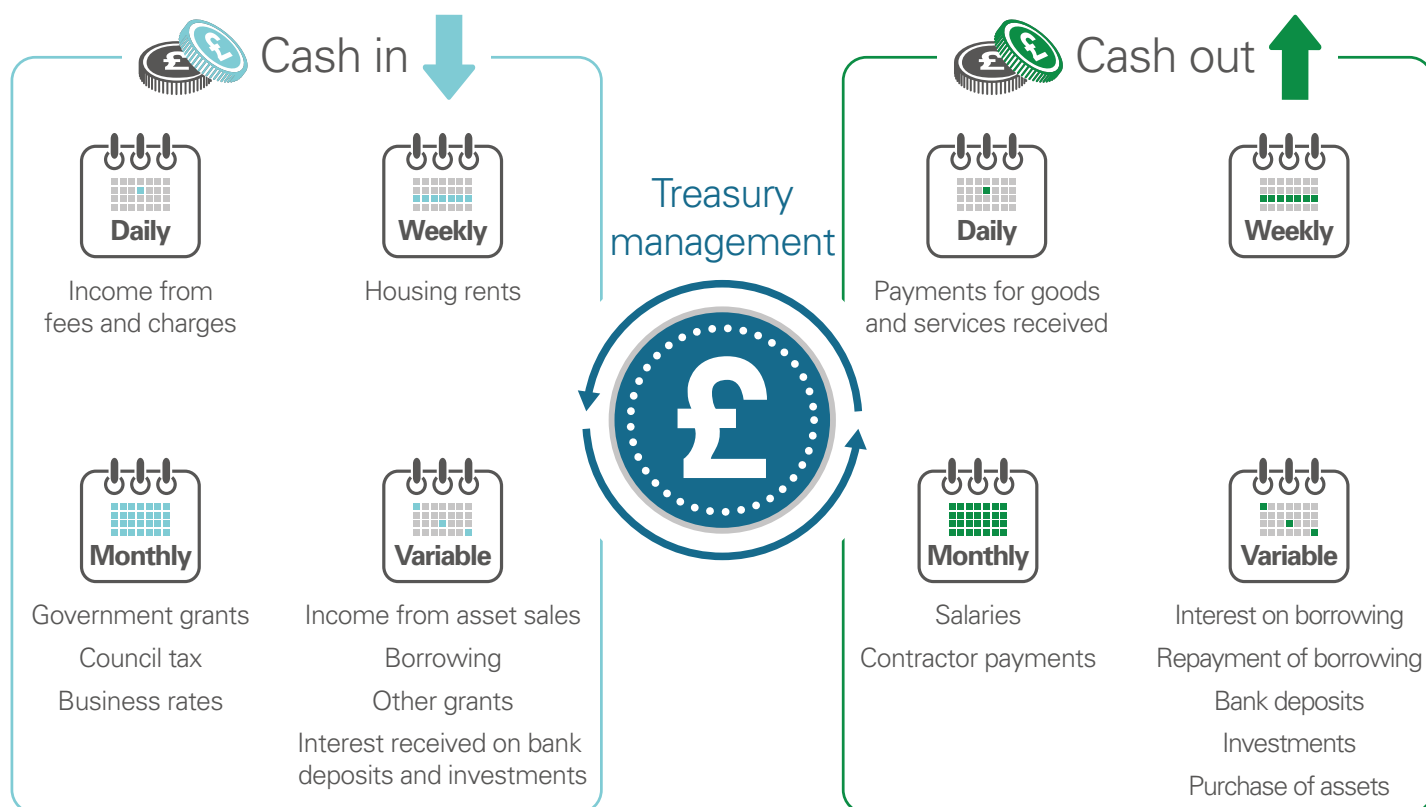
22. In recognition of the importance of capital investment in assets and treasury management to council activities, CIPFA and the Scottish Government set codes of practice and regulations for councils to follow. These ensure that councils have effective processes and practices in place to control, manage and govern capital investment decisions, that include borrowing, and treasury management practices ([Exhibit 7, page 17](#)).

23. The Prudential Code was introduced in 2004 as a framework to support councils and help them show effective control over levels of, and decisions relating to, capital investment activity, including borrowing. Before this, capital investment levels in councils were government-regulated.

Exhibit 6

Treasury management activities

An example of a council's cash flows with their timing to demonstrate their variability and predictability.



Source: Audit Scotland

24. This self-regulating approach has enabled councils to adopt borrowing and treasury management strategies that fit with their corporate plans and objectives. The framework allows for councils themselves to judge what is affordable and sustainable and will differ depending on local circumstances. The Prudential Code sits alongside CIPFA's treasury management code, which sets out the requirements for professional treasury management practice.

25. A key requirement of the codes is for councils to produce an annual treasury management strategy before the start of each financial year. CIPFA and the Scottish Government recommend that this is a single integrated strategy that combines plans for capital investment, including borrowing, treasury management, and investment. It also recommends that the strategy includes prudential indicators that are set out within the Prudential Code. These form a set of 12 limits and ratios that all councils must calculate and use to show to councillors and the public that capital investment plans are affordable and sustainable.

Exhibit 7

Codes of Practice and Regulations

The Prudential Code for Capital Finance in Local Authorities–CIPFA	A professional code of practice to help councils with capital investment decisions by providing a framework. The Prudential Code sets out indicators that councils must use to help demonstrate public accountability. It also recommends that councils have an integrated treasury management strategy within which its borrowing and investments are managed.
Treasury management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes–CIPFA ('the CIPFA treasury management code')	Adopting this code is a requirement of the Prudential Code. This makes recommendations to provide a basis for councils to create clear treasury management objectives and to structure and maintain sound treasury management policies and practices. A key recommendation is for a treasury management strategy before the start of the year, a mid-year report and an end-year review report.
Finance Circular 5/2010–The investment of money by Scottish local authorities	Provides Scottish ministers' consent for councils investing money and sets out the recommendations and requirements they must meet when making investments. It requires local authorities to 'have regard' to the Prudential Code and the Treasury Management Code and recommends that the strategy form part of a wider single annual strategy covering capital investment, treasury management and prudential information.
Local Government (Scotland) Act 1975	Sets out the statutory basis on which councils can borrow and lend.

Source: Audit Scotland

26. This report focuses on borrowing, to finance capital investment, and treasury management. Most of the indicators are not specific to borrowing but relate to total capital investment and are calculated using figures for total finance costs, total capital expenditure or total debt. This allows councils to assess the affordability of borrowing in the context of the total debt position of the council. The indicators relating specifically to borrowing are the estimated and actual capital financing requirement. This calculates the amount of capital investment that needs to be met from borrowing or other method of external finance.

27. The prudential indicators are designed to help councils make and record local decisions. They are not designed to be comparative performance indicators across councils as they are set according to the individual needs of each council. In particular, councils had widely different debt positions when the Prudential Code was introduced. These differences are likely to increase over time as councils' choices reflect local priorities. The system is designed specifically to help councils take local decisions in ways that are publicly accountable.

Our fieldwork sites reflect the variation in councils' borrowing and treasury management strategies

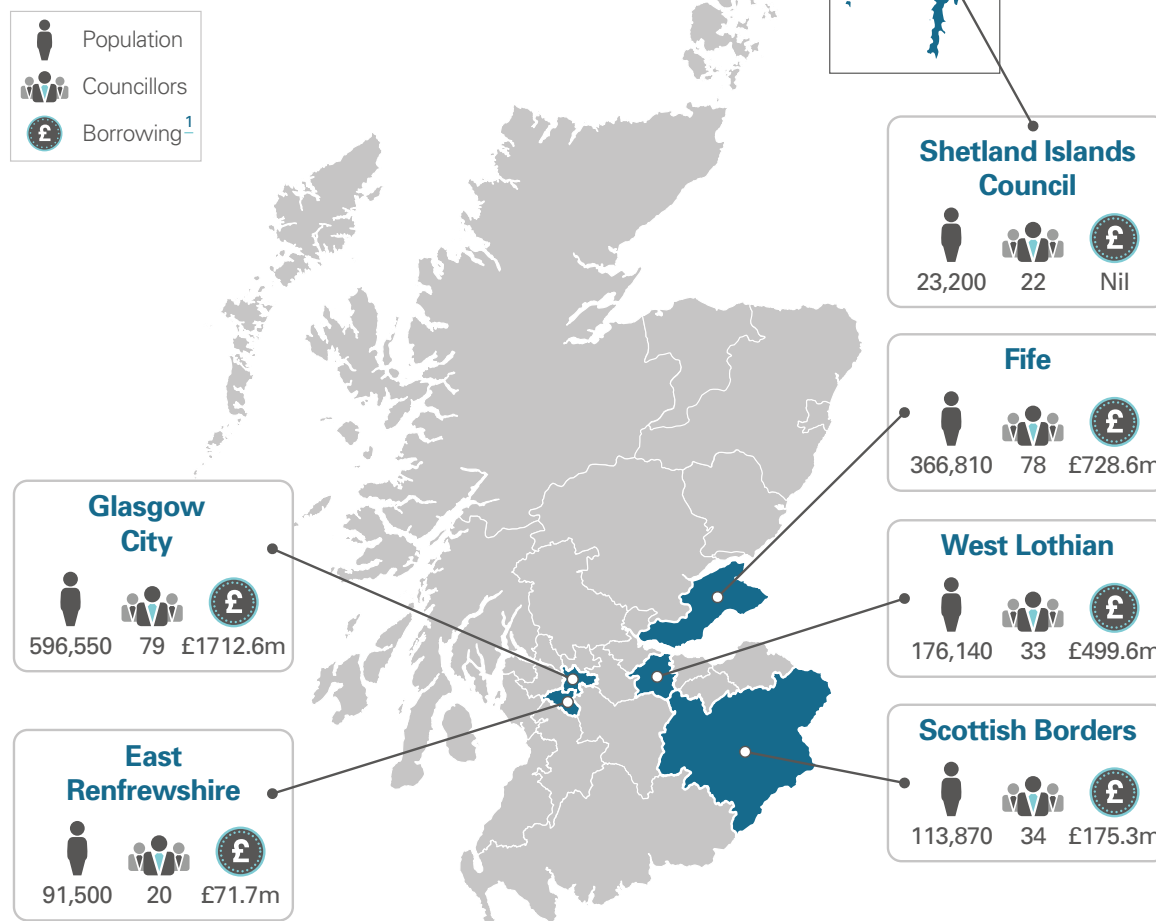
28. We reviewed the strategies of 12 councils to give us a better indication of the variation in local circumstances, the need for borrowing and the resulting treasury management strategy. We selected six councils out of the 12 to undertake more detailed fieldwork, including interviews.

29. Our six fieldwork sites reflect the level of variation in councils' borrowing and treasury management strategies, and therefore their levels of borrowing ([Exhibit 8, page 19](#) and [Exhibit 9, pages 20 and 21](#)). Although interest rates are currently low and expected to increase, not all councils have set their strategy to borrow for future capital investment. For example, East Renfrewshire Council has not borrowed externally for five years, but it has previously financed a higher proportion of investment through other methods of external financing such as the PFI scheme, and therefore has a higher proportion of other debt. Shetland Islands Council had never borrowed until July 2014. This change in strategy was as a result of appraising whether using internal cash reserves or borrowing at low interest rates represented the best value for the council.

30. Councils have different sizes of capital investment programmes to finance. Some councils have no housing stock to improve and add to, while others must consider how to invest in their housing stock without placing too high a burden on future housing budgets and rents. Councils must repay the borrowing and interest charges for investment in housing from the housing revenue budget; whereas investment in other assets must be repaid from the general budget.

Exhibit 8

Financial facts relating to fieldwork councils 2013/14



	Shetland Islands	East Renfrewshire	Scottish Borders	West Lothian	Fife	Glasgow City
Fixed assets ²	£406m	£770m	£416m	£1,346m	£2,151m	£4,367m
Investments ³	£211.4m	£45.1m	£13.7m	£117.1m	£3.1m	£136.5m
Cash reserves ⁴	£240.9m	£53m	£25.7m	£114.8m	£90.6m	£135m
General capital programme ⁵	£69.5m (2014-19)	£100.7m (2014-22)	£271.4m (2014-24)	£277.3m (2013-18)	£532.2m (2013-23)	£455.7m (2013-18)
Housing capital programme ⁵	£5.8m (2014-19)	£17.2m (2014-19)	No housing	£202.9m (2013-18)	£390.4m (2013-23)	No housing

Notes:

1. Borrowing is long and short-term borrowing from council audited accounts at 31 March 2014. 2. Fixed assets is the value of long-term tangible fixed assets, such as buildings and equipment, and long-term intangible assets such as software, from the audited accounts at 31 March 2014. 3. Investments includes long and short-term investments, investment property where relevant, and cash and cash equivalents from the audited accounts at 31 March 2014. 4. Cash reserves is the total usable reserves of the council, from the audited accounts at 31 March 2014. 5. The length of councils' capital programmes can vary and spending is phased over the length of the programme. The timeframe of each council's programme is given in brackets.

Source: Council audited annual accounts 2013/14; *Mid 2013 Population Estimates Scotland*, National Records of Scotland, June 2014

Exhibit 9

Key borrowing facts for our six fieldwork councils

Graph A

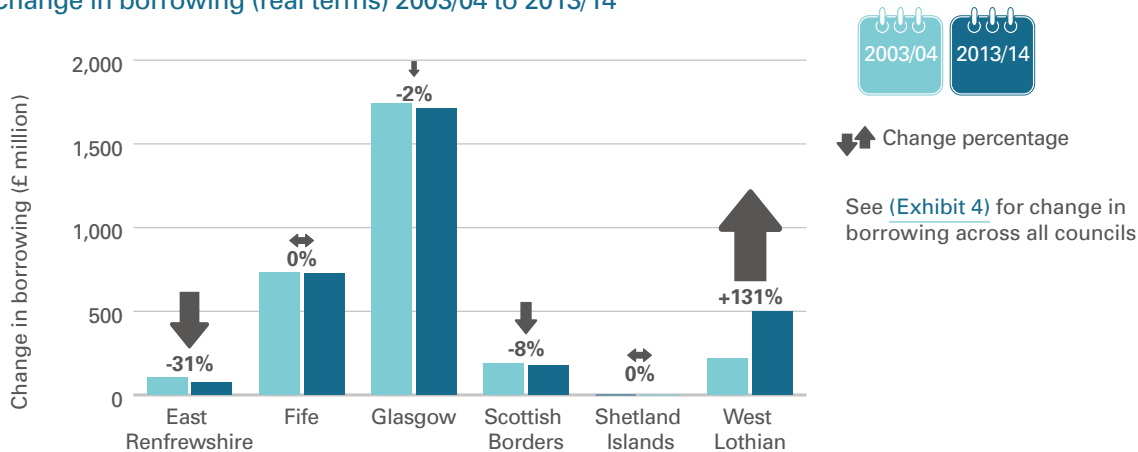
2013/14 debt levels



Source: Council audited annual accounts 2013/14; Mid 2013 Population Estimates Scotland, National Records of Scotland, June 2014

Graph B

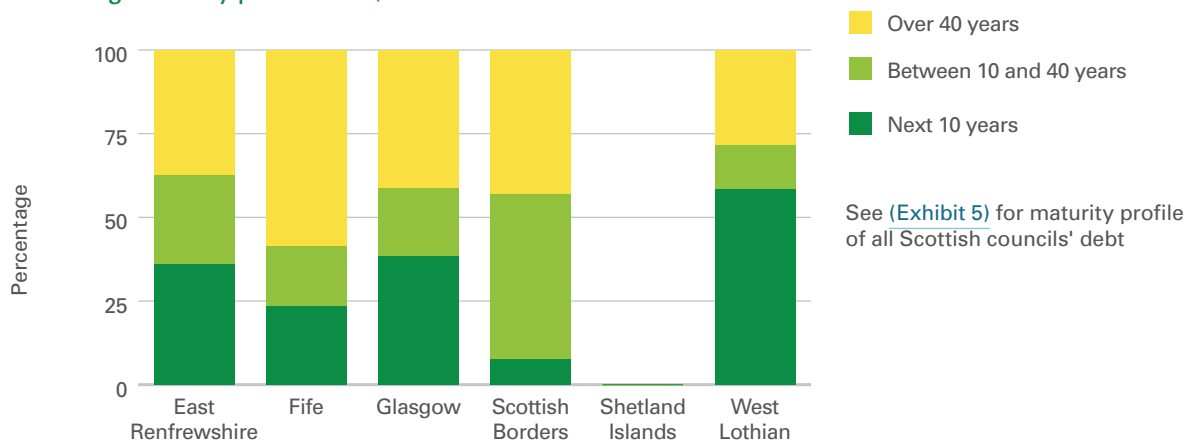
Change in borrowing (real terms) 2003/04 to 2013/14



Source: Council audited annual accounts 2013/14

Graph C

Borrowing maturity profile 2012/13



Source: Capital Expenditure and Treasury Management, CIPFA Statistics, June 2014

Exhibit 9 (continued)

East Renfrewshire Council

- Just over half of East Renfrewshire's debt relates to PFI/PPP schemes for schools and roads **(Graph A)**.
- The council has not undertaken any external borrowing since 2009/10. The overall level of borrowing has been reduced by 31 per cent compared to ten years ago **(Graph B)**.
- The borrowing maturity profile generally follows the national profile with approximately one-third of borrowing to be repaid in next 10 years and one-third over 40 years **(Graph C)**.
- Capital investment requirements are currently being met with cash from reserves, cash balances and cash flow.
- The council will need to borrow to participate in the City Deal project.

Fife Council

- Borrowing makes up 90 per cent of the council's total debt **(Graph A)**.
- The council has borrowed £165m since 2008/09. The level of borrowing has remained static compared to ten years ago **(Graph B)**.
- Almost two-thirds of borrowing needs to be repaid in 40 years or more **(Graph C)**.
- The council uses a combination of cash, council reserves and borrowing to meet capital investment requirements.
- The council is a pilot site for a TIF scheme which will involve an element of borrowing.

Glasgow City Council

- Borrowing makes up 90 per cent of the council's total debt **(Graph A)**.
- The council has taken out loans of £677m since 2008/09. The overall level of borrowing has decreased slightly, by two per cent, compared to ten years ago **(Graph B)**.
- The borrowing maturity profile is broadly aligned with the national profile **(Graph C)**.
- The council uses funds and reserves, and has a preference for cheaper short-term borrowing for capital investment purposes.
- The council will need to borrow to participate in the City Deal project.

Scottish Borders Council

- Borrowing makes up 75 per cent of the council's total debt **(Graph A)**.
- The council has taken out loans of £7.5m since 2008/09. Overall level of borrowing has fallen by eight per cent compared to ten years ago **(Graph B)**.
- It has a small proportion of borrowing maturing in the next ten years when compared to other councils **(Graph C)**.
- The council has been using reserves cash balances and cash flow for capital investment.
- It has received consent to borrow for lending to support the National Housing Trust and Registered Social Landlords.

Shetland Islands Council

- The council borrowed for the first time in 20 years in summer 2014. Borrowing is only planned to fund the new Anderson High School, the council is using cash balances or reserves to fund other capital expenditure.
- It will borrow for capital expenditure if interest rates are lower than average investment return.

West Lothian Council

- Borrowing makes up around 90 per cent of the council's total debt **(Graph A)**.
- Has taken out £371m in new loans since 2008/09. Overall level of borrowing has increased compared to ten years ago **(Graph B)**.
- Over half (59%) of the council's borrowing is due to mature in the next ten years **(Graph C)**.
- Will continue to borrow externally while interest rates remain low.

Part 2

Demonstrating the affordability and sustainability of borrowing



Key messages

- 1** The six councils in our sample are following the general principles and framework of relevant codes and regulations.
- 2** Councils are using the prudential indicators to demonstrate and monitor the short-term affordability of borrowing. But councils are not clearly analysing and reporting their assessment of the longer-term affordability and sustainability of borrowing. Officers present the repayment profile of borrowing to councillors, but are not presenting this together with other information such as different budget scenarios, interest rates scenarios, or capital investment strategies. This is important to inform councillors of the future risks to the affordability and sustainability of current and new borrowing.
- 3** Long-term financial planning will help councils develop more detailed analysis on the longer-term affordability and sustainability of borrowing.
- 4** Councils could present information more clearly to councillors. Some councils are not presenting councillors with all the relevant information at one time to support borrowing decisions, for example in the treasury management strategy. This is important to ensure that decisions made are based on an assessment of all the relevant analysis and risks.

clear reporting to councillors on affordability and sustainability is important for sound decision making

Councils assess the short-term affordability of borrowing

31. Councils should have short, medium and long-term financial strategies that include the financing cost of borrowing and other debt and show the impact on the revenue budget. Decisions on borrowing and other debt need to be taken on the basis of affordability.

32. Our evidence shows that councils demonstrate the short-term implications of borrowing and other debt financing on the revenue budget through use of the prudential indicators. There are 12 prudential indicators that councils must set for each year. Eleven of them must be set for a minimum of three years ahead. Two of these 11 indicators specifically highlight the affordability of capital investment decisions, including borrowing ([Exhibit 10, page 23](#)). These indicators cover all debt and are not specific to borrowing.

Exhibit 10**Affordability prudential indicators**

Indicator	What it means	What it is used for
Financing cost to net revenue stream: actual and estimated for next three years	The percentage of the revenue budget set aside each year to pay debt financing costs	- Assesses the risk to future budgets, eg from changing interest rates - Provides comparisons over time - Measures the impact of changing financing costs on the financial strategy
Impact of capital investment decisions on council tax and housing rents	This estimates the impact of new capital investment decisions on council tax and on the average weekly housing rent	- Allows councillors to consider all the council's plans at budget setting time - Allows comparison of different capital financing options by assessing the potential impact on council tax or housing rents

Source: CIPFA Prudential Code

33. The Prudential Code requires councils to estimate the impact of capital investment on the budget for the next three years, as a minimum. No councils in our sample reported estimates for a longer timeframe, and no councils had developed their own indicators to assess affordability. The Prudential Code suggests that councils use their own additional indicators, and this would be a good option for councils to monitor an impact that was important and relevant to their strategy.

34. The indicator 'financing costs to net revenue stream' is used to show how much of council income would be used to pay borrowing and debt charges. For councils with housing, they must separately calculate this indicator showing how much of housing rents income will be required to finance housing-related borrowing and debt charges. [Exhibit 11 \(page 24\)](#) shows the data published by West Lothian Council to provide an example of how this indicator is used.

Exhibit 11

An example of a council's ratio for 'financing costs to net revenue stream'

West Lothian Council is planning to invest in its assets over the next three years, including a council house new build programme. This is shown by the increasing capital financing requirement. Its strategy is to borrow in order to finance this capital investment. The impact of this is to increase the ratio of 'financing costs to net revenue stream' for both the general revenue budget, and the housing budget. This example shows that there is an expected increase in the proportion of income used to finance capital investment over the next three years. It will increase from 7.3 pence of every £1 to 8.6 pence. In relation to investment in housing the expected increase is from 20.8 pence in every £1 of housing rent income to 31.2 pence.

	2013/14 actual	2014/15 estimate	2015/16 estimate	2016/17 estimate
Capital financing requirement				
General Fund	£438,788	£444,404	£446,834	£446,534
Housing	£148,885	£174,561	£200,871	£226,174
Ratio of financing costs to net revenue stream				
General Fund	7.3%	7.8%	8.3%	8.6%
Housing	20.8%	25.4%	28.9%	31.2%

Source: West Lothian Council treasury management annual and prudential indicator reports

Councils are not making good use of all prudential indicators

35. The indicator for the 'impact of capital investment decisions on the council tax/housing rents' is a good example of how councils demonstrate, to councillors and the general public, what the financial implications of council decisions could be for members of the public. This could be an increase or decrease in council tax or housing rents.

36. We found that all councils are reporting this indicator. Out of our sample, three of the 11 councils that we reviewed did not report any impact of capital investment on council tax.¹ The main reason for councils not doing this is that there is currently a freeze on councils' ability to increase council tax. We acknowledge that while the council tax freeze remains, council tax may not increase, but the indicator can still be used to demonstrate what the potential impact of capital investment plans would be. The council tax freeze makes it more important to show how much of the budget is being used to finance capital investment. Councils may also seek to reduce any impact on the budget through making savings. In these cases, we would expect this to be clear in the narrative to the indicator.

Councils are not clearly analysing and reporting the long-term affordability and sustainability of borrowing decisions

37. Councils face reducing revenue budgets and increasing demand for services. As a result many councils have projected funding gaps and need to generate recurring long-term savings. Councils' existing borrowing commitments extend for up to 50 years, and while any current decisions to borrow allow

the council to invest in services they also place more pressure on revenue budgets. Councils therefore need to clearly set out how current and past borrowing decisions impact on the future revenue budget over the life of the borrowing term. The Prudential Code sets out a minimum three years for reporting prudential indicators. Borrowing commitments can extend up to 50 years and, in our view, three years is inadequate to demonstrate to councillors the affordability of borrowing.

38. We found that, while councils were demonstrating the impact of borrowing decisions over a three-year period using prudential indicators, none of the councils in our sample presented councillors with a longer-term view. The Prudential Code provides a minimum framework for councils to demonstrate and monitor the impact of their capital financing decisions on their future budget and income streams. In our view councils could extend the use of the framework and provide an extended analysis to demonstrate the longer-term affordability of borrowing. Officers could provide us with: information on capital investment requirements for up to ten years, when borrowing is due to be repaid and what this will cost, and interest rate forecasts, but there was no analysis bringing this together with budget scenarios to assess affordability. Councillors are not therefore always provided with information on the future affordability of new borrowing and the potential risks. This analysis should bring together the financing charges for all debt, to consider peaks in charges, and the additional risks of new borrowing or debt to this affordability profile.

Demonstrating the affordability and sustainability of borrowing needs effective long-term planning

39. Our report on [Scotland's public finances: Progress in meeting the challenges \[PDF\]](#)  highlighted a lack of long-term financial planning. Long-term financial planning should include scenario planning to outline the different options available to the council based on a range of different assumptions about income, expenditure and activity. The borrowing and treasury management analysis could expand on this financial planning to look at the impact on affordability of using borrowing or different finance methods within each of the options. It could also add external assumptions including changes in interest rates to look at future risk factors to the affordability of borrowing. [Exhibit 12 \(page 26\)](#) highlights how the information in a long-term financial plan can be used to inform detailed analysis on borrowing and treasury management.

40. This more detailed analysis and scenario planning would allow officers and councillors to be clear about the evidence supporting decisions on borrowing. It would highlight all the financing options available and the risks and affordability of each option. Councillors would be aware of any risks when making a decision. As councils are required to produce an annual treasury management strategy, such analysis could be included in the strategy. The strategy would bring together all the key information and set out the supporting evidence. As a public document this would increase the transparency of council decisions.

Councils' treasury management strategies need to clearly demonstrate a more integrated approach

41. The treasury management strategy provides the council with an opportunity to set out its approach and rationale to borrowing, and to provide assurance on how borrowing and treasury management activity will help the council to meet its objectives. Strategies should clearly demonstrate the links to other council

Exhibit 12

The key components of long-term borrowing analysis

Components of long-term financial planning	Essential elements to inform a long-term borrowing analysis	Example
Scenario planning Scenario planning to outline the best, worst and most likely scenarios of the financial position and the assumptions used	• Projections for financial settlements, both revenue and capital • Long-term economic forecasts and inflation rates • Projections for interest rates	The council develops scenario plans for the revenue budget based on a range of assumptions about future revenue streams. This is compared with projected borrowing charges to highlight potential periods of pressure on the revenue budget
Assets and reserves Details of assets and reserves and how these will change over time	• Borrowing profile and schedule of repayments • Future reserves policy and contingency levels • Projected reserve levels (based on scenario planning above) • Future impact of asset management plans	A council is currently using reserves to finance capital investment. It could use different combinations of borrowing and reserves to finance projected capital investment needs. The council should model these different combinations to show the impact on reserve levels and the revenue budget. This would highlight the risks and benefits of each combination
Capital investment activity Details of investment needs and plans and how these will be paid for	• The impact of future service demands on capital investment needs. There may be a range of options • Estimated cost of the capital investment options • Future available funding options • Projected borrowing rates	A council has a range of existing borrowing and wider debt, including PFI. The council should prepare analysis showing the combined financing charge to the revenue and service level budget over the life of the asset or borrowing term. This would be based on different scenarios of interest rates or inflation. If the council wants to invest in more capital, it can model the additional impact of borrowing or debt onto this analysis

Source: Audit Scotland

strategies and plans such as the capital programmes, short, medium and long-term financial strategies, reserves policies, etc. The strategy enables councils to bring together this key information and to show how borrowing decisions fit into this bigger picture.

42. We evaluated strategies against the requirements and good practice recommendations of the Prudential Code, Treasury Management Code and Scottish Government investment regulations. The codes and regulations largely cover operational practice, and councils generally met their requirements. We found the language of the codes and regulations difficult to interpret. Strategies that followed the good practice recommendations as well as the requirements were clearer and told a better story about the council's intended direction for borrowing and treasury management. Scottish Borders Council presents this wider story within its strategy and it is a good example of a clearer strategy.

Not all strategies clearly show the link to corporate and capital plans

43. None of the strategies of our fieldwork councils refers directly or provides links to corporate objectives. This is important to demonstrate how the proposed strategy will help the council to meet its overall aims and objectives and improve services to communities.

44. Councils' treasury management strategies link plans for future capital investment, the financing and affordability of those plans and how cash will be safely managed to meet a council's financial commitments. We acknowledge that there is a wider process within councils to consider and agree capital investment programmes and plans. This includes the use of capital working groups or committees, usually comprising a mix of officers and councillors. These are not usually public forums and the associated reports and papers are not usually public documents. As outlined at paragraph 41, the treasury management strategy is the public document that should bring together capital investment plans and the financing of those plans, including borrowing. In our view, it is the appropriate document for councils to use to demonstrate that other options have been considered. Some councils choose not to approve annual capital investment plans, for example Glasgow City Council approved a two-year capital plan for 2013/14 and 2014/15. It is important therefore for councils to reflect the links to capital investment plans in their annual strategy.

45. Councils do not borrow for specific projects but consider how to finance their whole capital investment programme each year. In identifying the capital expenditure for the year they identify internal sources available before considering borrowing. The Prudential Code requires councils to calculate their 'capital financing requirement', which is the capital expenditure that they need to finance from other sources, that is, through borrowing or other method of external finance.

46. References to the capital programme and capital investment plans vary in detail within strategies. Councils are making better links between treasury management and capital investment at operational level through closer working between treasury management and capital functions but this link is not always reflected in strategies. Glasgow City and East Renfrewshire councils refer to the capital financing requirement and prudential indicators within their strategy,

making the link to capital investment. The Scottish Borders Council strategy is clearer and provides a much wider perspective on its capital investment plans in the strategy including capital expenditure forecasts, capital financing assumptions, the predicted borrowing need and affordability. Relevant prudential indicators are used throughout the strategy.

47. We found little evidence of councils actively sharing strategies with each other to inform good practice, or different ways of presenting information. Some strategies, for example councils in the Lothian region, had similar sections and wording.

Councils are not always using the strategy to clearly explain the prudential indicators

48. We found variation in how councils link the prudential indicators with the treasury management strategy and how the strategy fits with the revenue budget setting process. Councils should use the prudential indicators to demonstrate affordability, prudence and sound treasury management in capital investment decisions. The local authority investment regulations recommend that the treasury management strategy will cover capital, investment and borrowing and the prudential indicators.

49. Only two of six fieldwork councils (Scottish Borders and Shetland Islands councils) included the prudential indicators as a key part of the strategy. Other councils included these indicators as an appendix, and East Renfrewshire Council reports the indicators separately in a different report.

50. We found that councils are setting and reporting on prudential indicators to the full council and appropriate committees but the level of commentary provided within reports is variable. References in reports to the indicators are based on the technical definitions, with few giving the overall context and implications. This is particularly the case where the prudential indicators are provided solely as an appendix to the treasury management strategy or a separate report. A lack of context means that the council is not providing an explanation of how it is actively using the indicators to measure and monitor the affordability of borrowing. Nor is it explaining what the indicators actually mean for the council and its communities, in terms of increasing or decreasing pressure on budgets, or any risks highlighted by the forecast indicators.

Recommendations

Council officers should:

- use the treasury management strategy to present a wider strategic view of borrowing and treasury management. It should use clear and accessible language and be prepared for councillors as the key audience. It should include how the borrowing strategy is informed by corporate priorities and capital investment needs. The strategy should include:
 - links to capital investment plans and corporate objectives
 - all borrowing and other debt
 - prudential indicators as a core part of the strategy
 - a clear assessment of the affordability and the impact on revenue budgets both in the short and long term
 - create more detailed and longer-term borrowing and treasury management analysis as informed by the council's financial strategy. It should include:
 - scenario planning to show the potential impact of different budget scenarios, income generation plans, and changes in external factors such as interest rates
 - analysis of capital financing options, to compare affordability and sustainability between different debt and borrowing options
 - the use of indicators over a longer period than the minimum three years set by the Prudential Code
 - share strategies with other councils to help inform good practice and exchange of ideas.
-

Part 3

Effective management and scrutiny



Key messages

- 1** Treasury management is a professionally run function in councils with appropriately qualified officers. Joint planning with other councils, ongoing training and the availability of appropriate professional qualifications are important.
- 2** Scrutiny of borrowing and treasury management decisions could be improved. This involves officers providing clearer information to councillors to help them in their scrutiny role. In most councils the content and clarity of reports could be improved, particularly performance information in year-end reports. All reports need to be easily accessible to councillors and the public.
- 3** Councils need to provide a range of training and support to councillors to help improve scrutiny of treasury management. We found no additional formal arrangements in place specifically aimed at helping councillors in this complex area.
- 4** We found some examples where governance structures do not fully meet the codes' requirements and where there could be more consistency in reporting arrangements.

**councillors
need a
combination
of scrutiny
skills and
knowledge
of treasury
management
to carry out
their role
effectively**

Treasury management is a professionally run function

51. Treasury management staff in councils deal with the day-to-day treasury functions, including managing short-term cash. They also develop the treasury management strategy and related reports to councillors. The links between the capital investment function and treasury management functions have been strengthened over the last ten years in the councils we visited. The staffing structure within most councils deliberately brings the functions together. For example Scottish Borders Council has a structure that places capital investment and treasury management functions together. It also undertook a recent restructuring to separate out day-to-day transactions, allowing capacity for the development of forward planning and strategic development. In Fife Council the treasury management and capital investment functions are separate. However, staff from the capital investment function have been working in the treasury management function and this has strengthened the links between the two functions.

52. The size of the treasury management function is related to a council's size and budget. The number of personnel involved in treasury management in our

sample varied from less than a full-time equivalent at East Renfrewshire Council to two full-time equivalents at Glasgow City Council. We would expect staff numbers to vary across councils according to the level of treasury management and borrowing activity, and the budget.

53. Officers involved in treasury management have relevant experience and qualifications, and some hold the CIPFA treasury management qualification. Training for new officers is currently provided by on-the-job experience, CIPFA treasury management network events, the treasury management forum, technical updates and toolkits, Capita seminars and training sessions.

54. Treasury management is an important function in councils and they need to actively plan for the succession of qualified staff members and other professional training needs that may arise. CIPFA do not currently provide the treasury management qualification owing to insufficient demand but have enhanced their treasury management network. Other treasury management qualifications are available for councils to consider.

55. Officers recognise that keeping in contact with other treasury managers and those involved in treasury management is critical. The CIPFA treasury management forum provides a source of information that enables officers to develop knowledge, discuss areas of concern and share information.

56. All councils use external treasury management advisers. The services provided include professional treasury management advice, seminars and training for officers and elected members and regular information on economic forecasts. Capita provides services to 28 Scottish councils, including all of those in our sample. There is an inherent risk in having a single provider of advice to so many councils, however, we found that all councils had bought services through open tendering processes within the last four years for terms of between three to five years. All council officers meet regularly with Capita to review their objectives, options, strategies and performance.

Council governance structures are in place but not all meet code requirements

57. The codes of practice and regulations place certain requirements on a council's governance structures:

- They recommend that the full council should approve the treasury management strategy.
- They require a specific committee to be responsible for scrutinising reports.
- They also require borrowing and treasury management activities to be structured and managed in a fully integrated manner and for responsibilities to be clear.

58. CIPFA considers that it is an essential part of a public service organisation's treasury management arrangements to have clearly defined responsibilities for approving and scrutinising borrowing and treasury management activities.

Exhibit 13 (page 32) includes a summary of the main tasks involved in treasury management and suggested allocation of duties.

Exhibit 13

Allocation of responsibilities for scrutinising borrowing and treasury management activities

Full council	• Receives and reviews reports on treasury management policies, practices and activities • Approves annual strategy
Committee or panel with responsibility for scrutiny	• Approves or amends the organisation's treasury management policy statement and treasury management practices • Considers and approves budget • Approves the division of responsibilities • Receives and reviews regular monitoring reports and acts on recommendations • Approves the selection of external service providers and agrees terms of appointment • Reviews the treasury management policy and procedures and makes recommendations to the responsible body
The responsible officer	• Monitors the council's compliance with policy and practices • Submits regular treasury management policy reports • Submits budgets and budget variations • Recommends the appointment of external service providers

Source: Audit Scotland

59. For our sample of 12 councils we looked at the approval, recommendations and scrutiny for each report. Most councils fully met the requirements of the codes but we found the following arrangements that were not in line with the codes' requirements and other arrangements that may not give members the opportunity to scrutinise reports consistently:

- The treasury management strategy at Glasgow City Council is considered and approved by the Executive Committee. The full council considers and approves the minutes of the Executive Committee.
- The governance structure at Fife Council is such that the Executive Committee has responsibility for all budget and treasury management decisions. Full council then approves treasury management reports through the minutes.
- Shetland Island Council's Executive Committee approves the treasury management strategy but receives no other reports.

- In East Renfrewshire Council, the Audit and Scrutiny Committee approves the strategy but the Executive Cabinet scrutinises the mid-year, and year-end reports.

Councillors need further support to improve their scrutiny role

60. Borrowing and treasury management decisions are complex and involve a significant level of financial risk. It is essential that any decisions are effectively scrutinised to demonstrate sound financial management and help councils achieve their local outcomes and priorities. Councils' scrutiny committees are a vital part of a council's governance arrangements and it is important that these committees are effective. Councils have a responsibility to ensure that those charged with governance have access to the skills and knowledge they need to carry out their role effectively. The councillors on committees need to have a combination of technical knowledge and scrutiny skills for the committee to be most effective. Those charged with governance also have a personal responsibility to ensure that they have the appropriate skills and training for their role. We found that councils provide both scrutiny training and treasury management training to councillors. Scrutiny training tends to be provided at the start of a political term, or for new councillors, as part of the induction process.

61. In areas of high importance and complexity, such as treasury management, additional scrutiny arrangements can be put in place. For example:

- Councils seek members with appropriate expertise for the relevant scrutiny panel.
- Councils nominate lead members for borrowing and treasury management to help guide other members.
- Councils seek external expertise to help members on the scrutiny committee.

62. We found some examples where this was being applied. Scottish Borders Council appoints non-executive members to its Audit Committee to provide financial expertise. Fife Council has a lead member for finance. Some councillors on scrutiny committees have highly relevant financial experience but, apart from Scottish Borders Council, councils do not have formal processes in place for selecting councillors with relevant skills.

63. The most important aspect of scrutiny is the challenge of reports and information presented to councillors through asking questions. We found variation in the type of questions that councillors ask, from issues of detail to clarification of the meaning of phrases in reports. Some councillors told us that they are not always confident in challenging the strategy and framework for future decisions and asking questions about the content of reports. Many have built up trust and confidence in officers and look for officers to highlight issues or problems for them. All councillors we spoke to would welcome additional support in their scrutiny role. We have prepared a supplement to this report which includes questions to help councillors in their scrutiny role.²

Officers need to present clearer and fuller information to councillors to help them scrutinise treasury management activity and risks

64. CIPFA's Treasury Management Code states that councils or committees will receive regular monitoring reports on treasury management activity and risks. Regular reporting with a clear and full analysis of performance and activity helps members to:

- understand why officers are proposing decisions
- understand the risks
- ask relevant questions.

65. The Treasury Management Code sets out three minimum reporting requirements for councils:

- a strategy in advance of the year
- a mid-year review
- an annual report after the financial year-end.

66. We found that all councils meet these requirements. However, both Fife and Glasgow City councils prepare a single report covering both the annual report for the previous year and the mid-year review for the current year. In our view this does not meet the intention of the code. These mid-year and annual reports are an important source of information to help councillors effectively monitor and review treasury management activity. Councillors need time to consider any comments or make changes from scrutiny of the annual report to influence activity or performance for the following year.

67. No councils have reporting arrangements that go further than the minimum required by the code, for example quarterly performance or monitoring reports, or more detailed performance reports for the scrutiny committee.

68. We found that councils do not hold separate risk registers for treasury management but they are included in their wider finance risk registers. Reports on the wider finance risks may not be considered by the same committee considering treasury management reports. This means that councillors are not informed of any relevant treasury management risks.

Councils could improve the content and clarity of reports

69. We found that both the layout and content of treasury management reports could be improved, particularly year-end reports on performance. Annual reports are the main performance report and vary in quality. Performance monitoring, including information on the actual figures for the prudential indicators against forecast figures, is not reported fully or consistently across all councils. Some councils only report against indicators and some do not report performance at all. Some of the reports we reviewed did not provide any comparative data. This meant that readers could not reach an objective opinion on performance.

70. From the review of the councils in our sample, we found the following:

- Clackmannanshire, East Lothian, Midlothian, Scottish Borders, Shetland Isles, West Dunbartonshire and West Lothian councils all provided comparative information in their annual reports on all indicators.
- East Renfrewshire, Fife and Renfrewshire councils provided comparative information on some of their indicators.
- Glasgow City Council provided information only on the actual performance without any estimates.
- City of Edinburgh Council did not include any detail on indicators in the annual report, but some are reported in capital monitoring reports.

71. Most treasury management reports are publicly available, although they were not always easy to find on councils' websites. This lack of clear and accessible information means that it is difficult for members of the public to understand how borrowing and treasury management activity is contributing to their council's priorities, and to understand what the performance of the council has been.

72. Officers must use accessible language when reporting on borrowing and treasury management but many strategies and reports contain a lot of technical language. This does not help councillors scrutinise effectively as any questions they ask are more likely about clarity rather than challenge. [Exhibit 14 \(page 36\)](#) shows how Shetland Islands Council used worked examples to explain to councillors why it was recommending to borrow for the first time.

Councils should provide a wider range of training and support to improve councillor attendance and help them in their scrutiny role

73. All councils provide training on treasury management to councillors. This consists of courses provided once or twice a year and, in West Lothian Council, when a new administration is formed as a minimum. Attendance is voluntary although it has been generally poor (varies between 40 and 100 per cent attendance for these sessions), ([Exhibit 15, page 37](#)). Attendance at training events is focused mainly towards councillors who sit on relevant scrutiny committees rather than all councillors.

74. Councillors' views on the training they attend are positive. Councillors also felt officers gave them extra support if required, for example by providing additional information or responses to any questions they had.

75. Training and support for councillors should aim to equip all councillors with a minimum level of knowledge and understanding. We found councillors' experience varied, for example from councillors who had been accountants or finance directors to those with little or no previous finance experience.

76. Councillors told us that it was often difficult to attend training owing to other commitments. In their view, a full-day training course was a substantial commitment. Regular training will be required to keep councillors up to date with economic developments. As councillors only consider treasury management issues, on average, three times a year, the timing of the training is important. Councils should consider different ways to provide training including courses, short briefings and perhaps online training.

Exhibit 14

How officers at Shetland Islands Council explained why it was recommending the council borrow

The economic case for borrowing externally, or using the council's own reserves to finance capital expenditure, is essentially down to whether interest rates are higher or lower than the long-term average return on the council's external investments.

If interest rates are higher than the long-term average return on the council's investments (currently 5.75%) then it means the cost of borrowing is higher than the lost income forgone by using reserves. So it would make financial sense to use reserves for capital expenditure.

For example, if interest rates were 10% for a £1m loan:

- Annual interest payable on £1m at 10% = £100,000
- Investment income of 5.75% generated on £1m = £57,500.

In this example to borrow would cost £100,000 a year, and to use reserves would present an opportunity cost of £57,500 in lost investment income. In this example, using reserves would present a saving of £42,500 per year over using borrowing.

However, the reverse is true if interest rates are lower than the long-term average return on the Council's investments (currently 5.75%).

For example if interest rates were 2% for a £1m loan:

- Annual interest payable on £1m at 2% = £20,000
- Investment income of 5.75% generated on £1m = £57,500.

In this example, to borrow would cost £20,000 a year and to use reserves would present an opportunity cost of £57,500 in lost investment income. In this example borrowing would save the council £37,500 per year.

Therefore when interest rates are lower than long-term investment returns, the default position of the council should be to borrow in order to achieve a Best Value outcome.

Source: Shetland Islands Council Borrowing Strategy 2014/15

Exhibit 15**Councillor attendance at treasury management training**

	East Renfrewshire	Fife	Glasgow City	Scottish Borders	Shetland Islands	West Lothian
Date of last training	2014	2014	2013	2012	2014	2011
Frequency	Annually	Biannually	Annually	Biannually	Annually	Each administrative term
Offered to	Full council	Full council - but target Executive Committee members	Members of Executive Committee and members of Finance and Audit Scrutiny Committee	Audit Committee	Full council	Full council
% attendance full council	40%	11.5%	22.8%	91%	Not available	46.8%
% attendance Scrutiny committees	57% 37.5% Cabinet	40.9%	66.7% Scrutiny 40% Executive	100%	Not available	Not available Committee structure changed

Source: Audit Scotland

Recommendations

Council officers involved in borrowing and treasury management should:

- carry out joint planning with other councils to identify future qualification and training needs and enhance their capacity, in order to negotiate with training providers
- review the content of year-end reports to ensure they provide an assessment of the effectiveness of the year's borrowing and treasury management activities and the performance of the treasury management function. This should include appropriate indicators, comparative figures, and appropriate explanations.

Council officers and councillors involved in treasury management should:

- review governance arrangements, and update as necessary, to ensure they provide:
 - the treasury management strategy, mid-year and year-end reports to the same council committee, and that the full council has access to them
 - councillors with mid-year reports by the end of December each year
 - councillors with the wider picture, that is, make the links to capital investment decisions and revenue budgets
 - councillors with access to all reports relating to borrowing and treasury management activity including risk registers
 - ensure scrutiny arrangements are robust by:
 - considering widening the range of training options to councillors on borrowing and treasury management activities and whether this training should be mandatory
 - considering whether training for councillors provides a balance of scrutiny skills and knowledge of treasury management.
-

Endnotes



- ◀ 1 Glasgow City Council, Renfrewshire Council and West Lothian Council. As Shetland Islands Council did not borrow until 2014/15, we would not expect this indicator to be set for 2013/14.
- ◀ 2 [*Borrowing and treasury management in councils: Scrutiny guidance and questions for councillors, \[PDF\]*](#)  Audit Scotland, March 2015.

Appendix 1

Audit approach



Our audit looked at councils' strategies for borrowing and treasury management and whether councils can demonstrate the affordability and sustainability of their borrowing decisions over the short and long term. Councillors have a crucial role in holding officers to account and this report also evaluates this. We did not evaluate day-to-day cash, investment and borrowing transactions.

Methodology

To achieve our aim and objectives, our audit included reviewing documents, analysing data and interviews. The audit had three main components:

Data analysis: We analysed information on borrowing and debt from councils' audited accounts, CIPFA statistics and the Scottish Government in order to inform a selection of 12 councils for further desk research. The 12 that were selected were City of Edinburgh, Clackmannanshire, East Lothian, East Renfrewshire, Fife, Glasgow City, Midlothian, Renfrewshire, Scottish Borders, Shetland Islands, West Dunbartonshire and West Lothian councils. The councils were selected to include a mix of council size and to reflect initial thoughts, based on our financial analysis, that they had different approaches and strategies to borrowing and treasury management.

Desk research: We reviewed a range of relevant written material on borrowing and treasury management, focusing on the treasury management strategies for our 12 councils. We also looked at the committee arrangements for consideration of these and other treasury management reports. This informed our sample of six councils for interview. We selected the sample so that it included large, small, urban and rural councils and reflected different levels of borrowing and other forms of debt.

Interviews with councils and stakeholders: We visited six councils to find out more about their approach and strategy for treasury management, their governance arrangements and scrutiny and training for councillors. We spoke to council leaders and councillors about their role in scrutinising borrowing and treasury management and their experience of the training and support received. We also interviewed representatives from organisations including the Scottish Government, CIPFA and the CIPFA Scottish Treasury Managers' forum.

Appendix 2

Membership of the project advisory group



We would like to thank members of the advisory group for their input and advice throughout the audit.

Member	Position
Andy Witty	Policy Officer, COSLA
David Robertson	Chief Financial Officer, Scottish Borders Council
Gareth Davies	Policy and Technical Officer, CIPFA Scotland
Hazel Black	Head of local authority accounting, Scottish Government
Innes Edwards	Treasury Manager, City of Edinburgh Council

Note: Members of the project advisory group sat in an advisory capacity only.

Borrowing and treasury management in councils

This report is available in PDF and RTF formats, along with a podcast summary at:

www.audit-scotland.gov.uk 

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ABERDEEN CITY COUNCIL

COMMITTEE Finance and Resources Committee

DATE **3 December 2015**

DIRECTOR **Gayle Gorman**

TITLE OF REPORT **Kinship Care Allowances**

REPORT NUMBER

CHECKLIST COMPLETED

1. PURPOSE OF REPORT

This report seeks committee agreement to revised allowances paid to kinship carers.

2. RECOMMENDATION(S)

Committee is asked to:

Approve with effect from 1 October 2015 an allowance for all kinship carers equivalent to that paid to foster carers.

3. FINANCIAL IMPLICATIONS

Preliminary work on the financial implications for Aberdeen City Council indicate this could cost the Local Authority £460,000.

4. OTHER IMPLICATIONS

Implementation of these changes will require additional administrative support to implement and maintain. The cost of this is not included within the settlement figure.

5. BACKGROUND/MAIN ISSUES

- 5.1 Kinship Care is the term used to describe the placement of children, by the Local Authority, with extended family members or friends where for care and protection reasons they cannot live with their parents. The Local Authority only has responsibility for those children it places with family members and/or are subject to statutory orders. The Service does not have responsibility for private arrangements made by families.
- 5.2 To support formal kinship arrangements the Local Authority currently provides financial support to kinship carers (to cover the costs

associated with caring for a child). The current payments, agreed by the Education & Children's Services Committee in June 2015 are:

- 5.2.1 Payment to Interim kinship carers - £35.00 per week per child.
(Interim kinship carers are unapproved kinship carers undergoing an assessment to determine their suitability.)

- 5.2.2 Payment to approved kinship carers

Age Group	2015/16 Weekly Rate
0 – 4	130.17
5 – 10	148.27
11 – 15	184.58
16 – 18	224.50

- 5.2.2 Payment to Permanent kinship carers

Age Group	2015/16 Weekly Rate
0 – 4	78.10
5 – 10	88.96
11 – 15	110.75
16 – 18	134.70

- 5.3 In 2014 a number of Local Authorities were contacted by the Equalities and Human Rights Commission (EHRC) to challenge the level of the allowance paid to kinship carers. They highlighted the legal status of a looked after child placed with foster carers was the same as a looked after child placed with kinship carers. They consequently argued kinship carers should receive parity in the level of payment. This argument followed a Court decision in England which supported this position.
- 5.4 In acknowledgement of this situation it was recognised that if we did nothing there is a risk to the Council of litigation and reputational damage. Consequently the Education and Children's Services Committee in June 2015 agreed to increase the level of allowance paid to approved kinship carers to equal that paid to foster carers.
- 5.5 A meeting of all 32 Local Authorities, the Scottish Government and Social Work Scotland and COSLA in February 2015 agreed to apply a consistent model that developed by North Ayrshire. Through this model kinship carers are supported to maximise their income for the child via the Benefits Agency. Having done so the Local Authority "tops up" this income to ensure parity with the allowance paid to foster carers. (Kinship carers, unlike foster carers, are entitled to claim certain benefits i.e. child benefit and tax credits etc.)
- 5.6. Although this model ensured parity it also means that the amount the Local Authority pays each kinship carer will differ according to their individual circumstances.

- 5.7 Initial calculations based on 10 cases projected that this change would incur additional spend of £48,000 per annum. Having now implemented this change the anticipated increased cost will be £153,788. This increase is due to a far greater number of families not being eligible for Child Benefit or Tax Credit's than the initial sample suggested.
- 5.8 At the meeting in February 2015 the Scottish Government indicated that they would look to provide additional funding to Local Authorities to mitigate the cost of implementing kinship allowances which ensured parity to the allowances paid to foster carers. In October 2015 the Scottish Government announced, following consultation with COSLA, funding of £10.1 million to support implementation of this change. Aberdeen City Council's share of this is £285,970, full year funding.
- 5.9 The announcement from the Scottish Government is intended to ensure parity for all kinship carers from the point the child is placed. This is to apply to the following kinship arrangements:
1. All formal kinship carers where the child is "looked after".
 2. Some informal kinship carers where the child is not looked after but is subject to a Section 11 Order under the Children (Scotland) Act 1995 and is or was:
 - previously looked after; or
 - placed with involvement by of the Local Authority; or
 - At risk of becoming looked after.
- 5.10 In respect of No. 1 the decision in June 2015 by the Education and Children's Services Committee to agree a kinship allowance equivalent to that paid to foster carers delivers on the majority of this expectation. The exception to this is that Aberdeen City Council, along with most other local authorities, currently pays the full kinship allowance from the point the kinship carers are approved not from the point the child is placed. While the assessment is being undertaken kinship carers receive an "interim allowance" (see 5.2.1). The recent announcement by the Scottish Government requires the full allowance to be paid from the point of placement.
- 5.11 At present an "interim allowance" is being paid to 12 children. (This number is subject to frequent change.) Based on this number the estimated additional costs of paying the full allowance (see 5.2.2) from the point of placement are anticipated to be £53,992.
- 5.12 In respect of No 2. the anticipated costs are more difficult to fully anticipate. At present Aberdeen City Council pays a means tested Permanent Kinship Allowance to some carers who care for the child on a permanent basis via a Section 11 Order. This would be in recognition that for these children a return to their parents care is neither safe nor in their best interests. This order provides the child with a clear sense of security and predictability and removes them from the formal care system. Many kinship carers are put off securing the child permanently

due to financial worries. The Permanent Kinship Allowance allows them to do so and, where their circumstances allow, continue to receive an allowance. (The Permanent Kinship Allowance is set at 60% of the full allowance and reflects parity between the fostering and the adoption allowance.)

- 5.13 The recent announcement from the Scottish Government means that as of 1 October 2015 these carers should be paid the full allowance (see 5.2.2). Currently 22 children receive a permanent kinship allowance. The cost of implementation for this group of children is anticipated to be £97,301.
- 5.14 Separate to the children noted above there are other children, placed by the social work service in a kinship placement, where the kinship carer has secured the child via a Section 11 Order and whom the Social Work Service no longer has an involvement in their lives. The announcement by the Scottish Government means that each of these carers would be entitled to come back to the Local Authority to claim a kinship allowance.
- 5.15 The Service is aware of 20 children, now closed to the Social Work Service, who were secured via a Section 11 Order by their kinship carers. If all these carers returned to the Service the anticipated cost of paying them a kinship allowance could amount to £155,646. (This is based on payment for the child at their current age minus child benefit. Some of these families may be in receipt of Tax Credits or other benefits but at this stage such is unclear.)
- 5.16 Separate to these known cases there will be other cases where unbeknown to the social work service the kinship carer, post the involvement of the social work service, has secured the child in their care via a Section 11 Order. Again these carers would be entitled to come back to the Local Authority to claim a kinship allowance. Although the number of children in this category is likely to be small it is not possible to provide an exact figure.

5.17 Total Cost of Implementation

	2015/16	2016/17*
Anticipated cost of paying approved kinship carers an equivalent allowance.	153,788	153,788
Anticipated cost of moving from paying Interim Allowance to full allowance	32,092	64,184
Anticipated cost of moving from paying Permanent Kinship Allowance to full allowance, for existing cases.	25,676	51,352
Anticipated cost of paying a kinship allowance to closed cases secured by a Section 11 Order	77,823	155,646
Total	£289,379	£424,970
Total additional funding from Scottish Government	£142,985	£285,970

*Based on the current rates.

- 5.18 The Scottish Government has recognised that this is only a temporary solution. The introduction of Universal Credit will bar kinship carers claiming any state benefits for looked after children – these costs seen

as being the responsibility of the Local Authority. When Universal Credit is implemented the full allowance will need to be paid by the Local Authority.

- 5.19 The implementation and maintenance of these allowances will require additional administrative resources. Maintaining an accurate record of all kinship placements, particularly those closed to the social work service, will be critical to ensure no payments are made to kinship carers who cease to care for the child either because the child leaves home going to university etc. or returns to the care of their birth parents. At this stage it is anticipated this additional resource will be met from within the Services budget.

6. IMPACT

The fee's and allowances paid kinship carers reinforces the Council's duty to provide effective services to children and young people that safeguard and protect their safety and wellbeing as well as ensuring all services are targeted towards reducing inequalities and improving outcomes. These expectations are consistent and fully aligned to the Council's Single Outcome Agreement.

7. MANAGEMENT OF RISK

This report outlines how as a Local Authority we are supporting kinship carers. It has not been possible to provide this committee with a full understanding of the financial implications. The level of allowance paid to kinship carers is reviewed annually, next reviewed March 2016. This will allow the Service to provide a clearer update on the financial implications of implementation of the proposed changes.

8. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	3 rd December 2015
DIRECTOR	Pete Leonard
TITLE OF REPORT	Strategic Infrastructure Plan Progress Update
REPORT NUMBER	CG/15/149
CHECKLIST RECEIVED	Yes

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 6th 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 31st 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

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Project ID	Project Name		Programme/P Project Manager	Stage	Last Completed Milestone	Next Milestone	Milestone Target Date	Project End Date	Timeline		Risk		Budget		Resource		Scope		Benefits		Quality		Notes
	SIP	Capital							Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	
AFFORDABLE HOUSING PROGRAMME																							
✓		Appointment of Delivery Partner	Paul Genoe	Implement	Appoint delivery partner	Standstill period	Oct-15	Oct-15	G	G		G	G	G	G	G	G	G	G	G	G	Full Council approved the appointment of the preferred partner at its meeting in October 2015. The team are currently making the arrangements for the JV to be set up.	
✓		Former Bucksburn Farm	Paul Genoe	Implement	Continue with site due diligence	Continue with site due diligence	TBC	TBC	G	G		G	G	G	G	G	G	G	G	G	G	Due diligence work continues to be carried out. Appointment of Consultants for EIA at Bucksburn is now complete and has received Legal sign off.	
✓		Former Craighill Primary School	Paul Genoe	Implement	Appoint Engineering Design Consultants and continue with site due diligence	Continue with site due diligence	TBC	TBC	G	G		G	G	G	G	G	G	G	G	G	G	No arising issues, progress on design and consultation continues. Continue to work on engineering commission for re-tender	
✓		Former St Machar Primary School	Paul Genoe	Implement	Appoint Engineering Design Consultants and continue with site due diligence	Continue with site due diligence	TBC	TBC	G	G		G	G	G	G	G	G	G	G	G	G	No arising issues, progress on design and consultation continues. Revised layout completed and processing for initial viability with PIP. Continuing to work on engineering commission for re-tender.	
✓		Former Aberdeen Care Home	Paul Genoe	Implement	Appoint Engineering Design Consultants and continue with site due diligence	Continue with site due diligence	TBC	TBC	G	G		G	G	G	G	G	G	G	G	G	G	No arising issues, progress on design and consultation continues. Revised layout completed and processing for initial viability with PIP. Continuing to work on engineering commission for re-tender.	
✓		Former Tillydrone Primary School	Paul Genoe	Implement	Public consultation event	Continue with site due diligence	TBC	TBC	G	G		G	G	G	G	G	G	G	G	G	G	No arising issues, progress on design and consultation continues. Asbestos removal completed, demolition contract awarded and demolition works start on 30th November. Revised layout completed and processing for initial viability with PIP.	
✓		East Woodcroft	Paul Genoe	Implement	Continue with site due diligence. Submit Proposal for Application Notice.	Continue with site due diligence.	TBC	TBC	G	A		G	G	G	G	G	G	G	G	G	G	Planning in Principle was submitted on the 28th June 2015. It is Recommended for approval and will now got to committee on the 10th December 2015. Second Community Consultation Event for East Woodcroft was held on the 13th June. Continuing with site due diligence.	
✓		Former Summerhill Site	Paul Genoe	Implement	Continue with site due diligence	Continue with site due diligence	TBC	TBC	G	G		A	A	A	A	G	G	G	G	G	G	The Final Interpretive Report from Engineers on Summerhill has determined a piled foundation solution is necessary on the site, which will have an impact on cost. There are no alternative solutions other than piling and this has now been confirmed with the consultant engineers. There is also a need for 600mm capping layer to all roads, this material will be utilised from the existing stock pile material (subject to agreement from roads) and the balance will be used for piling platform requirements on new road surfaces. An updated Cost Plan is being produced to take cognisance of the additional costs, however it is thought that these additional costs may still be kept within budget due to other project savings.	
REGENERATION PROGRAMME																							
Middlefield																							
✓		Regeneration Appraisal for the area	Maria Thies	Implement	Consultation	Draft Community Plan	TBC	TBC	G	G		G	G	G	G	G	G	G	G	G	G	Further consultation with the community took place in August and September. The team are continuing to work on reviewing the neighbourhood profile, consultation feedback and initial proposals, with the view to drafting a Community Plan for consultation.	
✓		Delivery of Social Housing for rent through the HRA (Manor Walk)	Maria Thies	Plan	Report to FP&R	Complete tender process	Nov-15	TBC	G	G		G	G	G	G	G	G	G	G	G	G	The tender process commenced in September. A start date on site has been predicted for April 2016. The project timeline has slipped by a couple of weeks but this is not expected to affect the critical path.	
✓		Former Smithfield Primary School	Maria Thies	Plan	ITT submitted	Complete tender process	Nov-15	TBC	G	G		G	G	G	G	G	G	G	G	G	G	Tenders were received and the team are currently going through the evaluation process.	
✓	✓	Middlefield Community Project Relocation (Henry Rae CC)	Gail Woodcock	Plan	Complete Business Case.	Submit tender	Nov-15	TBC	A	A		A	A	A	G	G	G	G	G	G	G	The tender for the works has been put out with a return date early December. The next milestone will be for the team to evaluate the returns and appoint a contractor.	
✓		Triangle site analysis	Maria Thies	Implement	Appointed consultants to carry out the work	Complete analysis	TBC	TBC	G	A		A	A	G	G	G	G	G	G	G	G	Option appraisal for the site has been carried out and a number of potential options have been identified. These are being worked up further by officers. A report is due to go before the Corporate Management Team.	
✓		Smithfield Court Refurbishment	Maria Thies	Implement	Complete refurbishment	Project close	Nov-15	Nov-15	G	G		A	A	G	G	G	G	G	G	G	G	All building works have been completed and keys have been handed out. Project close will be carried out.	
Tillydrone																							
✓		Regeneration Appraisal for the area	Paula Martin	Implement	Consultation	Draft Community Plan	TBC	TBC	G	G		G	G	G	G	G	G	G	G	G	G	Further consultation with the community took place in August and September. The team are continuing to work on reviewing the neighbourhood profile, consultation feedback and initial proposals, with the view to drafting a Community Plan for consultation.	
✓	✓	New Community Facility	Paula Martin	Plan	Scope out project and carry out consultation.	Committee report	Aug-15	TBC	G	G		G	G	A	A	G	G	G	G	G	G	CHI committee approved the site location for the new facility at its meeting in August. The team are currently working on the the business case and the scope and design of the facility. £3M is allocated in the capital plan and we are looking at investigating external funding opportunities. The budget remains at amber status until we are clear on the total cost of the project.	
Torry																							
✓		Sistema	Neil Bruce	Implement	Big Noise Concert	Further Big Noise sessions	on-going	TBC	G	G		G	G	G	G	G	G	G	G	G	G	Big Noise Torry was launched in June and got off to a great start with up to 40 children attending the summer school daily in the past month. A concert to mark the end of the first Big Noise Torry summer school was held in Torry Academy on Thursday 30th July and was attended by parents of the children involved and the wider community. The summer school was open to children due to enter P3 at Walker Road School and Tullos School in the Torry area at the start of the new school year in August 2015. From Tuesday 01 September the P3 pupils will be invited to attend Big Noise after-school sessions at Torry Academy. P1 and P2 children will also be taught by Big Noise Torry tutors from Monday 24 August. Sessions for nursery and baby sessions are also planned	
✓		Regeneration Appraisal for the area	Bill Watson	Implement	Consultation	Draft Community Plan	TBC	TBC	G	G		G	G	G	G	G	G	G	G	G	G	Further consultation with the community took place in August and September. The team are continuing to work on reviewing the neighbourhood profile, consultation feedback and initial proposals, with the view to drafting a Community Plan for consultation.	

STRATEGIC INFRASTRUCTURE AND CAPITAL PLAN PROGRAMME DASHBOARD										Shaping Aberdeen										Shaping Aberdeen									
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					
SIP	Capital									Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu						
TRANSPORTATION PROGRAMME																								Hugh Murdoch					
✓	✓	Third Don Crossing		Ian Taylor	Implement	Start on site	completion of project	Mar-16	Mar-16	A	A	A	A	G	G	G	G	G	G	G	G	G	G	There has been a delay to the overall works and therefore a change control was submitted rescheduling the completion date to March 2016. Officers continue to work closely with the contractor.					
✓	✓	Dyce Drive Link Road / A96 Park & Choose		Mike Mathieson	Implement	Start on site	continue with construction	on-going	Oct-16	G	R	G	A	G	G	G	G	G	G	G	G	G	G	There has been a bit of slippage to the timeline and officers have prepared a change control which reschedules the completion of the project to October 2016.					
✓	✓	South College Street		Joanna Murray	Define			TBC	TBC	A	A	A	A	A	A	A	A	A	A	A	A	A	A	Interdependencies between this project and the City Centre Masterplan continue to be refined. A re-design may be required. This needs to be worked through between the Transport Team and the CCMP Team.					
✓	✓	Berryden Corridor		Mike Mathieson	Plan	Start land searches as a prelude to CPO process	Carry out land search exercise as part of CPO process	TBC	TBC	G	A	G	G	G	G	A	G	G	G	G	G	G	A	Work is almost complete around identifying land ownership. The Transport Team are also currently progressing with the detailed design work. There is some slippage to the project milestones and officers are working on proposals to minimise the delay.					
✓	✓	Access from the South		Joanna Murray	Plan	Technical Development	Complete Environmental Assessment and Economic Performance	TBC	TBC	G	A	G	G	G	A	G	G	G	G	G	G	G	G	Work is on-going to complete the Environmental assessment. This was delayed due to queries regarding the traffic modelling outputs resulting in additional modelling work. The programme has been reviewed and further budget may be required in 2016/17 to complete the study. The amount required will be confirmed over the next few months.					
✓	✓	Cross City Transport Connections		Joanna Murray	Plan	Appoint consultants to carry out feasibility study	Pre-appraisal and STAG part 1 study	Jul-16	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Inception meeting with the consultants has been held and inception report and cost estimate has been agreed. The initiation of the STAG Appraisal study will follow.					
✓	✓	AWPR		John Wilson	Implement	Commence construction	Continue with construction	on-going	Dec-17	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Financial close for the project was achieved in December 2014. Construction started in February 2015 with an anticipated construction completion in Winter 2017.					
CITY DEVELOPMENT PROGRAMME																								Andrew Win					
✓	✓	City Centre Regeneration		Louise MacSween	Plan	Approval of Masterplan by Council	Appoint CCMP team and develop initial programme	TBC	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Masterplan and delivery programme was unanimously approved at Council in June and reports to establish the resource required and the compilation and remit of the Reference Group were also approved. The team are currently developing the initial programme.					
✓	✓	Marischal Square		Stephen Booth	Implement	Site handover and start on site	Continue with construction and letting of premises	Ongoing	Jun-17	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Works are continuing to progress on site. The site hoardings were relocated to the back of the kerbline. Marketing of offices was launched on 3rd September. The hotel deal has been concluded.					
✓	✓	New AECC		Scott Ramsay	Plan	Approve masterplan	Sign legal agreements	Nov-15	Jan-18	G	G	G	G	G	G	G	G	G	G	G	G	G	G	The masterplan was approved by the CHI Committee at its meeting in October. Contracts and legal agreements continue to be worked through and are due to be signed.					
✓	✓	Aberdeen Hydrogen Project		Amye Smith	Implement	Complete civil works and launch of refuelling station	Project close and benefits	Aug-15	Aug-15	G	G	G	G	G	G	G	G	G	G	G	G	G	G	Leases for all buses have been issued and accepted and the buses are in operation.					
DIGITAL CONNECTIVITY PROGRAMME																								Gordon Wright					
Accelerate Aberdeen																													
✓	✓	In Building WiFi		Wendy Robertson	Implement	Commence works	Submit DCMS claims and continue with works	Apr-15	Complete	G	G	G	G	G	G	G	G	G	G	G	G	G	G	All sites are now live and working. Project close review will take place as per governance arrangements.					
✓	✓	Wireless Concession		Wendy Robertson	Implement	Commence works	Approval of detailed network design	Sep-15	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	WIG are in the process of finalising the detailed network design solution which will then be submitted for approval by ACC.					
✓	✓	Innovation Hub		Wendy Robertson	Implement	Opening of Innovation Hub	Project close review	Aug-15	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	All three Hubs are operational. Project close review will take place.					
✓	✓	Voucher Scheme		Wendy Robertson	Implement	Implemented	Consider alternative projects	TBC	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	G	DCMS have formally closed the Connection Voucher Scheme. The UK government funded £40m for the scheme for this financial year. However all funds are now committed and no new vouchers will be issued. The administration of the scheme will continue until March 2016. Accelerate Aberdeen are currently working up several new projects.					

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	
SIP	Capital									Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu	Pr	Cu		
SCHOOL ESTATE PROGRAMME																									
Euan Couperwhite																									
	✓		New South of the City Academy	Euan Couperwhite	Plan	Stage 1 completed	Stage 2 costs	Nov-15	Jan-18	A	G	R	A	R	R	G	G	G	G	G	G	G	G	The School is scheduled to open in January 2018 with the project close expected March 2018.	
	✓		Brimmond Primary School	Euan Couperwhite	Implement	Continue to be on target with work programme	Complete and opening	Oct-15	Oct-15	G	G	G	G	G	G	G	G	G	G	G	G	G	The school was completed and opened in October 2015. A project close will be carried out in due course.		
	✓		Centre of Excellence (formally known as the ASN school)	Euan Couperwhite	Plan	Report to ECS Committee	Start on site	Nov-15	Aug-17	G	G	G	G	G	G	G	G	G	G	G	G	G			ECS Committee approved the stage 2 report at its meeting in September and gave approval to move to financial close which was achieved on 5 November. Work on site will begin shortly with the practical completion date scheduled for March 2017.
	✓		New Milltimber Primary	Euan Couperwhite	Plan					G	G	G	G	G	G	G	G	G	G	G	G	G	The project is not due to start until 2019/19. The section 75 contribution was renegotiated with the developer in December 2014 and resulted in an additional £1 million being allocated for the new school.		
	✓		Greenbrae Primary Extension and Internal Works	Euan Couperwhite	Plan	Submit tender	Evaluate tender returns	Nov-15	Aug-16	G	G	A	G	A	A	G	G	G	G	G	G	G		The lender was issued in October with returns due in November. The team will then evaluate the returns. It is anticipated that work will start on site early in the new year.	
	✓		Stoneywood Primary	Euan Couperwhite	Plan	Report to confirm outcome of consultation and site.	Complete design phase	TBC	Aug-17	G	G	G	G	G	G	G	G	G	G	G	G	G	The former Bankhead Academy site has been agreed as the location for the new primary. Consultation workshops continue to take place. Currently in the design phase of the project.		
Euan Couperwhite																									
CULTURE AND SPORTS																									
	✓		Museum Collection Centre	Neil Bruce	Implement	Start on site	Continue with construction	on-going	Mar-16	G	A	G	G	G	G	G	G	G	G	G	G	G	G	The contractor is continuing with the build however there has been a bit of slippage. Officers are working with the contractor to determine the length of delay and consider the impacts on overall timeline. A change control will be submitted if necessary. The naming competition with the local schools is taking place.	
	✓		Art Gallery Redevelopment	Neil Bruce	Implement	Awarded contract	Continue with construction	on-going	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G	Work continues on site and is on programme. The fundraising campaign is continuing as well.		
	✓		Mither Kirk Redevelopment		Plan	Outline business case completed	Complete Business Plan	TBC	TBC	G	G	G	G	G	G	G	G	G	G	G	G	G			£20k funding to the Open Space Trust was approved at FP&R in February to progress with the completion of business plan and was paid at the end of March. The Open Space Trust have appointed a consultant to take forward the business case.
	✓		Arts Centre Redevelopment	Lesley Thomson	Define		Complete Feasibility study	Spring 2016	TBC	G	G	A	G	R	G	G	G	G	G	G	G	G	FP&R Committee at its meeting 1 September approved funding for officers to develop a feasibility study for the redevelopment of the Arts Centre. This is currently being worked on by officers. It is expected to go to tender in December.		
	✓		Music Hall Refurbishment	Lesley Thomson	Plan	Complete updated Business Case	Selection of Construction contractor	Feb-16	Nov-17	G	G	G	G	G	G	G	G	G	G	G	G	G		Updated business case was approved and the design works are continuing. A fundraising strategy is in place for corporate giving and major sponsors. Applications to trusts and foundations pending.	

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	3 December 2015
DIRECTOR	Chief Executive
TITLE OF REPORT	Twinning & International Partnerships
REPORT NUMBER	OCE/15/042
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to bring before Committee applications for financial assistance from the International Twinning Budget 2015-2016 and to make recommendations ahead of the Priority Based Budgeting and Common Good Fund Reviews.

2. RECOMMENDATION(S)

That Finance, Policy & Resources Committee approve the following grants from the International Twinning Budget 2015-2016:

- i) Contribution of £1,000 towards the attendance of organisers of Mini-Regensburg at the Aberdeen Learning Festival, 15-18 February 2016
- ii) Contribution of £3,400 towards an exchange by four education staff to Clermont-Ferrand to explore new partnerships with primary schools, 15-18 February 2016
- iii) Contribution of £2,000 towards a visit by organisers and ambassadors of the Aberdeen Golden Games to Regensburg to promote the event and encourage participation of international delegates at the 2016 games, 1-4 March 2016
- iv) Contribution of £3,000 towards the participation of musicians from Stavanger at the Aberdeen Jazz Festival, March 2016

3. FINANCIAL IMPLICATIONS

Full council approved the International Twinning Budget for 2015-2016 of £147,250. The approved budget from the Common Good Fund provides £102,000 of monies towards the support of twinning projects and/or visits. An additional £10,000 has been made available to support projects which celebrate twinning anniversaries in 2015. A total of £112,000 is available to support projects in 2015-16.

	Balance of budget available as at April 2015	£112,000

	Opening Balance	£39,730
i)	Attendance of organisers of Mini-Regensburg at the Aberdeen Learning Festival, 15-18 February 2016	£1,000
ii)	Exchange by four education staff to Clermont-Ferrand to explore new partnerships with primary schools, 15-18 February 2016	£3,400
iii)	Visit by organisers and ambassadors of the Aberdeen Golden Games to Regensburg to promote the event and encourage participation of international delegates at the 2016 games, 1-4 March 2016	£2,000
iv)	Participation of musicians from Stavanger at the Aberdeen Jazz Festival, March 2016	£3,000
	TOTAL	£9,400
	Closing Balance (if recommendations approved)	£30,330

4. OTHER IMPLICATIONS

The health and safety implications of all visits are taken into account during planning, with any exceptional implications addressed at the time of application.

The Twinning & International Partnerships Officer regularly reviews the travel advice provided by the Foreign and Commonwealth Office and is in close contact with counterpart officers in the twin cities to ensure information provided to participants is accurate and up-to-date.

Where individuals/groups from Aberdeen are travelling overseas, comprehensive pre-visit briefings are offered by the Twinning & International Partnerships Officer and all have the opportunity to ask questions and request support.

When participating in overseas visits, Council employees are covered by the Council's insurance policy while non-Council employees are instructed by the Twinning & International Partnerships Officer to obtain comprehensive travel insurance.

Long established twinning links will not be maintained without regular reciprocal visits and ongoing projects being initiated by communities, groups and individuals and there is the potential for the city's international image to be damaged if we don't continue to support established relationships.

Grants provided through the twinning budget provide individuals and communities from throughout Aberdeen City with the opportunity to engage with international twinning activities. In addition, incoming visitors to the city on twin city projects support the local economy through their participation at events and hospitality and retail expenditure while visiting the city.

The Twinning & International Partnerships Officer will provide a strong link between Aberdeen and our twin cities who also provide organisational support, advice and guidance when required.

They will also make recommendations on funding available to the group and offer support to foster a relationship with the city so that it is long lasting and beneficial to the people of Aberdeen without requiring on-going financial support from the public purse.

All groups participating in twin city activities are encouraged to develop sustainable relationships with their partner groups. Links between most of the twin cities of Aberdeen are active, and links which have not recently been engaged have been contacted to re-establish communications. It is important that all visits and projects through twinning are long-standing and fruitful to ensure their benefit to the local people of Aberdeen, to establish and promote positively the overseas image of Aberdeen and for best practice to be shared between cities.

5. BACKGROUND/MAIN ISSUES

These recommendations are made ahead of the Priority Based Budgeting and Common Good Fund Reviews and involve the allocation of funds made available from the 2015-16 budget:

i) **Contribution of £1,000 towards the attendance of organisers of Mini-Regensburg at the Aberdeen Learning Festival, 15-18 February 2016**

Primary school pupils from Aberdeen participated in Mini-Regensburg for the first time in August 2015. Local teachers said that it was the greatest example of inter-disciplinary learning that they had seen and have devised a seminar to present at the Aberdeen Learning Festival to describe their experience and highlight the opportunities available to schools and pupils in future years. They have invited two of the organisers of Mini-Regensburg to present at the event alongside them.

Mini-Regensburg is a three week event which takes place in Regensburg every two years. An area of the city is converted into a “model town” which young people aged 8-15 manage – from cleaning the roads, to presenting local radio and electing council representatives. Young people from across Europe attend the event and manage embassies which represent their countries. The presence of a delegation from Aberdeen has been requested for several years and young people from Aberdeen travelled to Regensburg to take part in the event for the first time this year.

Eight pupils and three teachers from Seaton Primary School represented Aberdeen at the event. Whilst there they took part in the everyday civic life of Mini-Regensburg – working for and spending the towns’ own currency – and acted as an Embassy explaining their life and country to international audiences. As well as developing language skills, the pupils also developed a greater knowledge and understanding of other cultures and economy, such as taxation. The teachers noted that it was the best

example of inter-disciplinary learning that they had participated in and fully encompassed the aims and objectives of the Curriculum for Excellence.

Aberdeen Learning Festival is a key development opportunity for local teachers – with approximately 1000 participants attending in one day. The day comprises of a series of seminars with information booths and networking areas for education practitioners and supporting organisations to meet. Teachers from Seaton Primary School have devised a seminar where they will reflect from their experiences at Mini-Regensburg – detailing evaluations and feedback from pupils as well as practical issues, such as travel arrangements. They will also highlight the benefits of attending Mini-Regensburg to their pupils' learning experience and link the experiences to Curriculum for Excellence attainment.

Organisers from Mini-Regensburg have been invited to attend to give a detailed overview of the event and answer questions from interested parties. The delegates will attend the Learning Festival on the 16th and a program to meet with Education staff will be created for them on the 17th. The participants who have been invited to attend include Regensburg's Manager for Municipal Youth Activities and an Education Officer who managed the event.

The seminar aims to inform local teachers and support staff about Mini-Regensburg and the opportunities for local young people to participate in an exemplary interdisciplinary learning experience. The attendance of representatives from Mini-Regensburg at this event promotes the project to a wide teaching audience, encouraging them to participate in future similar projects. Meeting the organisers will instil interest in attending the event in the future and generate confidence in future participation.

This application seeks a total of £1,000 to support the costs of hosting two representatives from Mini-Regensburg at the Aberdeen Learning Festival. Stadt Regensburg will cover the transport costs of the delegates travel to Aberdeen.

Expenditure	
Travel to Aberdeen	£1,000
Accommodation	£600
Subsistence	£300
Internal Transport	£100
Total	£2,000
Income	
Contribution from Stadt Regensburg	£1,000
Total	£1,000
Expenditure-Income	£2,000-£1,000
Total requested	£1,000

ii) Contribution of £3,400 towards an exchange by four education staff to Clermont-Ferrand to explore new partnerships with primary schools, 15-18 February 2016

A new approach to learning languages is being implemented in Scotland making it compulsory for all primary school pupils to learn languages from an earlier age. Aberdeen City Council's Education Team are working closely with primary school teachers to ensure that they are supported within this new curriculum framework. They are working with partners from Clermont-Ferrand who are responsible for developing languages within primary schools to share knowledge and establish links between schools in the two cities. Two education officers and two head teachers from Clermont-Ferrand are visiting Aberdeen in December 2015 and reciprocal visit of officers from Aberdeen City Council is planned for early 2016.

A Scottish Government Report published in 2011 marked the introduction of the '1+2 Approach'. It noted that there had been a steady decline of pupils studying languages to SQA level in recent years. Pupils were not sufficiently motivated to engage with language learning as there was a culture that knowing English was sufficient.

The '1+2 Approach' aims to counteract this trend. It will ensure that access to languages is available to young people at primary level. To support primary teachers with this there needs to be closer collaboration between different education sectors and more extensive use of technology to support learning. Access to native or fluent speakers is also essential to stimulate interest in learning languages and engaging with new cultures.

Establishing a partnership with primary-level language learning providers from other cities demonstrates Aberdeen City Council's commitment to implementing the '1+2 Approach'. Exchanging knowledge with colleagues from other cities provides CPD opportunities for teachers and other education staff within the city. The delegation visiting Clermont-Ferrand will include the Language Development Officer for Modern Languages (1+2 Approach) who has been instrumental in developing links with partners in Clermont-Ferrand. She will be accompanied by three teachers from different primary schools in Aberdeen who have demonstrated active interests in developing links with schools in Clermont-Ferrand.

The delegation from Clermont-Ferrand will consist of two Language Development Officers for Primary Level Education and two headteachers from local primary schools. Whilst in Aberdeen the group will meet key staff from the Education Department and visit primary schools who are keen to develop new exchange programmes, such as Mile End and Abbotswell. The officers from Clermont-Ferrand will introduce ideas for future collaborative projects with teachers and education staff from Aberdeen with the aim that future partnerships between schools in both cities will be formed. These projects will be further developed when the Aberdeen City Officers visit Clermont-Ferrand. The successful implementation of future collaborative programmes will ensure that

teachers and young people in Aberdeen are directly engaging with peers in different cultures who speak different languages. A similar exchange between secondary school teachers from Aberdeen and Regensburg took place last year and this has led to the successful development of two new projects with Harlaw and Kincorth Academies, both of which began in October 2015.

Supporting this exchange provides young people in Aberdeen to become 'global citizens' who are able to communicate in more than one language. It is of economic interest to have a workforce that can engage with a global world and converse with international trading partners. Exploring the potential with partners from Clermont-Ferrand also supports the teachers implementing this strategy – developing the existing education sectors.

This application seeks a total of £3,400 to support the exchange of one development officer and three teachers to Clermont-Ferrand. Ville de Clermont-Ferrand will support the participation of two officers and two teachers from Clermont-Ferrand.

Expenditure	
International travel	£3,200
Accommodation	£2,000
Subsistence	£1,200
Internal Transport	£400
Total	£6,800
Income	
Contribution from Ville-de-Clermont-Ferrand	£3,600
Total	£3,600
Expenditure-Income	£6,800-3,600
Total requested	£3,600

iii) Contribution of £2,000 towards a visit by organisers and ambassadors of the Aberdeen Golden Games to Regensburg to promote the event and encourage participation of international delegates at the 2016 games, 1-4 March 2016

The Golden Games is an annual event which promotes health and wellbeing to local audiences aged over 65. Over the past five years, the programme has significantly raised the profile of Active Ageing in the city. The Golden Games is a model example of a social programme for older generations and this year the organisers wish to visit twin cities to share their experiences and encourage attendance by a group from a twin city in 2016.

The Golden Games is organised by a city partnership consisting of the Adult Social Care Wellbeing and partners from NHS Grampian, Aberdeen

Sports Village, Sport Aberdeen and Aberdeen Football Club Communities Trust. The partnership has taken an innovative, creative and future focussed approach to tackling the projected increased pressures on services due to the ageing population. In 2011, they launched the Golden Games – a two day event offering free classes in 10 different activities to 80 over 65s. Now in its fifth year, the Golden Games attracted 425 over 65s to its five day programme. The popularity of the programme continues to increase and next year it is planned to extend the programme to seven days.

The Golden Games not only provides older people with the opportunity to engage in physical activity, it has also creates a platform for people to meet and make lasting friendships; which in turn can help assist in the reduction of social isolation – which is widely recognised to have a significant negative impact on health. Links with organisations, such as North East Sensory Services and Alzheimer's Scotland, have enabled access to focus groups of service users. This has allowed the games and ongoing activities to become more inclusive to a wider range of people, by listening to more people's requirements and wishes.

The Golden Games has brought opportunity for innovative partnerships and service developments that will bring lasting change to the way over 65s are supported at achieving a physical, healthy lifestyle. The group wish to share their experiences with similar groups in other twin cities to highlight this model of partnership working in Active Ageing and promote the attendance of international groups in future years.

A delegation of four people will travel to Regensburg to meet with organisations in the city which have an active interest in the project, such the city's social wellbeing department and university. This delegation will consist of a leader from the Wellbeing Team, representative from a partner organisation and two ambassadors – over 65s who have taken part in the Games and can present the personal benefits of the experience.

Promoting the event to international audiences highlights the work that is being done with ageing populations. It provides the opportunity for health and wellbeing professionals to share best practice. It is also intended that if a group from Regensburg attend the 2016 Golden Games that communications will be maintained between the participants – such as through Skype and video conferencing – that will ensure the social legacy of the project to over 65s participants is maintained.

This application seeks a total of £2000 to support the travel of four people from Aberdeen Golden Games to Regensburg. Stadt Regensburg will cover the associated hosting costs whilst in the city.

Expenditure	
International travel	£2,000
Accommodation	£1,200
Subsistence	£600
Internal Transport	£200

Total	£4,000
Income	
Contribution from Stadt Regensburg	£2,000
Total	£2,000
Expenditure-Income	£4,000-2,000
Total requested	£2,000

iv) Contribution of £3,000 towards the participation of musicians from Stavanger at the Aberdeen Jazz Festival, March 2016

Aberdeen Jazz Festival is an annual event in the city's cultural programme. It is one of the city's top music festivals, bringing world acclaimed jazz musicians to the city as part of an exciting and varied programme. As part of the 2016 programme, the organisers have invited a group of musicians from Stavanger to perform during the festival.

Jazz Scotland organise the Aberdeen Jazz Festival. Jazz Scotland is an independent promoter which organises high quality events that engage audiences with jazz music. The five day Aberdeen Jazz Festival programme has a diverse programme which includes a free one-day event at various indoor venues and in the Merchant Quarter - 'Jazz on the Green'. The festival attracts international jazz artists who play at a variety of venues throughout the city, including the Blue Lamp and Lemon Tree.

This year the organisers have invited a six-piece group from Stavanger to perform at the event. The group will perform a mixture of popular jazz at various events throughout the weekend – including ticketed events and the free public event 'Jazz on the Green'. One of the musicians is a leading music tutor from the University of Stavanger and he will also assist with delivering masterclass workshops in association with the National Jazz Youth Orchestra of Scotland.

The Aberdeen Jazz Festival has established a collaborative creative partnership with jazz musicians and organisers in Stavanger. Earlier this year, MaiJazz – the Stavanger Jazz Festival – requested the presence of a jazz group from Aberdeen at their event. The organisers have continued to stay in contact and are currently working on a Creative Europe bid for a large-scale collaborative jazz project between the cities in 2016.

Facilitating the attendance of a group of musicians from Stavanger at the Aberdeen Jazz Festival will enhance the city's cultural programme – developing Aberdeen's vibrant music and culture scene and allowing local audiences to engage with new cultural experiences. It provides a professional networking experience for local musicians which often results in invitations for local musicians to play at international music festivals, such as MaiJazz in Stavanger and Jazz-En-Tete in Clermont-Ferrand. The continued support for such programmes demonstrates the value of twinning relationships and benefit to local residents.

This application requests a total of £3,000 to support the associated costs of hosting the group in Aberdeen, including accommodation, meals and internal transport, and a contribution towards the artist fee. Flights of the group to Aberdeen will be met by Stavanger Kommune and Jazz Scotland will support programme costs, such as marketing and venue hire, through internal revenue and ticket sales.

Expenditure	
International travel	£1,200
Hospitality costs	£1,550
Artist fee	£1,750
Programme costs	£1,600
Total	£6,100
Income	
Contribution from Stavanger Kommune	£1,200
Contribution from Jazz Scotland	£1,300
Ticket sales	£600
Total	£3,100
Expenditure-Income	£6,100-£3,000
Total requested	£3,000

6. IMPACT

Improving Customer Experience –

The International Twinning Grant is available to all residents and groups within Aberdeen.

Aberdeen's twin city partnership initiatives:

- Foster international understanding and friendship and an appreciation of cultural diversity;
 - Provide Aberdeen's citizens with an awareness of, and insight into, international issues and perspectives and their impact on Aberdeen and Scotland;
 - Promote the image and raise the profile of the city overseas;
- and
- Provide a forum for the exchange of knowledge, expertise, skills, ideas and best practice in any given field.

Improving Staff Experience –

The Twinning and International Partnerships Officer works closely with internal departments to create partnerships and projects between

Aberdeen City Council and twin cities, regularly working with the Education, City Events and Civic Teams amongst others.

Improving our use of Resources –

The International Twinning Grant is funded through the Common Good Fund. Recommendations for grant allocations are presented to council committee and all reports detailing grant allocations are readily available through the council website. The International Twinning Grant is due for Priority Based Budgeting and Common Good Fund Reviews in 2015-16.

Corporate -

Promoting and supporting international exchanges, involving various communities of interest, significantly contributes to Aberdeen City Council's Smarter City Vision and to the actions of the Single Outcome Agreement. The outlined twinning projects also align with the cultural strategy vision as it allows for improved communication of cultural opportunities, helps with changing the perception of the city, to develop a stronger cultural identity and to have increased levels of effective partnership working.

Public –

Human Rights, Equalities and Diversity: Aberdeen City Council has in place a range of statutory and discretionary plans, schemes and policies to promote equality. Officers endeavour to target groups and communities which have not previously had experience of international visits or exchanges, or have been under-represented in twin city activities. Applicants complete an equal opportunities monitoring form as part of the application process.

8. BACKGROUND PAPERS

None used

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	03 December 2015
DIRECTOR	Richard Ellis
TITLE OF REPORT	Discretionary Housing Payments
REPORT NUMBER	CG/15/134
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To request the committee to approve a Discretionary Housing Payments Policy for 2016/17 and the Discretionary Housing Payment award strategy for 2016/17.

2. RECOMMENDATION(S)

It is recommended that the Committee approve the Discretionary Housing Payments Policy and the Discretionary Housing Payment award strategy.

3. FINANCIAL IMPLICATIONS

The current award strategy is causing the DHP Budget to be overspent. The proposed award strategy is to keep the budget within DWP and Scottish Government funding.

4. OTHER IMPLICATIONS

None

5. BACKGROUND/MAIN ISSUES

Funding

Discretionary Housing Payments (DHP) is a fund made available by the Department of Works and Pensions with extra money provided by the Scottish Government to help people struggling to pay rent and meet their housing costs. The Local Authority can also provide funding to DHPs.

DHPs are for people receiving Housing Benefit but still needing more help to pay rent or housing costs. A DHP may be awarded to help with some of or all the shortfall, e.g. the difference between housing benefit award and the actual rent.

Types of shortfall DHP can be used to help with:

- The Benefit Cap
- Social Sector Size Criteria (SSSC)
- Rent Officer Restrictions that make your maximum rent for Housing Benefit (HB) purposes lower than your actual rent.
- Local Housing Allowance restrictions, such as the maximum number of bedrooms your benefit can pay for.
- Where your income is above the level the Government says you need, but you are still struggling.
- Deposit/Removal costs.

A DHP is usually paid for a limited period of time, to give extra time for the claimant to take action to deal with the shortfall, e.g. try to renegotiate a lower rent with the landlord, seek financial advice for existing debts, move to a more affordable property, find paid employment or increase their working hours.

Funding has increased dramatically since 2012/13 where £94,240 was received to approximately £1.3m for 2015/16. The additional funding received from DWP is to help people with the impact of Welfare Reforms whilst Scottish Government Funding is to mitigate SSSC.

Award Strategy

To claim DHP, a claimant has to complete an application form. The application form requires details of their circumstances and details of their income and expenditure. A decision to award DHP is then taken against set priorities as per the Discretionary Housing Payment Policy and DWP guidance.

The Scottish Government provided funding for SSSC, as this was not to be means tested; a simplified form was introduced to make the claim process as simple as possible for the customer. Legislation required that a claim was made.

However, many SSSC claimants will also have a shortfall due to SSSC and another reason, e.g. low income. In these cases, it was decided to award a DHP for both the SSSC shortfall and the other shortfall as one award, e.g.

Claimant X has a shortfall due to SSSC of £500 and a shortfall of £500 due to low income. In this case a DHP award of £1,000 was made.

This was done for claimant ease to complete one claim form rather than completing two separate forms and for one assessment to be carried out. Local Authorities are only committed to paying the SSSC element.

In 2013/14 and 2014/15 there was sufficient funding for this award strategy. However, for 2015/16, it is estimated that the final spend will be over budget. This has been discussed with the Head of Finance.

Should this award methodology continue, the DHP budget will again be overspent for 2016/17.

Proposal

For 2016/17 it is proposed to:

- The SSSC will be paid as per Scottish Government Funding to mitigate the Social Sector Size Criteria. No new form will need to be completed for existing SSSC claims and the Housing Benefit Claim has been amended to include a claim for SSSC for any new claims. Any other shortfall would have to be applied for using a DHP Claim Form, e.g.

Claimant X has a shortfall due to SSSC of £500 and a shortfall of £500 due to low income. In this case a DHP award of £500 will be made and the remaining shortfall will require an assessment to be carried out. Customers are not guaranteed a payment for the non SSSC shortfall. Successful claims will require to meet set priorities and DWP guidance.

- The DHP Claim Form will be reviewed to ensure it is as simple as possible to complete.
- All customers currently receiving a DHP where there is both a SSSC award and another award will be written to advising of the change.
- A revised Discretionary Housing Payment policy has been created which is clear and concise. This document will be published on the Aberdeen City Council website. The proposed Discretionary Housing Payment Policy is attached at Appendix 1.

The aim of this proposal is to:

- manage the DHP budget spend to keep within budget allocated from DWP and Scottish Government.
- Make better use of the budget by taking each case of non SSSC on its merits.

6. IMPACT

Improving Customer Experience

A revised clear and simple to understand Discretionary Housing Payments Policy will help customers to claim DHP.

Improving Staff Experience

An agreed DHP Payment Strategy will provide staff with clear guidance when awarding a DHP.

Improving our use of Resources

The limited funding available will be better used by taking each claim for DHP on its own merits.

Corporate

As a recognised top priority the Council must take the necessary measures to balance its budget. The revised policy will also contribute to the delivery of high quality critical service with clearer communication of the service to the public.

7. MANAGEMENT OF RISK

A revised DHP policy and award strategy will mitigate the risk of the DHP budget being overspent. The revised policy and strategy will be fed into staff guidance, training and the existing budget monitoring process.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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Aberdeen City Council
Revenues and Benefits Service
Discretionary Housing Payments Policy 2016/17

Discretionary Housing Payment Policy 2016/17

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Discretionary Housing Payments (DHP)

1. Introduction

The current legislation for Discretionary Housing Payments (DHPs) is The Discretionary Financial Assistance Regulations 2001. DHPs are administered by the Local Authority and are funded by money received from the Department for Work and Pensions (DWP), Scottish Government and an additional, optional contribution from the council.

The DHP scheme is available to assist council tenants, tenants of Registered Social Landlords, and private sector tenants who are having difficulty in meeting their housing costs.

All applications will be considered on a case by case basis and awards made at the discretion of the council. This policy document provides a framework for outlining circumstances under which DHP's may be awarded. The examples are not exhaustive and other circumstances will be considered.

2. Policy Aims and Objectives

The purpose of these guidelines is to specify how Aberdeen City Council (ACC) will operate the scheme and to indicate some of the factors that will be considered when deciding if a DHP can be made.

ACC will distribute equitably the DHP funding to claimants who meet the qualifying criteria and to promote the following Council objectives to: -

- alleviate poverty
- support vulnerable young people in the transition to adult life;
- encourage residents to obtain and sustain people in employment
- tenancy sustainment and homelessness prevention
- safeguard residents in their own homes
- helping those who are trying to help themselves
- keeping families together
- supporting the vulnerable in the local community
- helping claimants through personal and difficult events, or
- supporting young people in the transition to adult life

3. Features of the DHP scheme

The main features of the scheme are that:

- The scheme is purely discretionary, a customer does not have a statutory right to a payment;
- Awards will be made at the discretion of the council;
- Housing Benefit or the Housing Support element of Universal Credit must be in payment before a DHP payment can be awarded and there

must be a shortfall between the Housing Benefit or Universal Credit (housing support) award and the contractual rent;

- The abolition of Council Tax Benefit from April 2013 means that household costs associated with Council Tax liability are no longer eligible for a DHP award;
- Unlike Housing Benefit, DHP is not a demand led social security benefit. It is a cash-limited fund. Given that DHP's are made from a cash-limited fund they cannot, normally, offer long-term solutions to meeting housing costs. The main exception to this is for those affected by the size criteria restrictions in the social rented sector (see below).

4. Funding

DHP funding is allocated in four different ways:

The original temporary hardship scheme:

This funding allows the council to help people with non-welfare reform related matters such as issues with non-dependent deductions or, short term budgeting problems.

The Local Housing Allowance (LHA) welfare reforms:

This funding allows the council to help those who are renting in the private sector and have been affected by the changes to the Housing Benefit LHA scheme.

The Benefit Cap

This funding allows the council to help those affected by the Benefit Cap. Under the Benefit Cap all relevant benefits that a customer receives are added together, by the DWP, who then inform local authorities where the total amount exceeds the cap. At the moment the cap is set at £350 per week for single people and £500 per week for families. Local Authorities are then obliged to deduct any excess from the claimants Housing Benefit.

Social Sector Size Criteria restrictions

This funding allows the council to mitigate the effects of the size criteria. Additional funding from the Scottish Government means that for 2016/17, DHP will fully mitigate the effects of the rent shortfall caused by the Social Sector Size Criteria (SSSC). This means that the application and assessment procedures for this particular element of DHP will be different from those of the other three DHP elements.

5. Eligibility

In order to be considered for a DHP the claimant must:

- Be in receipt of Housing Benefit or Universal Credit (with housing support) and have a rental liability; and

- Have a shortfall between the amount of benefit being received and the amount of rent that is due to be paid; and
- Having difficulty in meeting the shortfall in their rental liability; or
- Having difficulty in meeting rent deposit or rent in advance payments

6 When DHP will be paid

DHP awards will be made to eligible claimants in the following circumstances:

- When the household is subject to under occupancy.
- Disabled people living in adapted accommodation or where they reasonably require this additional space as a result of their disability.
- Foster and Kinship carers whose HB is reduced because of bedroom(s) being used by, or kept free for, children in care.

7 When DHP may be paid

The following examples outline circumstances where DHP claims will be considered but not guaranteed. The list is not exhaustive and all applications will be considered on a case by case basis

- Where a claimant is chronically sick or disabled;
- Where a claimant is experiencing hardship;
- To prevent a household becoming homeless
- Where a household is affected by LHA welfare reforms
- Where a household is affected by the Benefit Cap

Other factors will be taken into account including:

- The claimants income and necessary expenditure
- The extent to which an applicant might reduce certain outgoings
- The extent to which a claimant can be supported in arriving at a long term solution to their rent shortfall.

8 When DHP will not be paid

There are elements of a person's rent and shortfalls in benefit that cannot be met by a DHP. These are:

- Ineligible service charges
- Increases in rent due to rent arrears
- Claims where Housing Benefit has been suspended
- Reductions in Housing Benefit due to overpayments
- Reductions in any benefit as a result of Job Seekers/Child Support/Universal Credit sanctions or sanctions following certain benefit related fraud offences.

9 Level and Period of Award

The DHP award must not exceed the difference between the weekly eligible rent on their home and the Housing Benefit award or the Housing Support element of Universal Credit.

An award of a DHP does not guarantee that a further award will be made at a later date even if the claimant's circumstances have not changed.

ACC will decide the length of the award depending on the claimant's circumstances however; will usually award a DHP for a period of one financial year for any new claim.

In 2016/17 the award of DHP will be determined as follows:

- Any shortfall caused by SSSC will be met in full by an award of DHP
- Any shortfall not as a result of SSSC will be based on the individual circumstances of the claimant.
- In the case of a claimant having a shortfall caused by SSSC and one or more factors. The SSSC shortfall will be met in full and the shortfall caused by other factors will be based on the individual circumstances.

10 The Claim Process

Regulations require that to make an award of DHP there must be a claim for DHP. In most cases, the person who claims a DHP will be the person entitled to HB, however, claims can also be accepted from someone acting on behalf of the person concerned, such as an appointee, if it is considered reasonable to do so.

A claim for DHP can be made by completing the ACC DHP Claim Form which requests additional personal information required to determine whether a DHP can be awarded.

However, if the shortfall is solely caused by SSSC the ACC shortened DHP claim form should be completed. For new Housing Benefit claimants affected by SSSC the claim for Housing Benefit will be used as a claim for DHP.

ACC may request any reasonable evidence/information in support of a DHP

11 Payee and Method of Payment

ACC will decide the most appropriate person to pay based upon the circumstances of each case. This could include: -

- the claimant;
- an appointee;
- the claimant's landlord (or an agent of the landlord).

ACC will pay an award of DHP in line with how their Housing Benefit is paid. This could include payment by: -

- cheque
- bank transfer
- crediting the claimant's rent account

12 Notifying the Claimant of the Decision

ACC will notify the claimant the outcome of their application in writing as soon as practically possible.

Where the claim is successful, ACC will advise the claimant of: -

- the weekly amount of DHPs awarded;
- the period of the award;
- how, when and to whom the award will be paid;
- the requirement to report a change in circumstances;
- the right to request a review.

Where the claim is unsuccessful the claimant will be notified of:

- the reasons for the decision
- The right to request a review

13 Change of Circumstances and when DHP can be stopped

All DHP claimants are required to immediately report to ACC, in writing, any changes in their circumstances that may be relevant to their DHP award.

Information regarding changes of circumstances will be looked at to decide the level of the DHP award or whether the award should continue at all.

When a change of circumstances means that an award of HB is reviewed, the DHP award will be reviewed at the same time, as the change of circumstances may mean that the criteria for DHP are no longer met.

There are instances other than a change of circumstances when DHPs can be stopped.

- ACC decides that DHPs are being, and/or have been, made because someone has misrepresented or failed to disclose a material fact, fraudulently or otherwise
- they have been paid as a result of an error

14 Disputing Decisions

DHP is not subject to any statutory appeal procedure, however, a claimant (or their appointee or agent) can ask for a review of a DHP decision. The request for an internal review shall be made in writing, within one calendar month of the date of the DHP decision. Any such request should be addressed to the Appeals Officer, Revenues and Benefits, Corporate Governance, Hub 16, 3rd Floor West, Marischal College, Broad Street, Aberdeen, AB10 1AB.

The review will be carried out by someone other than the person who made the original decision. All the evidence/information available will be reviewed. ACC may request the claimant to provide further evidence/information in support of their internal review.

Notifying the claimant

A decision will be made as soon as practicable, of the request for an internal review or receipt of additional information.

The claimant will be notified of the review outcome in writing, setting out the reasons for the decision.

This decision is final and binding and may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman.

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources Committee
DATE	3 rd December 2015
DIRECTOR	Angela Scott, Chief Executive
TITLE OF REPORT	Introduction of a Council Communications Policy
REPORT NUMBER:	OCE/15/046

1. PURPOSE OF REPORT

The report proposes the introduction of a Communications Policy for Aberdeen City Council which is intended primarily as an operational guide for Council staff when communicating Council services and policies.

An approach to the growing use of social media channels by council staff in communicating council services and policies is also detailed.

In addition the report sets out the process for deciding when and how Council members are quoted via Council communications channels.

2. RECOMMENDATION(S)

- 2.1 That Committee approves the implementation of the attached Aberdeen City Council Communications Policy (including Appendices A – E thereto) with immediate effect.
- 2.2 That Committee instructs officers to report to the Finance, Policy and Resources Committee on an annual basis on the operation and ad hoc updating of the Communications Policy.

3. FINANCIAL IMPLICATIONS

No direct financial implications.

4. OTHER IMPLICATIONS

Health and Safety

Environmental

Economic

An effective and integrated approach to communications can help promote Aberdeen as an excellent place to live, work and invest.

Legal

Implementation of this Policy should assist the Council to comply with relevant legal obligations, guidance and codes of practice.

5. BACKGROUND/MAIN ISSUES

Councils provide a vast array of services and have a vital role to play in the economic, social and cultural fabric of the communities they seek to serve. There are expectations about how councils conduct their business and how they develop and promote services. This requires the use of clear and strong communication channels some of which are traditionally directly provided by specific services and some of which are provided corporately.

The attached Policy sets out the purpose, methods and extent of all external Council communications activity. Whilst it does not cover the political communications of councillors, it sets out a clear guide as to when and how councillors are quoted in communications and publicity material.

It is a guide intended for implementation in the main by Council officers and utilises the relevant legislation, guidance, the Council's standing orders and best practice examples.

The decision of full Council in August 2014 (OCE/14/034) to establish a corporate communications function provides an opportunity to establish a clear, transparent and accountable system of communications and engagement that will help raise awareness of the services people need to use and of what Aberdeen has to offer as a destination for business and leisure tourists, investors and the workforce of the future.

This Policy will supersede previous Aberdeen City Council policies and practice on this matter, though it does incorporate relevant and appropriate elements from the following documents:-

- *Social Media and Online Policy and Guidelines* (EPI/11/275 22.09.11)
- *Roles and Responsibilities* (CG/13/027 06.03.13)

This Policy also includes Appendices A – E as follows;

Appendix A – Overview of communications activity and operational guidance for staff

Appendix B – Editorial and Advertising guidelines for Council publications

Appendix C – Photography and Video Policy

Appendix D – Social Media, App and web guidelines for staff

Appendix E – Brand guidelines and development path

It is recommended that officers should be required to report to the Finance, Policy and Resources Committee on an annual basis on the operation and ad hoc updating of the Communications Policy. This will help ensure the Policy is kept up to date with best practice and any changes in statute, regulations and guidance.

6. IMPACT

Corporate

Aberdeen – the Smarter City

- We will promote Aberdeen as a great place to live, bring up a family, do business and visit.

Smarter Living (Quality of Life)

- We aspire to be recognised as a City of Culture, a place of excellence for culture and arts by promoting Aberdeen as a cultural centre hosting high quality diverse cultural events for the whole community and beyond.

Smarter Economy (Competitiveness)

- We will work with partners to promote the city as a place to invest, live, work and export from.

Community Plan

- Work with other organisations, agencies and groups, including Visit Scotland and Visit Aberdeen, to encourage tourism and the provision of facilities for tourists.

7. MANAGEMENT OF RISK

Implementation of this Policy should reduce the risk of non-compliance with relevant legal obligations, guidance and codes of practice and consequent reputational damage to the Council.

8. BACKGROUND PAPERS

- Social Media and Online Policy and Guidelines (EPI/11/275 22.09.11)
- Roles and Responsibilities (CG/13/027 06.03.13)

9. REPORT AUTHOR DETAILS

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Appendix A: Overview of communications activity and operational guidance for staff

- 1.1 The aim of the policy is to provide a clearer framework of behaviour and expectation from both members and officers. Although the items below are an operational guide only and cannot cover every eventuality, it does highlight what represents acceptable communications practice.
- 1.2 Advertising Campaigns: The Code of Recommended Practice on Local Authority Publicity (1988) ("the Publicity Code") explicitly permits a politician to be presented as the representative of the Council, provided the publicity material produced by the Council does not seek to affect public support for that individual or their party grouping.
- 1.3 Printed materials and posters: Thought needs to be given to the purpose of printed material and posters that contain the image of serving politicians. If material is likely to remain in the public eye for a lengthy period then it may be unsuitable to include an image of a politician, particularly if usage would continue into an election period.
- 1.4 Use of logos and branding: The communications handbook will set out the design standards operated by the Council. The Council has a range of logos that it uses based on and complementary with the Aberdeen City Council crest.
- 1.5 The default logo is the Aberdeen City Council crest as approved by the Lord Lyon.
- 1.6 Inclusion in Council publications: The Council has a clear set of editorial guidelines. It is appropriate to cover the actions of the administration as they, through full Council and other committees, perform a policy making role for the authority. Conveners and Deputy Conveners and those with specific responsibilities are often the representatives of the Council's campaigns and services.
- 1.7 However such coverage needs to meet the principles listed in the Publicity Code, and in particular should be 'objective, balanced, informative and accurate'. It would represent a breach of the Publicity Code to include quotes from any member that politically criticises another member.
- 1.8 Budget coverage: Budget coverage in media releases will be factual in nature and will describe the origins of the adopted budget proposals and any amendments. As elsewhere in this policy, documents prepared by officers containing advice and recommendations may benefit from explanatory media releases and/or comment. Such releases would concentrate on matters of fact, use a Council officer as spokesperson and would not in any way pre-judge budget decisions. Substantive amendments through a vote at a budget meeting will have their origins referenced.
- 1.9 Press releases and their availability: Press releases, where published, will be made available via the website and, from December 2015, the council's online newsroom. Councillors can request to be included on the circulation list for general issue media releases. A media summary briefing will also be developed and made available to all councillors.
- 1.10 Working with the media: The Council operates a 24/7 press office to support and promote understanding of the Council's policies and services. All press enquiries should be responded to via the communications department.

Officers must not respond directly but members can respond individually if they choose but they are encouraged to seek the advice of the department on matters of Council policy and service delivery. In general terms the Council's Communications and Promotion service will endeavour to answer media enquiries in line with the deadlines supplied by journalists. However a judgement will be made as to how the Council responds in order to protect and promote the Council's reputation – but in line with the principles and policies set out in this document. Given limited resources, and at the discretion of the Head of Communications and Promotion, some media enquiries may be treated as Freedom of Information (Fol) requests.

- 1.11 Where media enquiries and requests are deemed to be of relevance to individual Councillors they will be contacted by the Communications and Promotion service and, where appropriate, given support to produce a response.
- 1.12 Blogs and websites: The Publicity Code predates the internet so it is necessary to apply its principles to modern communication tools such as websites, blogs and social media. For blogs in the name of elected members in the period before elections and referendums it may be necessary to suspend the publication of new blogs and to move existing links to a less prominent position for named blog material already published.
- 1.13 Broadcast advertising material: Advertising material that is intended for broadcast by stations subject to Ofcom rules must first have the script cleared by the Communications and Promotion service and as appropriate the monitoring officer. In essence content must not seek to affect public support for politicians. There should be a public interest purpose to the material, such as providing useful information about Council services or seeking to promote positive changes in behaviour. The advice of a specialist broadcasting clearing house may be sought prior to any production stage.
- 1.14 Mailings and other communications: Direct mailings can often be a useful method of communication between the Council and residents. On particularly important issues a mailing from the Council to residents could be deemed to be an appropriate use of resources i.e. annual Council Tax brochure. Officers will provide advice on the most suitable channel given the specific circumstances. There will need to be a retained and clear audit trail for significant communications projects.
- 1.15 All Council publicity must clearly and unambiguously identify itself as a product of the Council. Printed material should do this on the front page.

2. Overview of communications activity and accountability lines

The activity list below is not exhaustive but is intended to provide a simple guide to ensuring best practice and compliance with Council policy, legislation and guidance. All communications activity must be subject to the principles in the Publicity Code. As a general rule, consult directorate communications advisers before engaging in any mass communication exercise.

Comms activity	Objective	Action	Accountable officer (escalation list)
Publications (news content)	To ensure that there is a balanced reflection of Council and community news	Ensure that there is a balance of community and political figures	1. Comms Business Adviser 2. Marketing, Content and Design Manager 3. Head of Communications and Promotion
Publications (quotes and images)	To comply with legislation, the Publicity Code, best practice and Council policy	Ensure that quotes focus on local issues and avoid personal political criticism Members of the Administration will often represent the Council for services and policies but there is a need to consider balance and objectivity Ward level stories to be encouraged from elected members and the public if appropriate	1. Comms Business Adviser compiling initial press release 2. Marketing, Content and Design Manager/ External and Internal Communications Manager 3. Head of Communications and Promotion
Publications (adverts)	To comply with legislation, the Publicity Code, best practice and Council policy	Review all adverts in line with Council policies	1. Advertising Officer 2. Marketing, Content and Design Manager 3. Head of Communications and Promotion
Media releases	To comply with legislation, the Publicity Code, best practice and Council policy	Communications Business Advisers will ensure there is a focus on service delivery and local	1. Comms Business Advisers compiling initial press release 2. External and Internal Communications Manager

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		issues for all content.	3. Head of Communications and Promotion
Reactive media response	To comply with legislation, the Publicity Code, best practice and Council policy	Whilst promoting and protecting the reputation of the Council all media responses will be fair and honest.	1. Comms Business Advisers compiling initial press release 2. External and Internal Communications Manager 3. Head of Communications and Promotion
Website content	To ensure that website content complies with legislation, the Publicity Code, best practice and Council policy	Communications staff will ensure there is a focus on accessibility, service delivery and local issues for all content. Directorates will ensure that content uploaders have manager permission to upload every piece of content	1. Service managers in directorates 2. Comms officer approving content 3. Web officer/editor 4. Head of Communications and Promotion
External paid for broadcast adverts	To comply with broadcast legislation, the Publicity Code, best practice and Council policy	All requests for broadcast adverts must be cleared at the concept stage by the Head of Communications and Promotion	1. Relevant Head of Service /Corporate Director 2. Communications Adviser 3. Head of Communications and Promotion 4. External script clearing company and Monitoring Officer (if required)
External paid for non-HR print adverts	To comply with legislation, the Publicity Code, best practice and Council policy	Communications Business Advisers should ensure directorates plan for a balanced mixture of promotional activity and ensure content is service focused. Comms advisers to support directorates on the appropriate use of logos. In general terms the Aberdeen City Council crest and	1. Relevant Head of Service or nominee 2. Communications Business Adviser 3. Head of Communications and Promotion

		Shaping Aberdeen logo will suffice.	
Banners and posters on Council assets	To comply with legislation, planning regulations, Highways regulations, Transport Scotland, the Publicity Code, best practice and Council policy	Banners and posters can take up to 16 weeks to clear and manufacture – i.e. in the case of lamp post banners where planning permission may be required Ownership of assets must be ascertained, site visits conducted and the appropriate approval channel selected	1. Relevant Head Service or Service Manager 2. Communications Business Adviser 3. Marketing, Content and Design Manager 4. Head of Communications and Promotion 5. Monitoring Officer (if appropriate)
Direct Mail letters and leaflets to residents	To comply with legislation, the Publicity Code, best practice and Council policy	In the first instance managers, in consultation with communications, should identify if a letter is the best/most cost effective communication tool. Inclusion of members and branding requires the input of the Communications and Promotion service	1. Relevant Head of Service 2. Communications Business Adviser 3. Head of Communications and Promotion 4. Monitoring Officer
Websites, Apps and social media	To comply with legislation, the Publicity Code, best practice and Council policy To enable members of the public and other stakeholders to	In the first instance managers, in consultation with communications, should identify the communications objectives of the project and then determine the most appropriate	1. Relevant Head of Service 2. Communications Business Adviser 3. Head of Communications and Promotion 4. Transformation Board if appropriate

	engage with the Council in the manner they find the most convenient	dissemination channel. If new social media, Apps and website channels are the most appropriate vehicle then communications will advise on the next steps such as business case development (where costs are involved as a result of new tools or integration is required)	
Sponsorship and advertising	To comply with legislation, the Publicity Code, best practice and Council policy	Managers in the first instance should discuss their objectives with their allocated Communications Business Adviser who will advise on the most suitable mix of communications channels and tools. Should it be decided that in terms of best value, sponsorship and/or an advert is appropriate to reach the desired audience, then the Communications and Promotion service will lead on the advert design and review the terms of any sponsorship in conjunction with legal if required.	1. Relevant Head of Service 2. Communications Business Adviser 3. City Promotions Manager or Marketing, Content and Design Manager 4. Head of Communications and Promotion and/or Head of Service (Office of Chief Executive)

Appendix B: Editorial and Advertising Guidelines for Council Publications and assets

Objectives of the Council's publications:

- To support the delivery of the Council's strategic programmes including but not limited to:
 - Shaping Aberdeen
 - the City Centre Masterplan (CCMP)
 - Economic Development and Wellbeing Strategy
 - Aberdeen City Region Deal (CRD)
- To communicate the Council's policies, priorities, initiatives and services including promotion of Shaping Aberdeen
- To enhance residents' ability to access local services by providing information about services, meetings, advice and in format which they can access
- To influence attitudes in relation to supporting healthy lifestyles, crime prevention and fear of crime, race relations, equality, diversity and community cohesion
- To develop a shared sense of identity and promote a positive image of the community, the Council and Aberdeen
- To support residents through national and local welfare reform changes
- To promote economic well-being and foster enterprise and entrepreneurship
- To create an understanding of the responsibilities and work of the Council and of Councillors.

Editorial Policy

The editorial policy sets out the principles and process by which editorial content is decided upon:

- 1) Editorial is defined as news, features, information, anything that is not a paid-for advertisement.
- 2) Aberdeen City Council publications operate within the Code of Recommended Practice on Local Authority Publicity (1988) ("the Publicity Code").
- 3) Discretion over topics covered, style, content and presentation rests initially with the Marketing, Content and Design Manager, and in their absence, an appropriate manager within the communications service, with the approval of Head of Communications and Promotion and/or the Chief Executive.
- 4) Judgments are made within the constraints of all relevant legislation, statutory guidance, regulation and Council policy. It includes, but is not limited to, the following:-
 - 4.1 the Local Government Act 1988;
 - 4.2 the Code of Recommended Practice on Local Authority Publicity as issued under section 4 of the Local Government Act 1986
- 5) Aberdeen City Council publications should function with professional independence, within the objectives set out above and with the editorial oversight of the Head of Communications and Promotion or a nominated manager as outlined in 3 above.

- 6) Stories and features will have undergone a standard fact-checking exercise with the appropriate service and reasonable care will be taken as to the accuracy of the material published.
- 7) There is also a recognised photographic content and style in line with editorial policy.
- 8) Editorial material is selected on their news value and also the information they give residents about key issues as set out in paragraph 18 of the Publicity Code i.e. it may be “an appropriate means of influencing public behaviour or attitudes on such matters as health, safety, crime prevention or race relations.”
- 9) There is no guarantee that an article or feature will appear in a specific publication although content is planned within the framework of a forward plan based around the Council priorities, agreed with the directorates.
- 10) Paragraphs 40-41 of the Publicity Code state that it is acceptable to promote the work of individual members of the authority in the interest of public accountability where the individual is representing the Council or to report discussions of the Council or committees.
- 11) No political material is accepted in Aberdeen City Council publications. Section 2 of the Local Government Act 1986 details restrictions on publicity more generally and paragraph 43 of the Publicity Code details restrictions on publicity during periods of heightened sensitivity such as elections.
- 12) Court stories may be used where appropriate with details of defenders/accused published in accordance with the law. Reports of antisocial behaviour orders (ASBOs) are also published in accordance with the law which allows for juveniles to be named. The Council has a policy to name perpetrators.

Advertising Guidelines agreed by Aberdeen City Council 2005

The Council's Policy and Strategy Committee of 27 September 2005 approved the following list as being unsuitable for sponsorship opportunities:

- Sponsorship for contraceptive and associated products and services;
- Sponsorship for political parties or where the content is to be of a political nature;
- Sponsorship on behalf of Trade Unions or Employers Federations;
- Sponsorship that may be construed as offering services of a sexual nature;
- Sponsorship for religious organisations or of a religious nature;
- Sponsorship which may be construed as showing or encouraging racial, sexual, gender or other forms of prejudice;
- Sponsorship promoting cigarettes or tobacco;
- Sponsorship promoting alcohol or alcoholic products;
- Sponsorship that is considered not to comply with the guidelines set down from time to time with the Advertising Standards Authority;
- Such sponsorship types that may be specified in advance by the Council from time to time.

Additionally, the Council reserves the right to exclude other types of sponsorship or Sponsors at their discretion.

Appendix C: Photography and Video policy

1. Introduction

- 1.1 The purpose of this policy is to ensure that correct authorisations are in place for the use of photographs and media recordings in ACC public communications and photographs taken for and on behalf of ACC accord with legal requirements.
- 1.2 This policy is not intended to cover the photographing and filming of children and young people or the use of CCTV – there are separate policies in place for these. Please contact the Commercial & Advice team of Legal Services if you need further information.
- 1.3 Any reference in this policy to photographs includes any images including video and other media recordings.
- 1.4 Council standing orders refer to the use of photography in the council chamber and unless suspended through a council decision, mean that photography is not permitted in the chamber.

2. Use of photographs

- 2.1 The Data Protection Act 1998 (“DPA”) protects the privacy of individuals by limiting the ways in which information relating to individuals can be collected, stored and shared. The purpose of the DPA is to ensure that personal data is dealt with in a responsible way. This includes all personal information including photographs or recordings of individuals. Sometimes, a photograph is not close enough to identify people. These pictures cannot be classed as personal information, because no-one can be picked out. However, close-ups or pictures where people can easily be identified count as personal information under DPA.

These are the main principles of the DPA for the purposes of this policy:-

- (i) Personal data – information about a living individual that is processed automatically (e.g. by a computer) or held within a relevant filing system or recorded with the intention of processing or filing it, and which enables the individual to be identified or identifiable. Personal data can include photographs or images, in digital or analogue form.
- (ii) Sensitive personal data – this is personal data that consists of information on someone’s racial or ethnic origin, political opinions, religious or similar beliefs, trade union membership, physical or mental health condition, sex life, offences (committed or alleged), or proceedings/sentences for those offences.
- (iii) Processing – this has a very broad scope, including: obtaining, recording or holding data as well as specific activities such as organising, adapting,

altering, retrieving, consulting, using, disclosing, disseminating, aligning, combining, blocking, erasing or destroying information

- (iv) Data subject – the person who is the subject of the personal data
- (v) Data Controller – the person who determine how the personal data is processed (in this case ACC)

The DPA sets out eight principles of good information handling which must be followed by those who process personal data:

Personal data must be:

- (i) fairly and lawfully processed
- (ii) processed for limited purposes – purposes should be made known to the data subject and should not be determined retrospectively once the data has been obtained
- (iii) adequate, relevant and not excessive – it is unacceptable to hold additional data just in case it might be needed
- (iv) accurate and, where necessary, up to date
- (iii) not kept for longer than is necessary
- (iv) processed in line with the rights of the data subject
- (v) secure – appropriate technological and management systems must be in place to prevent unlawful use or accidental loss or damage
- (vi) not be transferred outwith the EU (with certain exceptions for example where consent is given)

Photographs taken for personal use are exempt from the DPA.

- 2.2 The DPA does not prevent ACC from using photographs but permission of all the clearly identifiable people whose image will be used must be obtained, **before** footage is recorded. Consent of a parent/guardian or carer is required for all young people under 16.
- 2.3 A consent form is attached at Appendix 1. When taking photographs for ACC, the photographer must make it clear why he is using that person's image; what he will be using it for; where the pictures will appear – for example in brochures, publicity information or the internet. In effect, people should have the option of not being included. If people willingly pose for a photographer, then they just need to be told what the picture is for. It is especially important to make sure that parents are consulted about photographs of their children.
- 2.4 Once a photograph has been taken, it is important that it is only used for the purpose described. If photographs are taken for ACC publications or to promote ACC services, these should not then be released to third party or private companies unconnected to ACC without further consent being obtained.

- 2.5 If the photographer is taking images at an event attended by large crowds, this is regarded as a public area so he does not need to get the permission of everyone in a crowd shot. People in the foreground are also considered to be in a public area, however, it would be best practice to address those within earshot, stating where the photograph may be published, and give them the opportunity to move away. If the photographer wants to use an image of a particular individual with the crowd in the background he must get their verbal permission and record the fact that he has done so. He can record their consent when he takes the photograph or when he returns to the office. A copy of verbal consent is attached at Appendix 2.
- 2.6 Images should be stored for no longer than is necessary. It is therefore recommended that images are deleted from the image library or destroyed five years after the date on the consent form, in case family circumstances change, unless further consent is agreed. This is particularly important if the publication will have a high profile – i.e. it will have a wide circulation. However, certain images commissioned from commercial photographers may be stored and used for longer than five years in the event that they are valuable and considered still relevant for use in ACC publications.
- 2.7 If photographs of individuals are intended to be used on a website, the information is potentially being disclosed beyond the EU and, consequently, it is essential that the explicit consent of the individuals concerned is obtained. This permission must be clear and recorded. Written consent should be obtained if possible. The consent form at Appendix 1 should be used.
- 2.8 Care should be taken when including personal details of any child or adult with a photograph. Personal details may be used in certain circumstances, for example where a child or adult is being rewarded or recognised and publishing their names reflects that. Personal email or postal addresses, and telephone or fax numbers should not be included.
- 2.9 ACC has existing photographs on file. If you intend to re-use older photographs for which you did have consent but probably only for paper publications, it is recommended that you renew this consent if you want to use images on a website.
- 2.10 If consent was never obtained, you should be extremely careful and apply common sense when using them. Consider the following: for what purpose was the photograph originally taken; where was the photograph taken; when was it taken. Use common sense!
- 2.11 Any photographic library of ACC should be sufficiently organised so that consent can be checked at a later date if photographs are to be re-used. Photographs and signed consent forms should be kept together. Photographs should be destroyed when the consent has expired. Section 5 of this policy provides further detail on this.
- 2.12 Photographs, video and animations produced by Council staff and/or using Council assets and resources cannot be used for party political purposes in

line with the Code of Recommended Practice on Local Authority Publicity (CoRPLAP 1988).

3. Restrictions on the right to take photographs

- 3.1 This section of the policy details the restrictions on the taking of photographs in public places.
- 3.2 Owners of property do not normally have the right to prevent someone from taking photographs of their property from a public place such as a public highway. There is also no general restriction on taking photographs while on private property, provided the photographer has permission to be on the property.
- 3.3 However, article 8 of the European Convention on Human Rights gives everyone the right to respect for his private and family life, his home and his correspondence. The use of a long lens to take a photo of someone in a private place, such as their home, without their consent, is an invasion of privacy even though the photo is taken from a public place.
- 3.4 For images of people in public places, the issue is whether where the place is one where a person would have a reasonable expectation of privacy. Any photographers acting on behalf of ACC are therefore advised to be careful when taking photographs intended for some kind of publication, even when the subject is in a public place. Written consent should be obtained if possible.

4. Photos of children

This section gives some general guidance on photographs of children. The policy “Photographing and Filming of Children and Young People” should be consulted for further detail. A child does not have the legal capacity to consent and a parent or guardian must consent on his behalf. If another family member or relative is at an event with a child, their permission should be sought. It is not illegal to photograph children in a public place but it is ACC policy that children and their parents should be informed and consulted and consent obtained before photographs are taken in public places. Children should also be given an opportunity to consent.

5. Commissioning of photographs

- 5.1 When selecting photographs for ACC publications and promotional material, images from the ACC image library (“the Asset Bank”) should be considered in the first instance. Reference should be made to the Corporate Communications team who are in the process of agreeing a procedure in relation to the Asset Bank.
- 5.2 ACC holds photography competitions. The terms and conditions at Appendix 3 should be used for such competitions. The terms and conditions require

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permission of the person featured in the photograph to have been obtained by the entrant. Photographs from such competitions may then be suitable for use in ACC promotional material or literature. If so a further discussion should be held with the relevant competition entrant and specific consent obtained. Copyright issues should also be considered – please see section 6 of this policy for further detail on this.

- 5.3 Photographs may be also be commissioned from agencies and third party photographers. In this case, a contract should be entered into with the agency/photographer. ACC standard terms and conditions relating to the procurement of services should be used. The photographer/agency should also be made aware of this policy and confirmation of acceptance of its terms should be received. A copy of this is attached at Appendix 4.

6. Copyright

- 6.1 This section of the policy gives a brief overview of the law on copyright as it applies to photographs.
- 6.2 It is important to be aware of the copyright position of any photographs to be used, because photographic images are considered as artistic works under the laws of copyright.
- 6.3 As a general rule the author of the work is the first owner of copyright and any moral rights which are contained within it. For photographs this is the photographer. If the photographs are made by an employee in the course of their employment, the employer is the first owner of copyright in the work. However this can be overridden by the specific contracts of employment or any other agreement to the contrary.
- 6.4 The copyright of any photographs taken by ACC staff in the course of their employment lies with ACC. However, there may be occasions where another person or organisation is commissioned to take photographs and, in the absence of any written agreement, the first legal owner of copyright is the creator and not ACC the commissioner. In this case ACC may only get a limited non-exclusive licence to the photographs. The documentation referred to at section 5 of this policy should be obtained and legal advice obtained as to whether an assignment or licence is required.
- 6.5 Photographs obtained from the internet are also subject to copyright so should not be used for ACC publications unless consent has been obtained.
- 6.6 Photographs on ACC's website and publications that are not owned by ACC may have a photographic credit attached to them (subject to any specific agreement). Photographs owned by ACC do not need a credit on own website but for non ACC publications the credit should read "Photograph courtesy of ACC".

7. Historic Exemption

There is an exemption in the DPA for those holding historic material, such as archivists. It enables personal data held legitimately for one purpose to be transferred to an archive and held there indefinitely and used for another purpose. This exemption could enable historical images to be held within a digital collection that is limited to research purposes – but remember that this does not give the right to use the image as you please. Legal advice should be sought if you think this exemption may apply.

8. Social media

ACC's website, twitter, facebook and other social media accounts may invite people to send in photographs or video. The following suggested wording should be used:

"In contributing to ACC website, you agree to grant us a royalty-free, non-exclusive licence to publish and otherwise use the material in any way that we want. It is important to note that you still own the copyright to everything you contribute and that if your image and/or video is accepted, we will endeavour to publish your name alongside it."

Any terms and conditions of ACC in relation to online use should be referred to and no laws should be infringed when images are uploaded.

Appendix 1

Photo Release Form

I give my consent to having my photograph taken and/or artwork photographed in relation to Aberdeen City Council business as indicated below. I understand that these photos may:

1. be used in Council publicity material e.g. publications, documents, posters, flyers.
2. be used by local or national press in advertising/features relating to the Council.
3. be used on the Council website and social media pages promoting Council services.
4. be used in Council publicity videos and/or national television adverts and features.
5. include my full name in some cases (e.g. competition winners)

NAME:

ADDRESS:

POSTCODE: TELEPHONE:

ARE YOU UNDER 16 ? Yes No

(If you are under 16 years of age the permission of a parent or guardian will be required – see below)

SIGNATURE: DATE:

Parents/Guardian Permission

I have read the form above and agree to the permission given by my son/daughter/ward to feature in photography/video/website or to have artwork photographed, in relation to Council business.

NAME:

ADDRESS:

POSTCODE: TELEPHONE:

SIGNATURE: DATE:

This release is valid for five years from the date of signature. The Council will not use the personal details of any child or adult in a photographic image or video, on our website or in any of our other printed publications without permission. If the Council uses photographs of individual children, it will not use the name of that child in the accompanying text or photo caption without permission.

Appendix 2

VERBAL CONSENT FORM

Name of the project:

Name of the photographer or recorder:

Photographer's address:

(insert the name of the person to be photographed/recorded)

Has verbally agreed to have their photograph taken/be videoed.

	Yes	No
In accordance with the Data Protection Act 1998, I have explained that:		
ACC may use these images in printed publications produced by ACC for promotional purposes		
ACC may use these images on our website, and it is understood that websites can be seen throughout the world and not just in the United Kingdom		
ACC may use these images in promotional videos		
This form is valid for [five years from the date of signing/for this project only]		
ACC will not include details or full names of any person, in an image on video, on our website or in printed publications without consent.		
ACC will not include personal email or postal addresses or telephone or fax numbers on our website or in printed publications.		

Signed:

Date:

Appendix 3

Competition Terms and Conditions

- This competition is open to all, other than employees of Aberdeen City Council
- Maximum [10] entries per person, per competition
- Each image can only be entered once. Duplicates will be removed
- Images must have been taken within the last six months and be your original work
- You must be the sole author and owner of the copyright of all images entered, at the time of entry
- Source material or proof of permission to use must be made available on request by Aberdeen City Council
- Aberdeen City Council does not accept any liability for the publication of unlawfully reproduced images
- [All images should be taken within the city of Aberdeen – the image should reflect your favourite spot in the city, highlighting why Aberdeen is a great place to live and visit]
- Computer-generated or computer-altered images will not be accepted. Artwork and illustrations will not be accepted
- To enter, tweet your photo and description using the hashtag #[] or email to []
- Images should be submitted as jpgs
- Each jpg should be a minimum 2MB in file size. Images submitted via email should include your name
- By entering your image, you grant to Aberdeen City Council the exclusive right to reproduce it for any purpose, at any time and in perpetuity
- The winners consent to the use of their image, name and/or photograph in any publicity carried out by Aberdeen City Council, without compensation
- It is the photographer's responsibility to ensure all/any people featured in the images have given full permission for their image to be used. Aberdeen City Council accept no responsibility for gaining the above permissions
- Written and signed permissions for all/any people featured in the images are required. A blank model release form is available to download at add url....
- [Six] winning images will be selected and pieced together in a collage to make a postcard
- Aberdeen City Council's decision on all matters relating to the competition is final. No correspondence will be entered into
- Aberdeen City Council reserves the right to decide that the quality of entries falls below the standard required and no winners will be announced
- Aberdeen City Council reserves the right to use all images submitted for promotional use, regardless of whether or not it is selected as a winning entry
- Winners will be contacted via email or Twitter by X X 2014 and will be invited to a photo call on a date to be determined (before [])
- All rights (including ownership and Intellectual Property Rights) in any materials made available to the entrant by Aberdeen City Council shall remain owned by the Entrant
- Entrants will sign and deliver any document reasonably required by Aberdeen City Council to vest ownership of such Intellectual Property Rights in the

Council and grant to the Council all necessary licence rights in relation to such Intellectual Property Rights to allow it to use the materials for all purposes contemplated or envisaged by the Contract, such licence to be non-exclusive and royalty free.

Appendix D: Social media, App and web guidelines for Council staff

Introduction

Social media channels, Apps and websites are evolving tools that can be effectively used to communicate and engage with a wide audience. Specifically Public Performance Reporting is a statutory requirement for local authorities which focuses on performance indicators which are required for publication each year. The guidance is issued by Scottish Ministers under Section 13 of the Local Government in Scotland Act 2003, which imposes a general duty on each local authority 'to make arrangements for the reporting to the public of the outcome of the performance of its functions'.

Audit Scotland in 2014 changed their assessment of how local authorities fulfil this function and are pressing local authorities to proactively improve the dissemination of this information through web and social media tools.

For the purposes of this policy all Apps, websites and social media channels are subject to the guidelines contained in this appendix. In general terms it is important that staff contact a member of the Communications and Promotion service prior to using or procuring any new social media, App or website channel. This is because using existing corporate accounts may prove the most effective and in addition it aids the coordination and integration of Council communications activity.

Aberdeen City Council first created a social media presence in 2010. Since then, social media has become firmly established in the range of communications channels which the Council uses to engage with residents and customers.

Messaging through social media is instant and wide-reaching. Due to the potential reach and lifespan of posts on social media channels, as well as the potential damage to the Council's reputation that negative social media could cause, it is essential that the Council's social media accounts are effectively managed, monitored and administered.

Postings on social media channels are subject to the same rules and regulations as traditional Council communication channels. This document sets out Aberdeen City Council's approach to social media use and covers channels, management, content, engagement, analysis and reporting, and training.

1. Channels

The Council currently has corporate profiles on a number of social media channels. These are managed by the Communications and Promotion service. The channels currently in use are:

- Facebook
- Twitter
- YouTube (subject to review and development)
- Flickr (subject to review and development)
- Vimeo
- Google+
- LinkedIn
- Blog sites for the Chief Executive, Directors and Heads of Service

In addition to the main corporate accounts, there are a number of other Facebook and Twitter accounts that have been set up by individual teams and services. These will be subject to periodic review by the Communications and Promotion service. Any which have been inactive for the last 6 months, have low numbers of participants, and detract from the corporate accounts or which are otherwise no longer relevant will be closed and future content shared on the corporate channels.

Council employees wishing to use social media as a channel for a project or campaign should contact the Communications and Promotion service in the first instance. In most instances, it will be appropriate for the Council's corporate accounts to be used to deliver messages about specific campaigns or projects. Where a project specific campaign is established on a social media channel, this must be developed in discussion with the Communications and Promotion service, be required for a specific and defined period of time, comply with the Council's brand guidelines and have clearly established management and monitoring procedures in place.

In general terms though there has to be a clear reason why a separate account is required and this must be approved via the Communication and Promotion Service prior to set up.

2. Management

The Communications and Promotion service manage the Council's social media and web channels, using the channels to provide information to followers on key issues, campaigns and in emergency situations.

Customer Service staff are also responsible for responding to queries received through social media though this will be using the council's corporate channels. Primarily Customer Service staff responses will concern service delivery on specific cases rather than on matters of council policy or service delivery performance in general.

Currently a social media management platform is used to allow the management of posts, comments and feedback on Facebook, Twitter, Google+ and LinkedIn. The Communications and Promotion service will work with services to support the Council's social media presence and hence support residents who wish to engage with ACC in this manner.

A wide range of employees require different levels of access to the sites. Social media management software provides this, enabling the administrators to carry out different functions on the social media sites. Such software can also generate comprehensive reports on the effectiveness and reach of communications and engagement.

All Council employees with access to the corporate social media accounts (usually but not exclusively based in the Communications and Promotion service and Customer Service teams) should remember that:

- Log-in to the accounts should be through the account management software.
- The organisation may be held responsible for something an employee has written or said if it is on behalf of the organisation.
- They should check the validity and appropriateness of statements from other websites or social media channels that are being re-tweeted, re-posted or linked to on the Council's corporate accounts.
- However comments that are re-tweeted, re-posted or linked to on the Council's corporate account does not imply endorsement.

3. Content

Aberdeen City Council uses social media for the following broad purposes:

- To share information
- To respond to queries from customers
- To engage and consult with citizens and stakeholders

Those who opt to receive information from the Council via Twitter, Facebook and Google+ can expect to receive the following:

- Direct and scheduled messages on services, campaigns and other key issues.
- Information on Council activities and events.
- Information on road closures and traffic disruptions.
- Emergency information on all issues including service disruptions, school closures, adverse weather etc.
- Invitations to provide feedback on specific issues on which we are consulting.
- Occasional live coverage of events (e.g. election counts, committee meetings, full Council).
- Shared information from other organisations that we feel is relevant to our customers.

We also create and share photos, videos and infographics. Visualisation of messages can increase customer understanding and enhances messages issued through other communications channels.

3.2 Branding and tone

All material published through the social media channels should be branded appropriately in line with corporate guidelines.

Social media is informal in tone but we still need to ensure that everything posted on our accounts is of interest and relevance to our followers and presents the Council in a professional light.

3.3 Scheduling content

We post on social media both instantly during the working day and also by scheduling messages through our social media management software throughout the day and outwith office hours.

During emergency situations, information will be issued 24/7 as required.

The Communications and Promotion service will oversee and coordinate the scheduling of social media messages to ensure that customers are not bombarded with too many updates within a short space of time as this could result in people 'unfollowing/unliking' the page.

4. Engagement

4.1 Engagement with customers

Customers who choose to communicate with the Council through social media can expect the same standards of response as they receive when making contact through the website or by email.

Customer Services monitor the social media accounts for specific reports, comments and complaints and deal with these in line with existing customer service standards. Comments

on matters of policy will be handled where appropriate by members of the Communications and Promotion service.

Replies to customers will be made within a target time of 24 hours (subject to review) Monday to Friday. Where appropriate, customers will be advised that further engagement will continue through other communications channels such as email and telephone to ensure the protection of personal information and details.

Training will be provided to all those who respond to customers through social media, to ensure consistency in language, tone, content and timing of responses. Training will also include guidance on when issues need to be escalated through the appropriate channels. Access to the Council's social media accounts and permission to respond to customers through these channels will only be provided once the relevant training has been undertaken. (See Section 6).

4.2 Engagement with partner organisations

The Council follows or 'likes' the social media accounts of other relevant organisations, including but not exclusive to government organisations, other local authorities, other key organisations in Aberdeen, media organisations and partners relevant to key initiatives and campaigns.

Staff are permitted to retweet or share comments from our partner agencies as long as content is appropriate.

4.3 Following and responding

Organisations or individuals who follow us on Twitter or like us on Facebook will not automatically be followed or liked back. This is to ensure that the content we see in our own feeds is relevant and that we can clearly see important messages from the partner organisations that we do follow.

Please note that Twitter does require account holders to follow each other before you can send and receive direct messages.

Being followed or liked by the Council does not imply endorsement of any kind.

The Council will not respond to spam or abusive posts. Inappropriate or abusive posts will be removed and social media accounts can be blocked from posting to the Council's account.

5. Analysis and Reporting

The Communications and Promotion service will use social media management software to prepare regular reports to assess the effectiveness of social media channels in reaching customers. We will undertake analysis to assess the reach and success of specific posts and campaigns as well as levels of customer engagement.

Over time, these reports will allow us to analyse how customers engage with the Council, and findings will be used to inform future strategies.

6. Training

All Council staff who are involved in engaging with and responding to the public on social media will receive training. This will cover:

- An overview of social media and the accounts that the Council operates.
- How social media fits in to the Council's overall customer service strategy.
- Examples of how the Council uses social media.
- Guidance on the language and tone to use in responses.
- How to use the social media management software. Standard responses to common enquiries received on social media.
- A list of contacts who can assist with common queries.

7. Principles

These principles apply to online participation in social media and set out the standards of behaviour expected from an employee of the Council.

Staff are expected to participate to the same standards as they would with other media or public forums where approval has been given.

Key standards and principles for staff are:

- **Be professional:** remember you are an ambassador for your organisation. Wherever possible, disclose your position as a representative of your directorate, service or team.
- **Be responsible:** be honest at all times and, when you gain insight, share it with others where appropriate.
- **Be credible:** be accurate, fair, and thorough and make sure you are doing the right thing.
- **Be relevant:** remember the purpose and function of social media is to enable you to fulfil your role professionally, effectively and efficiently.
- **Be authentic:** In general terms always use an Aberdeen City Council account to engage on Council business – not your own personal account.
- **Be politically neutral:** content on blogs, websites and social media is deemed to be covered by the Code of Recommended Practice on Local Authority Publicity 1988. As such this content must follow the guidance set out in the Council's Communication Policy and attached appendices.

Always remember that participation online results in comments being permanently available and open to being republished in other media. Never give out personal details such as home addresses or phone numbers and ensure no confidential information – Council or otherwise - is disclosed.

Also be aware that online participation may attract media interest in staff as individuals, so staff are urged to proceed with care. If in any doubt whatsoever, advice should be sought from line managers and the Communications and Promotion service.

Finally ACC employees must remain within the legal frameworks for local government, the employee code of conduct and be aware that defamation of character, copyright and data protection laws apply.

Appendix E: Brand guidelines

See attached pdf

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Aberdeen City Council Brand Guidelines

Current position

Currently Aberdeen City Council's identity is based around the use of the city crest which has gone through a number of alterations over the years. It is of historic importance to the city and is readily recognised as Aberdeen City Council by citizens

The current crest was developed by a local agency and adopted in 2008. Since then a number of opportunities for development have arisen through direct experience of the brand's application in practice. Following work with the marketing and design team there is an opportunity to adopt clearer brand values and unite the council under one corporate brand.

Our brand identity needs to improve its scope, flexibility and integrity, and needs to take account of new brand applications that have become apparent in the digital and partnership era.

With its lack of weight and variety of line the existing brand is considered out of date. A refreshed crest and brand will need to command integrity, authority and respect and will promote an integrated and corporate approach to our visual identity.

ACC crest



How to use the logo correctly

The crest is available in three versions as above. Full colour, Line Art (Mono) Black, Line Art (Mono) reversed. It can be scaled up or down but the

proportions cannot be altered in any way. Care must be taken to ensure that the logo is reproduced in a sharp, clean and legible manner with accurate reproduction of colours.

It is also available in conjunction with the Shaping Aberdeen brand. This is for use on all regeneration projects covered by the Strategic Infrastructure Plan.

Colour palette

The three colours that make up the crest are the corporate colours for Aberdeen City Council. On the Pantone Matching System these are -



Pantone 539C



Pantone 186C



Pantone 153C

Fonts

The primary font in all print should use the Univers font family in all corporate material. In more formal situations the Bembo font can be used.

Univers 45 Bold

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@£\$%^&*()<>{}?

Univers 65 Bold

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@£\$%^&*()<>{}?

Univers 67 Bold Condensed

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@£\$%^&*()<>{}?

Univers 67 Bold Condensed

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@£\$%^&*()<>{}?

Bembo Regular

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@£\$%^&*()<>{}?

All screen-based collateral such as websites and powerpoint presentations should use Arial as a default font.

Arial

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@£\$%^&*()<>{}?

Arial Bold

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@£\$%^&*()<>{}?

Aberdeen City Council Brand Guidelines

Updated brand - Phase 1

Proposed change to the crest

After internal discussions within the team we have over the summer developed three options of the crest to rectify the ongoing issues of legibility, strength of image and the lack of brand guidelines.

The options on the right provide a clarity and strength of image that provides integrity, authority and respect to the crest while also recognising the history behind its development.

The preferred option is to use the crest as a single colour with either a silver or full colour option for formal or civic functions.

The crest has been developed so that it clearly reproduces when reversed out of a dark background.

Subject to some minor amendments, proposals will be put to the Chief Executive and Elected Members for selection. The final version of the crest will be submitted to the Lord Lyon for approval or further changes prior to subsequent adoption by the council.

Proposal 1



Proposal 2



Proposal 3



Phase 2

Will look at the broader spectrum of work involved in the corporate brand and involve development of a broad based contemporary brand image taking on board the current and future aspirations of the council.

The final brand guidelines will provide clear instructions on how and where the brand will be applied. This will cover all areas of communications activity within the council and how we interact with our internal and external customers. These are print, web, social media, vehicle livery, internal and external signage, staff identification, exhibitions, and merchandise.

Work on the brand has been started by the design team. The schedule for work is -

Initial ideas/design proposals available for discussion - Christmas 2015

Design development - end January 2016

Brand guidelines completed - April 2016

Submission to Finance, Policy and Resources committee - 19 April 2016

Subject to acceptance or further work the brand would be introduced in a phased manner as material was replaced or new initiatives come on stream.



Aberdeen City Council Communications Policy

Version 1.5 18th November 2015

A Policy guiding Communications best practice for Aberdeen City Council

1. Introduction

- 1.1 Councils provide a vast array of services and have a vital role to play in the economic, social and cultural fabric of the communities they seek to serve. There are expectations about how Councils conduct their business and how they develop and promote services. This requires the use of clear and strong communication channels some of which are traditionally directly provided by specific services and some of which are provided corporately.
- 1.2 This Policy sets out the purpose, methods and extent of all external Council communications activity. Whilst it does not cover the political communications of Councillors it sets out a clear guide as to when and how Councillors are quoted in communications and publicity material.
- 1.3 It is a guide intended for implementation in the main by Council officers and utilises the relevant legislation, guidance, the Council's standing orders and best practice examples.
- 1.4 The decision of full Council in August 2014 (OCE/14/034) to establish a corporate communications function provides an opportunity to establish a clear, transparent and accountable system of communications and engagement that will help raise awareness of the services people need to use and of what Aberdeen has to offer as a destination for business and leisure tourists, investors and the workforce of the future.
- 1.5 This document will supersede previous Aberdeen City Council policies and practice on this matter, though it does incorporate relevant and appropriate elements from the following documents:-
- *Social Media and Online Policy and Guidelines* (EPI/11/275 22.09.11)
 - *Roles and Responsibilities* (CG/13/027 06.03.13)

2. Legal and regulatory framework

- 2.1 One of the principal drivers of communications practice is the 1988 *Code of Recommended Practice on Local Authority Publicity* produced as statutory guidance using section 4 powers from the Local Government Act 1986 as amended by section 27 of the Local Government Act 1988.
- 2.2 Section 4 provides for the issuing of codes of recommended practice as regards the content, style, distribution and cost of local authority publicity. That section as amended requires that local authorities shall have regard to the provisions of any such code in coming to any decision on publicity.

2.3 In addition all of Aberdeen City Council's Communications and Promotion activity must pay particular regard to the following legislation and codes of relevant bodies:

- *Local Government (Scotland) Act 1973*;
- *Data Protection Act 1998*;
- *Human Rights Act 1998*;
- Section 125 of the Political Parties, Elections and Referendums Act 2000
- Section 2 of the Local Government Act 1986 (prohibition of political publicity)
- Part 3 of the Communications Act 2003
- Advertising Standards Authority's Advertising Codes
- Copyright legislation
- The IPSO Editors' Code of Practice or that of any subsequent approved press regulatory body
- Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EIRs);
- Defamation legislation;
- The Local Government in Scotland Act 2003; and
- Equality Act 2010.

2.4 Key elements of the 1988 Code of Recommended Practice on Local Authority Publicity are reproduced below.

2.4.1 "Local authorities are accountable to their electorate. Local accountability requires local understanding. This will be promoted by local authorities explaining their objectives and policies to their electors and ratepayers. In recent years authorities have increasingly used publicity to keep the public informed, and to encourage greater participation. Local authorities also need to tell the public about the services which they provide. Increasingly, local authorities see the task of making the public aware of the services available as an essential part of providing all kinds of services. Good, effective publicity, aimed at improved public awareness of a Council's activities, is to be welcomed. This Code is not intended to discourage such publicity". (*Code of Recommended Practice, introduction, paragraph 2.*)

2.4.2 "Any publicity describing the Council's policies and aims should be as objective as possible, concentrating on facts or explanation or both". (*Code of Recommended Practice, paragraph 12.*)

2.4.3 "Publicity relating to the provision of a service should concentrate on providing factual information about the service". (*Code of Recommended Practice, paragraph 14.*)

2.4.4 "Publicity campaigns by local authorities are appropriate in some circumstances: for example, to promote the effective and efficient use of

local services and facilities, or to attract tourists or investment. Publicity campaigns may also be an appropriate means of influencing public behaviour or attitudes on such matters as health, safety, crime prevention or race relations". (*Code of Recommended Practice, paragraph 18.*)

2.4.5 Councillors and officers will be mindful of the obligations set out in the Councillor's Code of Conduct (3rd edition – December 2010) published by the Standards Commission for Scotland. In particular section 3.16 details restrictions on the use of Council resources.

2.4.6 Guidance is produced on behalf of the Returning Officer which details how Council activity should be adjusted during the defined pre-election period (also known as the purdah period). In essence activity perceived to offer support to a political group should be avoided and what this means in practice is set out in section 4.11.

2.4.7 More generally, section 2 of the Local Government Act 1986 provides that "A local authority shall not publish, or arrange for the publication of, any material which, in whole or in part, appears to be designed to affect public support for a political party".

3. Definition of Communications activity

3.1 Communications is defined as activity involving communication in whatever form, addressed to the public at large, a section of the public, the Council at large or a group within the Council.

3.2 "Section 6 of the 1986 Act [i.e. the Local Government Act 1986] defines publicity as:-

"any communication, in whatever form, addressed to the public at large or to a section of the public". The Code will therefore be relevant across the whole range of local authorities' work. It covers all decisions by a local authority on publicity and most public relations activities, such as paid advertising and leaflet campaigns, and local authority sponsorship of exhibitions and conferences, as well as assistance to others to issue publicity." (*Code of Recommended Practice, introduction, paragraph 6*)

3.3 For Aberdeen City Council communications and publicity activity is often expressed through, but not limited to, the following channels and tools used by the Council:-

- The Council website, resident newsletters (i.e. Newsbite), the intranet (The Zone) and cross Council email messages including management briefings
- Social media channels
- Externally hosted but Council utilised and procured websites, portals, extranets, text messaging services and apps
- Consultation tools (including Survey Monkey)
- Bespoke leaflets and posters
- Reports requiring design, printing and distribution support
- Advertising and sponsorship (including of external events and conferences)
- Campaigns regarding services and local issues
- Working with the media (local, trade, regional, national and international print and broadcast)

- 3.4 All of the above activity must be channelled through the Communications and Promotion service. It is the responsibility of all managers to ensure this is adhered to so that the Council can ensure communications activity is compliant with all relevant laws and policies. Some communications channels – such as the schools text messaging service – are devolved to the service but they are still subject to the same rules on the use of publicity. In all cases the simplest method to ensure compliance is to ensure that desired communications channels and particular communication campaigns are added to the various operational directorate communications planners at regular intervals. Each directorate and some service areas will be assigned a member of the Communications and Promotion service to support this activity.
- 3.5 All communications activity will be compliant with the ‘Code of Recommended Practice on Local Authority Publicity’ (1988) (‘the Publicity Code’). The Council’s Communications and Promotion service will assess all proposed activity in advance to ensure compliance. If there is doubt as to whether proposed activity is compliant then the Communications and Promotion service will seek internal (or external) legal advice as required.
- 3.6 A communications handbook (to be produced) and this shorter policy are intended for practical use by Council officers and elected members and will be made available publicly on the Council’s website.
- 3.7 Where the Publicity Code does not specifically mention particularly aspects of ‘regular’ communications activity (website, social media) then the Council will develop specific protocols for their management based on best practice and existing guidance from inspection bodies.
- 3.8 In general terms this policy will not apply to ALEOs and other arm’s length bodies such as external joint committees. However council staff operating across a range of organisations will be expected to adhere to the Council’s policy. Partnership organisations may well develop Service Level

Agreements and communication protocols with Aberdeen City Council to cover joint communications. All such agreements on communications will require the input of the Council's Communication and Promotion service.

4. Putting statute, guidance and regulation into practice

4.1 Working with the print and broadcast media

4.1.1 In general terms quotes used in media releases or statements concerning policy direction and committee decisions will be from the following:

- Council Leader or Deputy Leader
- Relevant Conveners or Vice Conveners

4.1.2 Quotes concerning civic matters will be from the Lord Provost or the Depute Provost.

4.1.3 In the event of civic emergencies or significant service failures and in line with the Chief Executive's role as chair of the Local Resilience Partnership (LRP) the Chief Executive will decide on the use of appropriate spokespeople according to the needs of specific situations.

4.1.4 In the case of extremely short media deadlines where a lack of response would be detrimental to the Council's reputation or in matters of fact and technical interpretation, a Council spokesperson may be quoted. This competency will be held by the Head of Communications and Promotion and by communications and promotion staff members nominated by him/her (or, in his/her absence, nominated by the Chief Executive or the Director of Corporate Governance) in specific circumstances. However where possible the use of an officer or spokesperson quote will be discussed in advance with all or some of the following:-

- the Council Leader;
- the relevant Convener;
- the Chief Executive;
- Corporate Directors.

4.1.5 Exceptions to the above include the use of employee quotes in case studies for recruitment advertising.

4.1.6 In most circumstances the Communications and Promotion service will be unable to support the media requirements of ward Councillors although the service may be able to offer general advice on the approach to be taken.

4.1.7 Where a media enquiry is about a particular Councillor the Communications and Promotion service will in most circumstances inform that Councillor, and where groups act as parties, the relevant group leader.

- 4.1.8 Roles and Responsibilities in relation to media handling are set out below. All staff are expected to contact the Communications and Promotion service when contacted by the media and are not authorised to issue statements or comments directly unless identified in the specific circumstances below.
- 4.1.9 In applying the guidance on substitutes care will need to be taken to ensure that the provisions outlined in section 2.4 above are adhered to in order to ensure that communications output is seen as objective, factual and politically neutral.

The Council Leader

- The Council Leader will be quoted in media releases or statements where the matter is of Council-wide significance or crosses several portfolio areas. The Council Leader will also be quoted when another Portfolio Holder is unavailable.
- If the Council Leader is unavailable, the Deputy Leader will assume the responsibilities as described for the Council Leader, if available.
- In the event of the Council Leader and the Deputy Leader both being unavailable, another Senior Councillor will be quoted.
- The Council Leader will keep the Chief Executive informed of significant media activities that concern the Council.

The Lord Provost

- The Lord Provost leads on all civic matters and approves all media activity on behalf of the Civic Office. The Lord Provost may appoint a representative, such as a Baillie.

Conveners

- If the Council receives a media enquiry about policy direction and committee decisions, the Communications and Promotion service will discuss the issue with the relevant Convener and Head of Service (or a Service representative) and work with the Convener and/or Vice Convener as appropriate to agree a statement or quote.
- Conveners are quoted in relation to activity and decisions in their portfolio areas. They are supported in their portfolio role and not in their role as a member of a political party.
- In the absence of the Convener and Vice Convenor, another member of the Committee can be quoted or take part in media activity.

Chairs of Committees, Boards, Panels and Steering Groups

- Conveners and chairs of Committees, Boards, Panels and Steering Groups may be supported by the Communications and Promotion service in these roles.

Chief Executive

- On some occasions, it may be appropriate for the Chief Executive or another senior officer to take part in media activity, for example, issuing a statement on reputational, disciplinary or operational matters.
- The Chief Executive is responsible for alerting the Communications and Promotion service and Council Leader promptly to any issues that may be of media interest. This will also apply to other group leaders as appropriate.

The Communications and Promotion service

- The Communications and Promotion service handles all media enquiries and issues all media releases and statements on behalf of the Council.
- Quotes are generally attributed to the Leader, Deputy Leader, Lord Provost, relevant Convener, Vice Convener or the Chair of a Committee, Board, Panel or Steering Group on a particular issue.
- In certain circumstances it may be necessary to attribute quotes to a Council Spokesperson.

Approvals Process

- Media activities will be decided by the Head of Communications and Promotion on behalf of the Council. In most circumstances this will be done in consultation with the Council Leader or relevant Convener and senior officers.
- On matters of policy and service performance most media activity requires Councillor and officer sign-off before issue. This will involve the relevant Convener, Vice Convener or Senior Councillor, or the Chair of a Committee, Board, Panel or Steering Group, as well as the Head of Service (or a Service representative). For clarity the relevant approvers for Audit, Risk and Scrutiny Committee releases are the Convener and Vice-Convener.
- When deadlines are pressing, media activity for the Council can be signed off by the Head of Communications and Promotion or other nominated persons as per sections 4.1.2, 4.1.3 and 4.1.4.
- Media activity dealing with controversial or legal matters, including court cases, will also be reviewed and approved by the Council's Legal Services in addition to the relevant Convener and officer.
- Media activity concerning Aberdeen schools is undertaken with the agreement of the Headteacher and following consultation with the Convener and or Vice Convener for Education, the Director, Head of Service or Service representative and the Communications and Promotion service.

4.2 Committee reports and publicity

- 4.2.1 In many cases publicity will be timed to coincide with the conclusion of a formal committee or Council decision.
- 4.2.2 In some cases it may be more appropriate to promote a particular committee report. This is exclusively reserved for reports that contain a clear officer recommendation or range of recommendations.
- 4.2.3 In such circumstances of publicity prior to a formal committee decision Council publicity is restricted to explaining the content of the report and will frame the text in such a way as to make clear that this is simply a recommendation to committee and that no decision has been made.
- 4.2.4 Given the factual content of the material any quotes will be in the name of an officer or a Council spokesperson.

4.3 Campaigns and Advertising

- 4.3.1 The Code sets out that it may be appropriate for local authorities to embark upon campaigns and advertising for a range of reasons. Please see sections 2.4.4 above.
- 4.3.2 Ultimately the decision to proceed will be based on an assessment of the appropriate use of resources balanced against the intended positive impact of such publicity. Council staff must approach the Communications and Promotion service before embarking upon publicity campaigns and the service will advise on any relevant matters including the appropriate use of resources, timing and the channels to be used.
- 4.3.3 From 2015-16 the Communications and Promotion Service will log decisions made on whether to embark on major campaigns.
- 4.3.4 Consideration of the channel to be used is imperative for instance Ofcom via the Broadcasting Code have a very strict interpretation of the rule forbidding the promotion of political matters and generally do not allow the use of politicians in broadcast adverts.

4.4 Public Engagement, consultation and surveys

- 4.4.1 Complaints, Freedom of Information requests and customer service feedback may directly inform communications activity in order to promote public understanding of a particular matter of public concern.
- 4.4.2 Surveys and research reports may be used as a means of informing the policy and service design of services provided by the Council.
- 4.4.3 Council staff are expected to work with colleagues in the Communications and Promotion service and the Research and Information team on the most effective and value for money route to identifying the required information. This does not impact upon statutory consultation mechanisms though it is expected that all such consultations will be added to the directorate communication planning grids to identify the best time to consult the public.

4.5 Publications and Brand Guidelines

- 4.5.1 The Communications and Promotion service will produce 'Brand Guidelines' as Appendix E to this document during the course of 2015-16. All Council staff will be expected to adhere to the guidelines and seek advice from the service about the most appropriate and cost effective use of publicity.

4.6 Use of social media, Apps and websites

- 4.6.1 As set out in paragraph 3.7 above the Publicity Code was written prior to the advent of website, App and social media channels. The Code does however provide a clear framework for the approach to decision making on who to quote.
- 4.6.2 For instance paragraphs 39 to 42 of the Code give clear guidance that leading members can be quoted in committee. The Code states:-

"In the interests of public accountability, however, it may be appropriate to give publicity to the views or activities of individual members when they are representing the Council as a whole: for example, when the chairman of a Council speaks or acts as the first citizen of the whole community, or when a chairman of a committee opens a new scheme or launches a policy approved by the Council or by his committee on the Council's behalf". (Paragraph 40)

"For the same reason a local authority may justifiably in certain circumstances issue press releases reporting statements made by individual members. Examples of cases where such press releases may be appropriate are as reports of the discussion at the meetings of the Council or committees, or quotations of comments made by leading members of the Council in response to particular events which call for a particularly speedy reaction from the Council". (Paragraph 41)

- 4.7 For this reason key post holders such as the Leader of the Council will be supported in maintaining a blog presence as part of their official capacities as Council Leader. The content of the blog will abide by the principles as set out in section 2.4.
- 4.8 Social media, App and website channels used by Council staff will be coordinated by the Communications and Promotion service who will maintain all passwords and usernames and where possible utilise a corporate framework for managing multiple social media accounts.
- 4.9 Further details and guidance are set out at Appendix D but it is important that staff contact a member of the Communications and Promotion service prior to using or procuring any new social media, App or website channel. This is because using existing corporate accounts may prove the most effective and in addition it aids the coordination and integration of council communications activity.

- 4.10 Social media guidelines for Councillors is being prepared at a national level and are expected to be available by March 2016.

4.11 Communications activity during elections and formal pre-election periods (purdah periods)

- 4.11.1 In general terms proactive publicity that can be delayed until after the pre-election period should be delayed. That said the normal business of the authority can continue but it might do so without a quote from leading Councillors. (See paragraph 43 of the Publicity Code)
- 4.11.2 Precise decisions about publicity activity during pre-election periods are determined by the level of election and scale of election. For instance where elections are held for all wards in a local election use of leading Councillor quotes will be limited to civic emergencies. Where however there are local by-elections, authority wide publicity can continue but care should be taken to avoid the appearance of support for a particular political party or candidate. Specific ward level publicity in wards where there are due to be elections will be avoided.
- 4.11.3 Electoral practice allows for corrections in matters of fact to be published by the authority but this will be used under advisement.
- 4.11.4 Additional guidance will be sought from the Monitoring Officer, the Returning Officer (or Depute Returning Officers) and Electoral Commission as and when required.
- 4.11.5 During referenda consideration will be given to the impact this may have on the content of Council communications. Guidance and best practice advice will be sought from the Electoral Commission where required.

4.12 Development of a communications handbook

- 4.12.1 A guide for staff will be produced in an easy to access format.

4.13 Use of photographs and videos

Photographs and videos are Council resources and cannot be used for party political purposes. For this reason photographs and videos taken during official Council business will only be made available directly to members on the understanding that they are not be used for party political purposes. Permission to use images of leading Councillors is implicit when such Councillors take part in Council activity and publicity events.

COMMITTEE	Finance, Policy and Resources
DATE	2015
DIRECTOR	Pete Leonard
TITLE OF REPORT	Scottish Landfill Communities Fund
REPORT NUMBER	CHI/15/262
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To direct the Councils contribution under the Scottish Landfill Communities Fund (SLCF) scheme to the SITA Trust.

2. RECOMMENDATION(S)

That the Committee:

- approve the direction of future tax credits to the SITA Trust;
- note the excellent work done by Aberdeen Greenspace and Aberdeen Forward in directing the tax credits for the benefit of Aberdeen under the previous UK system;
- and note the arrangements to ensure effective management of the existing LCF grants.

3. FINANCIAL IMPLICATIONS

The Council already makes provision for the scheme within the current budget and no additional funding is sought. In recent years the ACC budget implications for this scheme have been

2013 – £37,595.64

2014 – £35,523.57

To March 2015 – £7548.73

4. OTHER IMPLICATIONS

The implication of ACC paying the ‘unlocking contribution’ has allowed SITA to release funds under the scheme of £723,817.24 over the period listed in section 3. This has been invested in improving the environment in Aberdeen for the benefit of all.

5. BACKGROUND/MAIN ISSUES

- 5.1 Aberdeen City Council is committed to reducing the amount of waste that goes to landfill and our waste strategy is working effectively towards that aim. However, when waste is sent to landfill the waste operator can divert part of the tax due to a scheme to provide environmental improvements. Between 2006 and 2015 this was a UK wide scheme but under the devolution of tax raising powers in April 2015, this transferred to the Scottish Government.
- 5.2 The new scheme to distribute the tax credits is managed by Scottish Environment Protection Agency and is called the Scottish Landfill Communities Fund. In essence, it will run in the same way - tax credits can be directed to approved bodies to be spent on environmental improvements. However, the criteria for registering as an approved body has changed and after long and careful consideration neither Aberdeen Forward or Aberdeen Greenspace have chosen to become approved bodies under the new scheme. In order to ensure that the opportunity for monies for environmental improvements is taken up, it is necessary to nominate an approved body to direct the waste operators contribution.
- 5.3 SITA Trust had written to the Council in January this year offering to distribute funds from the SLCF in the Aberdeen City area. However, as the Scottish scheme had not been announced at that time it was considered that the existing bodies (Aberdeen Forward and Aberdeen Greenspace) should be given time to make a decision on registering as approved bodies.
- 5.4 Both organisations have taken stock of their position over the last few months and wish to move in different directions. Aberdeen Forward are looking to wind up and transfer their ongoing LCF obligations to CFINE and Aberdeen Greenspace are considering moving from a grant distributing body to bidding for funds to carry out environmental improvements which meet their aims and objectives. Under transition arrangements funds under the UK wide LCF scheme must be spent by March 2017 and this will continue to be monitored by the Planning and Sustainable Development Service. Both organisations have robust processes to ensure that the residual monies will be spent by March 2017 and are regulated by ENTRUST. Both have recently been audited and both passed the compliance procedure set down with minor amendments required by Aberdeen Greenspace.
- 5.5 It is important to recognise the important contribution both Aberdeen Forward and Aberdeen Greenspace have made to improving the environment in Aberdeen over the years with monies from the LCF scheme. Some notable highlights include support for community growing schemes, path works across the city, community gardens etc. They have also supported high profile successes such as the East Tullos Burn Improvement Project and the St Nicholas Rooftop Garden.

6. IMPACT **Improving Customer Experience –**

Local environmental groups will be able to bid to SITA Trust for funds for environmental improvements – potentially for bigger sums than have been available under the previous scheme.

Improving Staff Experience –

Staff will be able to take pride in knowing that money is available to fund environmental improvements. There will be opportunities to develop skills in project management (of existing LCF projects) and work with local environmental bodies to develop new projects and funding bids.

Improving our use of Resources –

The proposal makes it clear and transparent where the tax credits will be directed. It will however be a diminishing contribution as the Council moves away from sending waste to landfill in line with the waste strategy.

Corporate -

Aberdeen - The Smarter City vision states:

- *We will manage waste effectively and in line with UK and European legislative requirements by maximizing recycling and reducing waste to landfill, thereby reducing our costs and carbon footprint.*
- *We will provide a clean, safe and attractive streetscape and promote bio-diversity and nature conservation. We will encourage wider access to green space in our streets, parks and countryside.*

The principles of directing funds from landfill to improving the environment are in line with both these high level objectives.

Community Planning Aberdeen Single Outcome Agreement 2013 states:

- *Aberdeen is an energy efficient city, with high quality open spaces, a natural environment and low levels of pollution and waste ‘*
- *Support the capacity of Aberdeen’s citizens and communities to increase their self-sufficiency. There is a strong sense of independence, resilience, confidence, self-esteem and aspiration coming from all our communities. Aberdonians work hard for themselves and for their communities.*

This scheme allows local groups to bid for funds to improve the environment and empower themselves to affect change in their community.

Aberdeen City Council 5-year Business Plan 2013/14-2017/18 states:

- *Waste strategy will implement a long-term waste strategy that changes the way waste is collected and delivers agreed waste targets. It will leverage full benefit from partnership opportunities.*

This scheme means that whilst we divert our waste away from landfill we still capitalise on the opportunity to divert the tax credits to environmental improvements.

Public –

This report will be of interest to the public as it shows the commitment of the council to supporting communities to access opportunities to improve their local environment. If the recommendation is approved there will be further publicity of the new scheme.

8. MANAGEMENT OF RISK

This approach carries the risk that the monies will not be spent directly in Aberdeen if local bodies do not make robust grant applications to SITA Trust. This can be mitigated by encouraging applications for projects through local contacts. If the recommendation is approved, we will inform community councils, local environmental groups etc and publicise the scheme on the website.

The direction of the contribution to SITA Trust will however provide the opportunity for the funds to still be available for local groups and communities.

8. BACKGROUND PAPERS

The links below give further information on the tax credit scheme and the work of the SITA Trust.

Scottish Landfill Tax

<https://www.revenue.scot/scottish-landfill-tax>

Scottish Landfill Communities Fund

<https://www.sepa.org.uk/environment/waste/scottish-landfill-communities-fund/>

SITA Trust

<http://www.sitatrust.org.uk/>

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy and Resources
DATE	3 December 2015
DIRECTOR	Pete Leonard
TITLE OF REPORT	Investment in Street Lighting LED Lanterns
REPORT NUMBER	CHI/15/306
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This report is to seek approval from Members on the proposal of the PACE project to change from the current street lighting lanterns to LED lanterns in order to reduce the annual energy consumption and costs.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Approves the policy to move the current Street Lighting lanterns to LEDs;
- b) Approves the indicative capital spend profile for the change in lanterns contained within the report, the associated revenue budget savings which could be achieved, and refers them to the budget process;
- c) Instruct officers to continue to review the market for any new innovative systems which may be developed for street lighting during the proposed replacement programme;

3. FINANCIAL IMPLICATIONS

A investment sum of £1.5M would be required from the Non-Housing Capital Plan on an annual basis from 2016/17 to 2021/22 and £0.7M in 2022/23 to fund the change of the current street lighting lanterns from high usage energy lamps to LED's or a future equivalent.

Savings from street lighting electricity in future years will exceed the cost of financing this investment, so the investment can be considered “self-financing”.

4. OTHER IMPLICATIONS

Failure to carry out the change to improved energy efficient infrastructure will leave the council with higher energy bills for street lighting along with increased cost for carbon usage.

5. BACKGROUND/MAIN ISSUES

The cost modelling issues explored the funding for the planned programme of works:

- Early intervention vs. sunk capital costs issue (“true” cost of intervention)
- Use of rate of return or IRR approach to decide optimum replacement timing
- Maximising revenue savings

Currently LED replacement is considered to be between 10 and 12 years, for the purposes of this exercise an 11 year replacement programme has been considered. CRC has been calculated using a current charge of £16.90 per Tonne

Current:

Current Energy Usage 15967953 kwh per annum

Current Energy Cost: £1.996M

Current CRC Costs: £144 K

The initial project programme is for 5 years this will replace approx 74% of the current lanterns with a potential of £10.54M savings for an investment totalling £7.5M (See Table 1). (£1.5M per year)

After Year 5

Expected Energy Usage: 7729686 kwh per annum

Expected Energy Cost: £966K

Expected CRC Costs: £70 K

The complete replacement to low energy lighting can be completed within 7 years with a potential savings of £11.6M for an investment totalling £9.7M (See Table 2). (£1.5M for 6 years plus final year of £0.7M)

After Year 7

Expected Energy Usage: 6297903 kwh per annum

Expected Energy Cost: £787K

Expected CRC Costs: £57 K

There has been a potential benefit from Aberdeen City Council not being “early adopter” of the change to LED lighting; this has allowed the continued development of the LED with a greater delivery of reliability.

The purchase price for LED lanterns has considerably reduced making the business case now potentially very good

Street Lighting maintenance revenue budgets will require careful management to ensure that there is enough funding within them to ensure the replacement of the lanterns at the end of their operational life. This is expected to be a minimum of 11 years from the start of installation. Currently there is insufficient evidence to say whether this will be by bulk change or by replacement when burned out.

6. IMPACT

Improving Customer Experience –

Customers should not notice a change to their existing lighting although the change from sodium lighting to white light will give the impression of a higher level of lighting

Improving Staff Experience –

Staff training will be required to install and maintain the new LED's

Improving our use of Resources –

The reduced period of maintenance should allow our staff to be further trained to take on other works associated with the maintenance of the roads infrastructure

Corporate –

‘Aberdeen – The Smarter City’ identifies as a high priority that the Council will provide and promote a sustainable transport system, including cycling, which reduces our carbon emissions.

Public –

This report will be of interest to the public and the media

7. MANAGEMENT OF RISK

The replacement lantern programme will mitigate the risk to the council of additional charges with respect to our Carbon Reduction.

It sets out the work in priority operations across the city and the expected reduction in energy usage, this will be dependent on the availability of the LED lanterns as several other authorities are adopting a similar strategy at this time

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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Table 1

Five Year Project Costs Replacing 77% of Street Lighting Lanterns

	Existing KWH	New KWH	Annual Saving	Cummulative Savings	Annual CRC Saving	Cummulative CRC Saving
Year 1	15967953	12755460	£401,561.68	£401,561.68	£28,942.61	£28,942.61
Year 2	12755460	11343760	£176,462.50	£578,024.18	£12,718.56	£41,661.16
Year 3	11343760	9976357	£170,925.43	£748,949.60	£12,319.47	£53,980.63
Year 4	9976357	8805094	£146,407.83	£895,357.43	£10,552.36	£64,532.99
Year 5	8805094	7729686	£134,425.95	£1,029,783.38	£9,688.77	£74,221.76
Year 6	7729686	7729686		£1,029,783.38		£74,221.76
Year 7	7729686	7729686		£1,029,783.38		£74,221.76
Year 8	7729686	7729686		£1,029,783.38		£74,221.76
Year 9	7729686	7729686		£1,029,783.38		£74,221.76
Year 10	7729686	7729686		£1,029,783.38		£74,221.76
Year 11	7729686	7729686		£1,029,783.38		£74,221.76
			£1,029,783.38	£9,832,376.50	£74,221.76	£708,669.72

CRC Cost Charged Per Tonne CO² Produced = £ 16.90 Conversion Factor 1 kwh = 0.5331 kg

Table 2

Full Project Costs For Replacement of 100% of Street Lighting Lanterns

	Existing KWH	New KWH	Annual Saving	Cummulative Savings	Annual CRC Saving	Cummulative CRC Saving
Year 1	15967953	12755460	£401,561.68	£401,561.68	£28,942.61	£28,942.61
Year 2	12755460	11343760	£176,462.50	£578,024.18	£12,718.56	£41,661.16
Year 3	11343760	9976357	£170,925.43	£748,949.60	£12,319.47	£53,980.63
Year 4	9976357	8805094	£146,407.83	£895,357.43	£10,552.36	£64,532.99
Year 5	8805094	7729686	£134,425.95	£1,029,783.38	£9,688.77	£74,221.76
Year 6	7729686	6862819	£108,358.43	£1,138,141.80	£7,809.95	£82,031.71
Year 7	6862819	6297903	£70,614.45	£1,208,756.25	£5,089.54	£87,121.25
Year 8	6297903	6297903		£1,208,756.25		£87,121.25
Year 9	6297903	6297903		£1,208,756.25		£87,121.25
Year 10	6297903	6297903		£1,208,756.25		£87,121.25
Year 11	6297903	6297903		£1,208,756.25		£87,121.25
			£1,208,756.25	£10,835,599.30	£87,121.25	£780,977.12

CRC Cost Charged Per Tonne CO² Produced = £ 16.90

Conversion Factor 1 kwh = 0.5331 kg

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources Committee
DATE	03 December 2015
DIRECTOR	Pete Leonard
TITLE OF REPORT	Update on Projects, Partnerships and Funding
REPORT NUMBER	CHI/15/303
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of the report is to provide an update on the Council's external funding initiatives and will provide to members the detail of the financial benefits to the council of participating in external funding projects.

2. RECOMMENDATION(S)

Members are asked to:

To agree in principle the Council's involvement in:

- Employability Pipeline Funding (as lead partner)
- Hydrogen Transport Economy for the North-Sea Region 2 (Hytrec 2)
- Aberdeen Centre for Energy Excellence (ACEE)
- Cities, Vitality and Sustainability (CIVITAS)
- The Smart City

Nothing that due diligence will be undertaken in relation to financial, legal and all other implications on each project with the results of this diligence being reported to Committee ahead of any decision being taken to proceed.

Members should also refer to Annex 1 for a list of past, current and future projects and the member recommendations referring to each project.

3. FINANCIAL IMPLICATIONS

Where a project is not 100% externally funded "match funding" for projects will be met from existing budgets.

In the development of externally funded projects, focus is centred on ensuring that projects are aligned with the delivery of Council and service strategies in order to maximise use of existing budgets and enhance resource in the specified area of expertise. Project activity will prioritise the Smarter Aberdeen headings of:

- Smarter Governance
- Smarter Living
- Smarter People
- Smarter Environment
- Smarter Economy
- Smarter Mobility

It is recognised that there may be other funding opportunities that arise, however only projects which align with the administration priorities will be developed and applications submitted.

4. OTHER IMPLICATIONS

- Legal

When new projects are undertaking the application process legal and democratic services will be involved at the earliest stage possible and resource will be sought from them in order that the Council are not entering into any funding contract at risk. All funded projects are required to adhere to funding guidance and compliance and conditions within the funding applications are legally bound. Together, EDS and legal and democratic services will ensure that all grant conditions are met accordingly.

- Sustainability

Aberdeen City Council has a clear contribution to make to sustainable development with an emphasis on enhanced productivity through improved resource efficiency, new business opportunities in the developing market for sustainable technologies and delivering better and more efficient Council services.

- Environmental

European activities are implemented in line with the aim of achieving a high quality and sustainable environment.

- Social

The principles of Social inclusion underpin European cohesion policy.

- Economic

The Council's Economic Development Service (EDS) will be developing a service plan in response to the new Regional Economic

Strategy. This will include the development and delivery of activities that contribute to the City's delivery of business growth, employability and jobs and trade and investment with the additional funding required being sought from EU and National funding programmes.

Involvement in externally funded project will have a direct link to the Economic Objectives of the City, focusing on the Economic and Wellbeing Strategy set priority industries including;

- Business
- Education and skills
- Productivity and growth

Funding will be sought to maximise activity within the key industry areas including;

- Culture and tourism
- Education
- Care and health
- Food and drink
- Health and life sciences

Through working on externally funded projects Aberdeen City's European representation and inter-regional networking contributes to the City's overall effort to maximise opportunities and to promote its interests, both at home and overseas with the aim of creating a vibrant and sustainable economy.

5. MAIN REPORT

Notes the success of the Council drawing down external funding in 2014/15

New Bus ReFuelling for European Hydrogen Bus Depots

Funding has been received by the Fuel Cells and Hydrogen Joint Undertaking (FCH JU) to participate in an engineering study for large scale hydrogen bus refuelling in the City.

The Council has been allocated a grant of £21,956, of which 100% is funded by the FCH JU, to cover the staff resources associated with taking part in the engineering study. The project is in partnership with Linde and local transport operators. The Aberdeen Study started in September 2015 and is expected to be completed by the end of 2016.

Commitment Requirements/Processes:-

The New Bus ReFuelling project received funding and ACC has signed the Grant Agreement, drawn up by the European Commission. The Grant Agreement has been approved by Legal and Democratic Resources.

2 Financial claims will be required for submission once a year, one in January 2016 and the other in January 2017. Officers from EDS will compile the project claim and have audited by internal audit, and verified and signed off by a nominated officer within Finance.

ACHES Project and Hydrogen Vehicles

Aberdeen City Council received funding of £650,000 from Transport Scotland in March 2015 for the ACHES project civil works and for the purchase of two Hyundai ix35 Hydrogen Fuel Cell Vehicles for the Common Wheels car club.

Update on the current status of externally funded programmes

Aberdeen City Council has benefited from participation in the Interreg programmes over the previous programme 2007-2013, adding value to the Council and the City of Aberdeen as evidenced and outlined in Annex 1. Due to the change over into the new round of funding programmes 2014-2020 the number of projects funded in 2014/15 were less than previous years. The 2014-2020 programmes have only recently confirmed their individual priorities and links will be made between the programme priorities and Council strategic objectives to maximise funding.

Officers within EDS will look to promote each programme through a series of workshops, where services will have the opportunity to hear about the funding opportunities available and how they can deliver service activities through additional external funding resources. These workshops will take place in February 2016 and May 2016. Member support will be consulted in order to maximise attendance at these workshops.

Status of Projects and EDS Leverage

The table presented in Annex 1 outlines the current status of projects for 2015/16 and demonstrates the EDS leverage

This table only applies to projects which the EDS team supported and is not Council wide.

Projects are only listed for the financial year in which grant agreement was signed off to avoid double counting over numerous financial years. Over the three years 12/13, 13/14 and 14/15 the average leverage by ACC PP&F team was £1 ; £6.20. This means that for every £1 of ACC money £6.20 was leveraged in.

The External funding leverage is recorded by SLAED within their Indicators Framework Report annually based on data provided by LA's.

Provide an update on European Regional Development Fund and European Social Fund Applications

Scotland's 8th City – The Smart City (ERDF)

Under the European Regional Development Fund there is a funding stream for 'Scotland's 8th City-the Smart City' which is a funding pot of £10 million, and requires match funding at a ratio of 60/40 (match, grant). This funding stream is managed by Scottish Government. As any European funding requires partnership working, the Scottish Cities are collaborating on potential projects and working with the Scottish Cities Alliance. Potential projects for Aberdeen include

- Open Data Platform
- Intelligent Street Lighting
- Digital Data Development
- Fibre Broadband Connection and Monitoring Indoor Temperature and Energy Use
- Expanded and smarter use of Co-Wheels car club vehicles

It was recently agreed by the 8th City Working Group that the above projects should be recommended for funding and they will now go to the Scottish Government, in their role as Managing Authority, for approval.



Flowchart indicators:

Green – completed tasks

Orange – current stage

Red – pending task

Activities within this project are current, existing activities which already have budget approval and allocated, so this funding will be additional to this, so match funding will be from existing budgets and have already been agreed within SIP.

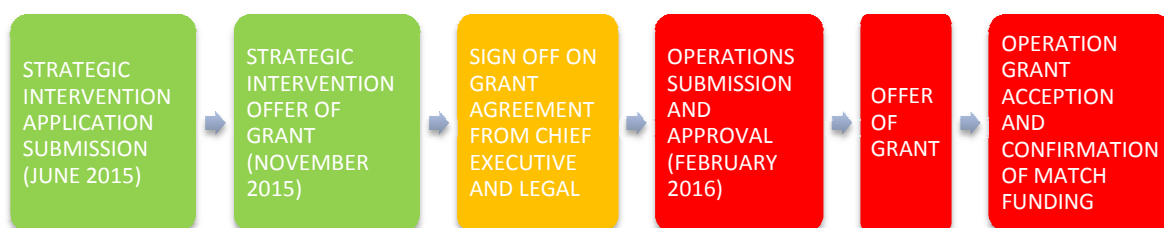
Employability Pipeline Funding (ESF)

A stage 1 application was submitted to Scottish Government in May 2015 for the delivery of an Employability Pipeline. Aberdeen City

Council has been provisionally allocated funds from ESF by the Scottish Government to commission employability services for unemployed people with multiple barriers to employment in Aberdeen. There is an opportunity for organisations to use some of that funding for employability delivery which fits the criteria of Aberdeen's single outcome agreement and other city and national priorities.

The Structure of the European Social Fund Programme would require ACC to act as Lead Partner in order to accept the offer of grant which has been received. A further report will be presented to committee requesting approval of any internal cash match funding. The ratio is 60/40 with 60% being met from ACC. At this stage we seek approval only to act as lead partner. Further approval will be sought before any expenditure is committed.

The costs put forward in that application cover the period from April 2016 to December 2018. The total costs are £2,198,100. A formal offer of grant from Scottish Government is anticipated in the coming days for up to £879,240. This would require match funding from Aberdeen City Council of £1,318,860.



Flowchart indicators:

Green – completed tasks

Orange – current stage

Red – pending task

The match funding will include staff costs as well as cash, however a further detailed breakdown of these costs and the existing sources of funding will be developed and taken back to committee at a later date for approval.

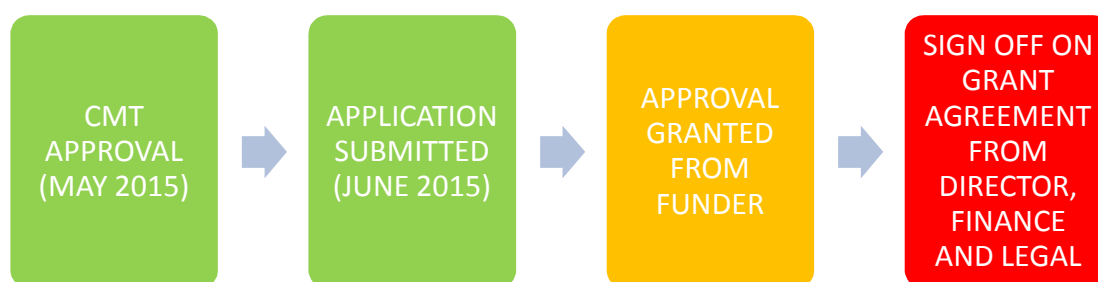
Future Participation in EU Funded Projects

Hydrogen Transport Economy for the North-Sea Region 2 (Hytrec 2)

An application has been submitted to Interreg North Sea Region Programme to lead on the Hytrec 2 project. Hytrec 2 is a follow on project from previously funded Hytrec and will continue to deliver the Aberdeen Hydrogen Strategy with levered-in grant funding from Europe. Proposed activities through Hytrec 2 include communication, supply chain development, information sharing and policy and partnership building.

At the time of writing, the application has passed the initial checks and has been recommend by the North Sea Region steering committee for approval, undertaken by the North Sea Region secretariat, and the outcome of the project will be announced in the coming months.

If approved it will be necessary to appoint a full time project manager for the delivery of Hytrec 2 and full costs for this post will be met by the management fee, paid by the partnership.



Flowchart indicators:

Green – completed tasks

Orange – current stage

Red – pending task

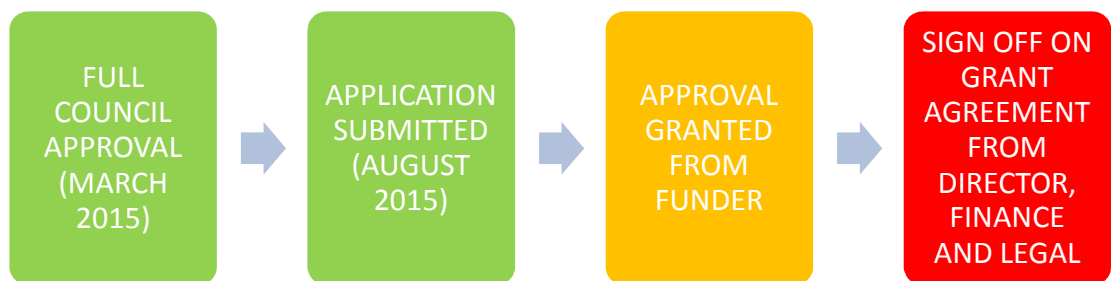
Following a report to CMT in May 2015 approval was granted to proceed with submitting an application to the Interreg North Sea Region programme and that match funding would be available from the CHI budget.

At the time of writing, no final commitment from the Council has been entered into and will not be entered into until an offer of grant is issued, pending success. Should ACC be successful in this application finance, as well as Legal and Democratic Services will be fully involved.

Aberdeen Centre for Energy Excellence (ACEE)

An application has been submitted to the Fuel Cells and Hydrogen Joint Undertaking (FCH JU) for the ACEE project which will involve integrating three 400kWe stationary fuel cells into the Rowett North Masterplan Energy Centre so as to achieve a MW-scale demonstration of stationary fuel cells in the commercial market segment, aiming to demonstrate their technical, economical, and operational viability. The project will demonstrate a MW-class fuel cell solution combining both the production of power and heat from methane (biogas), and the integration of a fuel cell power plant in commercial/industrial processes.

Aberdeen City Council will be a partner in this project which is being led by Logan Energy. The partnership includes Doosan Babcock, Hurley Palmer Flatt, E4tech, TU Hamburg and Brodies.



Flowchart indicators:

Green – completed tasks

Orange – current stage

Red – pending task

This project will be fully funded by the FCH JU with no match funding from ACC needed. Costs for the fuel cell within AECC is already costed for within the AECC Masterplan, approved by full council in March, therefore funding received through FCH JU would be additional budget for ACC.

Cities, Vitality and Sustainability (CIVITAS)

The specific objectives of the project are to:

Improve governance for an enhanced cooperation between cities and ports for the planning and implementation of innovative mobility solutions and integrated land-use structures. The Sustainable Urban Mobility Plans (SUMP) of the port cities will be extended adding to the traditional SUMP domains the interacting themes with the ports as well

as relevant regional aspects. The involvement of people and stakeholders will be a crucial element in the mobility policies.

Create more sustainable and healthier city-port environments. This is demonstrated by increasing the share of collective and active modes, allocating road spaces in a more efficient way, introducing and improving sharing systems and raising awareness on alternative mobility solutions.

Shape more integrated transport infrastructure and mobility systems, which in turn attract residents and diversified economic activities. This is demonstrated by deploying mobility solutions intending to increase accessibility and the quality of mobility through regulation, intelligent management of traffic and the uptake of alternative vehicles and fuels.

Improve the efficiency of urban freight transport, which is particularly relevant in our port cities, all placed at TEN-T nodes, reducing the environmental and congestion footprint of freight movements within the city and between city and port.

If successful the project will be 100% funded by the EU.

6. IMPACT

Improving Customer Experience

Participating in externally funded projects enhances services and facilities which customers use within the City. In particular, European projects allow customers to experience innovation which they might not get the chance to otherwise. In particular, projects will have the business customer in mind to have a positive impact on the City's economy.

Improving Staff Experience

Through participation in European projects staff members have been given the opportunity to exchange best practice with their equivalent peers and colleagues in other countries. This has resulted in staff returning with new, innovative ideas to implement within the City and have a direct impact on staff and customers. Continued participation in projects will create new opportunities to bring new technologies, as well as new thinking to enhance the city. Through externally funded projects staff get to see, first hand, the impact that external funding can bring to the city that they live and work in.

Improving our use of Resources

Externally funded projects, and European projects in particular, are centred on new innovative ideas and technologies. It is essential that

the Council keeps up to date with current strategies, locally, nationally and transnationally and also looks forward to ensuring that Aberdeen is at the forefront on delivering within the strategies. Officers within EDS ensure that projects are focused around the current priorities within the Council so that public funding can be maximised to provide the best service possible.

Expertise of accessing external funding lies within the EDS and without this expertise the City, and Council would lose out on added financial opportunities and delivery of funding programmes would not be possible.

Corporate

The projects that the Council has been involved in, and are looking to participate in all have a degree of partnership working whether that is local, national or international. All projects vary, but are centred on addressing the issues laid out within the relevant administration priorities and linking into strategies such as the City Centre Masterplan, AECC, City Region Deal etc.

Public

It is likely that the public will have an interest in the aforementioned projects as they are intended to make a positive contribution to the region for the benefit of the citizens. It is important to ensure that the City and Council's reputation is upheld throughout all external projects.

7. MANAGEMENT OF RISK

It is important that Aberdeen is fully represented in all European matters and that all opportunities for influencing policy and the development of transnational projects for the City's benefit are grasped in order that opportunities are maximised. If this is not done the Council could be at risk of not being able to draw down European grant monies. This level of participation will help to increase the understanding of the new programmes and will assist in developing the capacity to successfully develop new projects and work with other European cities that will benefit Aberdeen City.

All projects follow an audit process, both internal and external which ensures that any potential financial risk to the council is eliminated.

8. BACKGROUND PAPERS

9. REPORT AUTHOR DETAILS

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Project Name	Service/Directorate	Funder	Total Cost of Project (£)	Total Grant Funding (£)	Total Cost to ACC (£)	Status of Project	Committee Request
Applications Pending Approval 2015							
Hytrec 2	EDS/CHI	Interreg North Sea Region	1,144,220	572,039	572,039	Awaiting confirmation of approval	To approve participation as lead partner and approve appointment of project manager
ACEE	EDS/CHI	European Commission FCH JU	3,398,351	3,989,351	0	Awaiting confirmation approval	To approve participation
Employability Pipeline	Communities and Housing/CG	European Social Fund	2,198,100	879,240	1,318,860	Awaiting grant confirmation from Scottish Government	To approve participation as lead partner
Scotland's 8 th City	EDS/CHI	European Regional Development Fund	3,495,000	1,305,000	2,190,000	Application being developed	To approve participation

Project Name	Service/Directorate	Funder	Total Cost of Project (£)	Total Funding Received (£)	Total Cost to ACC (£)	Status of Project	Committee Request
2014/15							
ACHES (CIVILS)	EDS/CHI	Transport Scotland	650,000	650,000	0	Current Project	Note Success of drawing down external funding
NEW BUS FUEL	EDS/CHI	European Commission FCH JU	21,956	21,956	0	Current Project	Note Success of drawing down external funding
DANS ON	IT and Transformation/CG	Interreg North Sea Region	39,732	19,866	19,866	Completed June 2015	Note Success of drawing down external funding and successful completion of project
Total for 2014/15			711,688	691,822	19,866		
Leverage for 2014/15			ACC:External	£1 : £34.82			

Project Name	Service/Directorate	Funder	Total Cost of Project (£)	Total Funding Received (£)	Total Cost to ACC (£)	Status of Project	Committee Request
2013/14							
Care North Plus	Planning and Sustainable Development/CHI	Interreg North Sea Region	12,000	6,000	6,000	Completed June 2015	Note success of completion of project activities
Hyacinth	EDS/CHI	European Commission FCH JU	30471	27,170	3,301	Current Project	N/A
ACHES	EDS/CHI	ERDF	1,894,131	757,631	1,136,500	Current Project	N/A
Youth Employment Scotland	Communities and Housing/CG	ESF	84,392	33,757	50,635	Current Project	N/A
Total for 2013/14			2,020,994	824,558	1,196,436		
Leverage for 2013/14			ACC:External	£1: £0.69			

Project Name	Service/Directorate	Funder	Total Cost of Project (£)	Total Funding Received (£)	Total Cost to ACC (£)	Status of Project	Committee Request
2012/13							
Complex Challenges Innovative Cities	EDS/CHI	Interreg IVC	115,586	86,688	28,898	Project Completed 2015	Note success of completion of project activities and note leverage funding
LOWCAP	EDS/CHI	Interreg North Sea Region	230,097	165,267	64,830	Project Completed 2014	Note Leverage Funding
HYTREC	EDS/CHI	Interreg North Sea Region	539,390	269,695	269,695	Project Completed 2015	Note success of completion of project activities and note leverage funding

LICI	Education Service/Children and Education Services	Interreg North West Europe	158,503	79,251	79,251	Project Completed 2015	Note success of completion of project activities and note leverage funding
MUSIC	Planning and Sustainable Development/CHI	Interreg North West Europe	459,605	229,802	229,802	Project Completed 2015	Note success of completion of project activities and note leverage funding
Aberdeen Hydrogen Bus Project	EDS/CHI	Framework Programme 7		9,200,000	2,000,000	Due to be completed 2017	Note Leverage Funding
		Scottish Govt		1,650,000			
		Scottish Enterprise		1,650,000			
		Innovate UK		2,400,000			
		Low Carbon Network Fund		2,750,000			
		Scotland Gas Network		200,000			
		Private Bus Operators		2,000,000			
		Scottish Hydro Electric		750,000			

Total 2012/13			21,430,703	2,672,476		
Leverage for 2012/13	ACC:External	£1 : £8.02				

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	03 December 2015
DIRECTOR	Pete Leonard
TITLE OF REPORT	Economic Leadership Board
REPORT NUMBER	CHI/15/326
CHECKLIST COMPLETED	Yes/No

1. PURPOSE OF REPORT

The purpose of this report is to recommend that Members appoint the Leader of the Council to a new Economic Leadership Board for the north east of Scotland.

2. RECOMMENDATION(S)

It is recommended that the Committee appoints the Leader of the Council as the Council's representative on a new Economic Leadership Board for the north east of Scotland.

3. BACKGROUND/MAIN ISSUES

On 29 October 2015, ACSEF (Aberdeen City & Shire Economic Future) Board Members agreed to its dissolution. This followed discussions by the Council and its partners, and industry representatives on the optimum economic leadership model for the North East of Scotland to take account of new industry leadership around supporting the key sectors¹ of the regional economy, diversification of the regional economy and providing representation on any emerging governance structure that would be needed to oversee the negotiation and development of a City Region Deal.

As a result of the decision, ACSEF will cease to operate and some of its functions transition to the new model that will comprise:

- An Economic Leadership Board that will be led by the private sector.

¹ Four main workstreams for the new Board are oil and gas, food, drink and agriculture, tourism and life sciences.

- A 'Regional Advisory Board' function for SE (Scottish Enterprise)²; and
- Within this, a regional economic forum that promotes and enhances the long-term prosperity of Aberdeen, Aberdeenshire and the North East of Scotland.

Officers from the Council's Economic Development Service are working with representatives from the partners on supporting the transition to the new model. It is likely that the Head of Economic Development will participate in a new Operational/ Coordination Group that aims to coordinate effectively the work of the Council to that of other public sector agencies and the new Board itself, aligned to the overall aims of the emerging regional economic strategy.

4. FINANCIAL IMPLICATIONS

There are no additional financial implications to the Council from the recommendation. It is anticipated that the Council's Economic Development Service will provide support to the new Board from within its existing resources. The Head of Economic Development will discuss with the new Board, SE and Aberdeenshire Council the nature and cost of that support in the context of the existing budget of £169,000 that supported the operations of ACSEF.

There are no state aid implications arising from this report.

5. OTHER IMPLICATIONS

The new Board will meet on 30th November 2015 for the first time and will seek to maintain a diverse membership base that reflects a partnership led by the private sector, but involving the Council, Aberdeenshire Council, SE and education interests.

Membership will therefore comprise representatives from the two Councils, SE, the two universities and nine private sector members, of which four will lead four key sector groups.

Board members will normally be appointed for a period of three years, with a possible second three year term. In the initial start-up phase, Board members will be appointed for varying periods to allow for a phased transition, retaining knowledge and experience as new Board members are recruited over time.

Public sector representatives will be drawn from the Council, Aberdeenshire Council, SE, the University of Aberdeen and Robert

² Operating across Scottish regions, RABs advise the SE Executive Leadership Team on the best way to maximise the regional economic contribution of regions and providing strategic direction, prioritising resource, identifying and advising on development of major projects.

Gordon University. The Council's representation will be determined by the local government election cycle.

The Board will operate on the basis of one member one vote. The Councils will not be bound by decisions made by the Board where that decision has an impact on the Councils or their finances. In such cases, Board decisions would be required to be referred to the appropriate Council(s) for approval by them.

This report proposes to recommend the appointment of the Leader of the Council to the new Board. At the November 30th meeting, the new Board will formally agree its Terms of Reference and these will be distributed to Committee Members following that date.

Any elected member appointed to the Board will require to have regard to the Councillors' Code of Conduct (and the associated guidance produced by the Standards Commission) in relation to potential conflicts of interest.

6. IMPACT

Improving Customer Experience –

Participation in the new Board will ensure that the Council continues to work closely with the private sector and other stakeholders to support delivery of the emerging regional economic strategy and secure the long-term economic wellbeing and prosperity of the city and wider region.

Improving Staff Experience -

The new Board offers an opportunity for strengthening the collaboration and leadership, across sectors, to support delivery of the regional economic priorities and the contribution by Council officers to this partnership approach.

Improving our use of Resources –

The Council's participation in the new Board, and any operational/ coordination group will result in the most effective and efficient use of resources that align to the overall economic priorities of the city and the region.

Corporate -

The Council's participation in the new Board ensures that the Council is maintaining its key leadership role in the long term economic growth of the city and the region.

Public –

This report is not of direct interest to the public as the financial implications of the report are minimal, and no new policy or strategy is proposed. There are no requirements for an EHRIA or a PIA.

7. MANAGEMENT OF RISK

The risk to the Council will be managed by an understanding that the Council is not bound by decisions made by the Board where that decision has an impact on the Council or our finances. In such cases, decisions would be required to be referred to the appropriate Council(s) for approval by them.

8. BACKGROUND PAPERS

There are no background papers to be considered.

9. REPORT AUTHOR DETAILS

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01224 522662

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	3 December 2015
DIRECTOR	Richard Ellis, Interim Director Corporate Governance
TITLE OF REPORT	Master Data Management
REPORT NUMBER	CG/15/128
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To seek Committee approval for a joint procurement exercise with Aberdeenshire Council to purchase a Master Data Management solution.

2. RECOMMENDATION(S)

It is recommended that Committee approve:

- i. A joint Aberdeen City/Aberdeenshire Council Master Data Management programme with the remit of establishing detailed business requirements and the provision of a solution that will deliver value for customers
- ii. The estimated expenditure contained at section 3 below, which requires;
- iii. The use of capital funding set aside for IT projects and developments of £450K for Aberdeen City Council and allocation of matched Aberdeenshire funding supported by a clear spending plan.

3. FINANCIAL IMPLICATIONS

This investment appraisal is based on soft market testing and benchmarking with other authorities. The estimated cost over five years would be £750K to £1 million. This could be contained with £450K capital funding set aside for IT projects and developments for Aberdeen City and an equal contribution from Aberdeenshire Council.

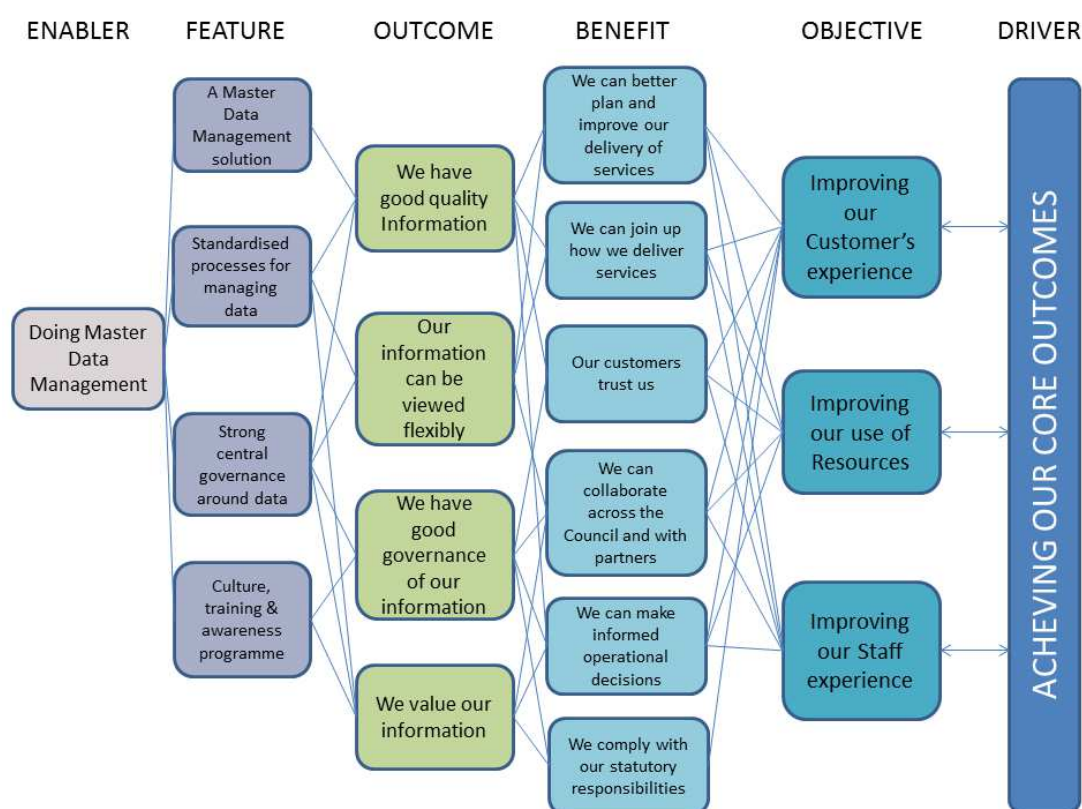
	Year 1	Year 2	Year3	Year 4	Year 5	Total (£K)
Costs	-£297,000	-£165,000	-£110,000	-£110,000	-£77,000	-759,000
Benefits	£70,000	£170,000	£520,000	£1,020,000	£1,820,000	3,600,000
NPV	-£227,000	-£222,169	£160,570	£981,338	£2,500,262	

The anticipated benefits in the region of £3.6million are based on a mixture of reduced administration costs, digital services and fraud reduction. The costs need to be verified through a procurement exercise and a more in depth review of the benefits and options appraisal.

4. OTHER IMPLICATIONS

We live in times of change and rising expectations on how we all choose, consume and pay for goods and services, and this is largely down to dramatic changes in technology. Our 'Customer' describes everyone who lives and works in Aberdeen City and/or Aberdeenshire, with many of these people moving within and beyond our individual Authority boundaries. We are the providers of our customers most necessary and fundamental services. We deliver these services in the face of unprecedented demographic pressures, regulatory constraints and with reduced financial resources.

Master Data Management will allow us to improve our customers' experience, improve our staff experience and make better use of our resources, as illustrated below:



With this master data, we can begin to design our business intelligence capability, and build a predictive analytic capability for future service planning and personalisation of services. Maximising the value of this

information will require further analysis of the skills and capabilities we need to make this happen.

5. BACKGROUND/MAIN ISSUES

Master Data Management is the ongoing reconciliation and maintenance of master data. It provides control over master data values to enable consistent, shared, contextual use across systems of the most accurate, timely, and relevant version of the truth about essential business entities (e.g. customer, employee, property).

Our Councils are information rich: our unique role within the lives of our customers' means we have, and are trusted with, a wealth of information about them, their lives and their needs. Our unique role in the stewardship of our city and wider regions means we have information about our built and natural environment.

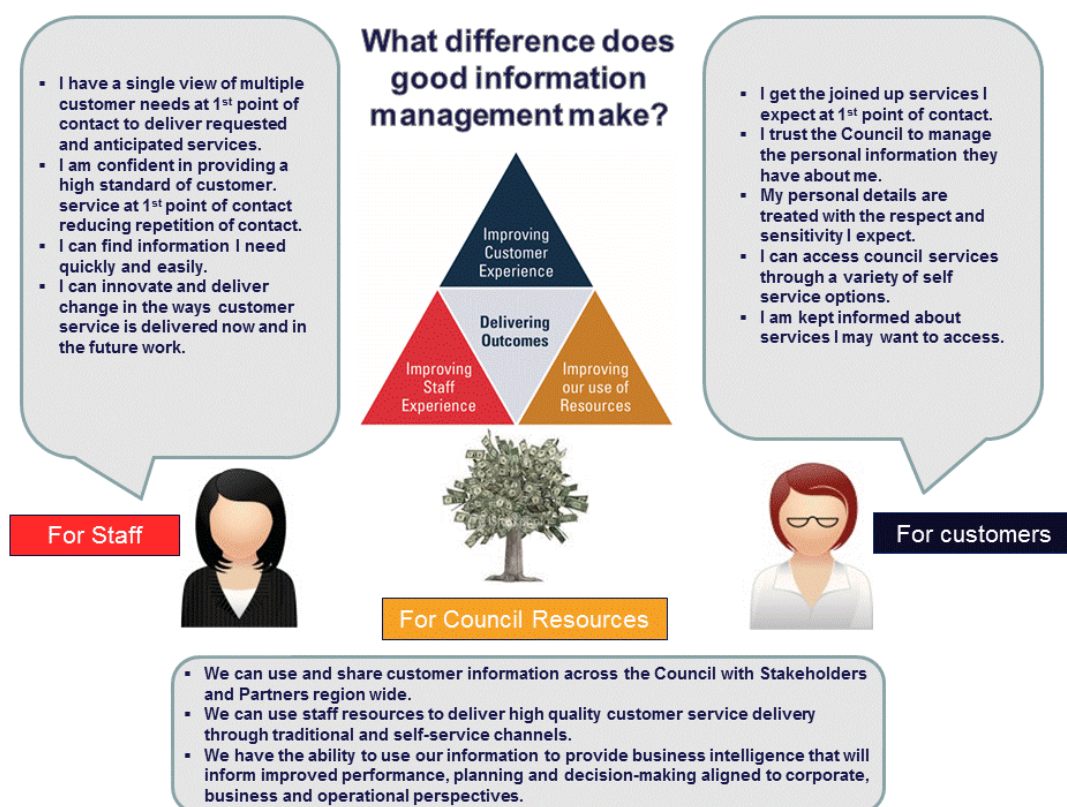
Aberdeen City Council and Aberdeenshire Council are working together strategically to procure a Master Data Management solution (MDM). As individual organisations we are not leveraging the potential that our rich information offers us. Our information only allows partial insights into how we do our business, because the information itself is held across our organisations in an ever increasing number of systems, applications and locations. The information we have about our people, our city and regions is not connected and does not provide us with a joined up view of our business across the organisations, and specifically that we cannot have:

- a single view of our customers
- a single view of our employees
- a way to access and manage customer information efficiently and securely so that we can share it between different services and partners, such as other Local authorities and Health services.
- a single view of the 'assets' which make up our City and Shire regions (properties, landscapes, structures, environments, roads etc.)
- an understanding of how we manage and anticipate demand for our services, based on accurate, timely and joined up data.

We do not have the 'business intelligence' we need to make the right evidence-based decisions. Only when we have this business intelligence at an organisational level, will we be able to carry out the wholesale transformation we need to meet our customers' expectations. By developing a master data management capability, our Councils can get this joined up view, and start to build our business intelligence capability as well as provide us with the data management framework that will enable us to deliver fit-for-purpose methods that support corporate initiatives including Health and Social Care Integration, single sign on for using digital services through MyAccount and Getting it Right for Every Child.

6. IMPACT

Master data management plays a critical role in achieving the strategic aims outlined in our respective Council's Customer Experience/Improvement Programmes, which depend on us achieving a 'single view' of the customer. More broadly, because master data management is a key element of building our 'business intelligence' capability, the ability to control master data values is fundamental to us being able to achieve transformational change around each of the Shaping Aberdeen and Aberdeenshire Council Digital Strategy priorities:



An Equality and Human Rights Impact Assessment and Privacy Impact Assessment have been undertaken.

7. MANAGEMENT OF RISK

Activity relating to this project will be monitored through the City's Digital Governance and Transformation Boards and the Digital Aberdeenshire Group as appropriate. Progress reports will be submitted to the City's Corporate Management Team and Aberdeenshire's ICT Programme Board.

Risk	Impact	R/A/G	Mitigation
Culture change and management of data as a corporate resource	Siloed information reduces ability to realise programme benefits	A	Training, Culture and Communication programme
Implementation capability	Delivery timescales delayed	A	Timely Identification and allocation of appropriate capabilities for implementation stages of MDM programme via established programme governance
Dependant on Leadership and buy-in across the enterprise	Siloed information reducing ability to realise benefits Delivery timescales delayed	A	Training, Culture and Communication programme
Dependant on complexity of existing IT Ecosystem	Unable to implement a sustainable model	A	Design and build the right enterprise and information architecture
Ability to share data across region with partners	More difficult to conduct joined-up working	A	Understand data model of each partner and work toward common data model
Ability to meet Data Protection requirements	Monetary penalties, customer harms and reputational damage	A	Appropriate information and security architecture for personal (and sensitive) information

8. BACKGROUND PAPERS

9. REPORT AUTHOR DETAILS

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Equality and Human Right Impact Assessment: The Form



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.

1:Equality and Human Rights Impact Assessment- Essential Information	
Name of Proposal: Master Data Management	Date of Assessment: 22 October 2015
Service: IT & Transformation	Directorate: Corporate Governance
Committee Name or delegated power reference (Where appropriate): Finance, Policy and Resources	Date of Committee (Where appropriate): 03 December 2015
Who does this proposal affect? Please Tick ✓	Employees ☒
	Job Applicants ☐
	Service Users ☒
	Members of the Public ☒
	Other (List below) Elected Members ☒

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

Is an impact assessment required?	Yes ☒ v No ☐
If No, what is the evidence to support this decision? (Once this section is completed, please complete section 8 of the form).	

3: Equality and Human Rights Impact Assessment	
a- What are the aims and intended effects of this proposal?	Master Data Management is a core foundation for providing digital services and business intelligence across our Council services through a single solution. Master Data Management will allow us to improve our customer experience, improve our staff experience and make better use of our resources within and external to our organisations alongside our partners such as the NHS. Over time, this rich joined up information will allow us to design and deliver services based on our people's real needs, in real time; that is for our children and vulnerable communities, our economic development, our housing, our environmental sustainability and our transport and infrastructure. We will have the business intelligence and single view of the customer we need to accurately predict levels of demand for our services. There is currently no equality data held, however, monitoring of this proposal will be conducted through the Council's Digital Governance and Transformation Boards.
b- What equality data is available in relation to this proposal? (Please see guidance notes)	

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.	None undertaken
d- Financial Assessment If applicable, state any relevant cost implications or savings expected from the proposal.	Costs (£) Implementation cost estimated from £750 to 1 million Projected Savings (benefits) benefits estimated approx.£3.5 million

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 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?	Master Data Management links to the following Equality Outcomes: Effective customer service that is aware of the differences and requirements of different groups. Master data management will give the Council a single view of who our customers are, a single view of the 'assets' which make up our city and regions (properties, landscapes, structures, environments, roads etc.); and an understanding of how we manage demand for our services, both reflective and predictive. This will allow the Council a more holistic understanding of its customers, and the services they use, and which will be used to design and deliver services in a way which better meet their needs.

4: 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)	
Age (People of all ages)		✓		Master data management will give the Council a joined up understanding of our customers and their needs which will allow us to design and deliver services around them.	
Disability (Mental, Physical, Sensory and Carers of Disabled people)		✓		Master data management will give the Council a joined up understanding of our customers and their needs which will allow us to design and deliver around them. As the Council uses master data management to build business intelligence capability, we will have a single view of our customers, and a joined up understanding of the services they access across the Council. This being the case, the more of our services a customer uses, the more of a positive impact master data management is likely to have on the way a customer interacts with us. This is because accessing council service takes time and effort for our customers, and master data management will give the Council a more holistic understanding of each customer's needs, meaning we can streamline and join up the way that we deliver services to meet those needs.	
				On the opposite end of the spectrum, it will also mean that we have the bigger picture about trends and links between our different services and how they are used by our customers, which will give us the potential to both streamline and personalise the routes by which our customers access them, depending on their needs.	
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 <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)		
Race (All Racial Groups including Gypsy/Travellers)	✓					
Religion or Belief or Non-belief	✓					
Sex	✓					

(Women and men)					
Sexual Orientation (Heterosexual, Lesbian, Gay And Bisexual)	✓				
Other (e.g: Poverty)		✓			Overall, this proposal will have a positive impact, because master data management will allow the Council a more holistic understanding of its customers, and the services they use, and which will be used to design and deliver services in a way which better meet their needs.

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 ☒ Evidence:
Article 10: Freedom of expression	Yes ☐ No ☒ Evidence:
Article 14: Right not to be subject to discrimination	Yes ☐ No ☒ Evidence:
Other article not listed above, please state:	Yes ☐ No ☒ Evidence:

6: Assessment Rating:	
Please rate the overall equality and human right assessment (Please see Completion terminology)	☐ Red ☐ Red Amber ☐ Amber ☒ Green
Reason for that rating:	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.

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	Completion
			Review

			Lead:	Date:	Date:
			Caroline Anderson	December 2016	December 2016
8: Sign off					
Completed by (Names and Services) :	Caroline Anderson Information Manager IT & Transformation				
Signed off by (Head of Service) :	Simon Haston Head of IT & Transformation				
Please send an electronic copy of your completed EHRIA - without signatures - together with the proposal document and/or committee report to: Equalities Team					

Customer Service and Performance
Corporate Governance
Aberdeen City Council
Business Hub 13
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AB10 1AB

Telephone 01224 523039 Email sandrab@aberdeencity.gov.uk

9: Completion Terminology:	
Assessment Pre-screening Rating:	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.
Assessment Rating:	After completing this document, rate the overall assessment as follows: Red: 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. Red Amber: 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. Amber: 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. Green: 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.
Equality Data:	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>’. Examples of <i>Equality Data</i> include: (this list is not definitive) 1: Application success rates by <i>Equality Groups</i> 2: Complaints by <i>Equality Groups</i> 3: Service usage and withdrawal of services by <i>Equality Groups</i> 4: Grievances or decisions upheld and dismissed by <i>Equality Groups</i> Certain discrimination may be capable of being justified on the grounds that:
Genuine Determining Reason	(i) <i>A genuine determining reason exists</i> (ii) <i>The action is proportionate to the legitimate aims of the organisation</i>

	Where this is identified, it is recommended that professional and legal advice is sought prior to completing an Equality Impact Assessment.
Human Rights	The rights set out in the European Convention on Human Rights, as incorporated into the UK Law by the Human Rights Act 1998.
Legal Status:	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.

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Privacy Impact Assessment

Step one: Identify the need for a PIA

Explain what the project aims to achieve, what the benefits will be to the organisation, to individuals and to other parties.

You may find it helpful to link to other relevant documents related to the project, for example, a project proposal.

Also summarise why the need for a PIA was identified (this can draw on your answers to the screening questions).

Will the programme involve the collection of new information about individuals?

No, this programme will not involve the collection of new information on individuals. The information in scope for the Master Data Management programme of works is information that is already held by Aberdeen City and Aberdeenshire Councils.

Will the programme compel individuals to provide information about themselves?

No, this programme will not compel individuals to provide personal information about themselves. However, the implementation of Master Data Management using existing personal information held about individuals (customers and employees) and appropriate consents will provide the mechanisms for changes made by individuals about their personal details to be updated across all systems.

Will the information about individuals be disclosed to organisations or people who have not previously had routine access to the information?

No, information about individuals will not be disclosed to organisations or people who have not previously had routine access to the information.

However, in the longer term, the potential to share personal information about individuals across our Councils and with our partner organisations such as NHS Grampian is part of the longer term Master Data Management programme and will require the appropriate security, access and consents to be in place prior to implementation.

Are you using information about individuals for a purpose it is not currently used for, or in a way it is not currently used?

No, we will not be using information about individuals for a purpose it is not currently used for, or in a way it is not currently used?

However, in the longer term the implementation of Master Data Management will involve working with master data, providing our Councils with control options over our master data values to enable consistent, shared, contextual use across systems of the most accurate, timely, and relevant version of the truth about essential business entities (e.g. customer, employee,).

Does the programme involve you using new technology which might be perceived as being privacy intrusive? For example, the biometrics or facial recognition?

No, the programme will not involve using new technology which might be perceived as being privacy intrusive?

However, in the longer term the potential to share personal information about individuals across our Councils and with our partner organisations such as NHS is part of the longer term Master Data Management programme and will require the appropriate security, access and consents to be in place prior to implementation. The

sharing of personal information will be addressed using a tiered hierarchy that goes from name and address levels to more in depth service specific. This aspect is recognised, will be monitored through appropriate business function representation throughout the programme and the PIA will be updated accordingly.

Will the programme result in you making decisions or taking action against individuals in ways which can have a significant impact on them?

No, This programme is aimed at providing more efficient and targeted customer service delivery. However, benchmarking with other local authorities indicates there may be instances where the sharing of customer data could result in decisions being taken against individuals where fraud is detected e.g. false claims for council tax benefit.

Is the information about individuals of a kind particularly likely to raise privacy concerns or expectations? For example health records, criminal records or information that people would consider to be particularly private.

No, the information about individuals of a kind are not likely to raise privacy concerns or expectations? For example health records, criminal records or information that people would consider to be particularly private.

However, it is acknowledged that in the longer term, the potential to share personal information about individuals across our Councils and with our partner organisations such as NHS is part of the longer term Master Data Management programme and will require the appropriate security, access and consents to be in place prior to implementation. A tiered hierarchy of controls will be put in place to manage levels of access to records that relate to a particular service (business function), for example social care, health etc.

Will the programme require you to contact individuals in ways which they may find intrusive?

No, the programme will not require our Councils to contact individuals in ways which they may find intrusive.

In the longer term, Master Data Management will allow our Councils to contact customers, (with appropriate consents in place) about anticipated services available, e.g. ranging from provision of early years (baby yoga) services following the registering a birth to waste management following the registering of council tax.

Step two: Describe the information flows

The collection, use and deletion of personal data should be described here and it may also be useful to refer to a flow diagram or another way of explaining data flows. You should also say how many individuals are likely to be affected by the process.

This section will be updated during the next phase of this programme.

Consultation requirements

Explain what practical steps you will take to ensure that you identify and address privacy risks. Who should be consulted, internally and externally? How will you carry out the consultation? You should link this to the relevant stages of your project management process.

Consultation can be used at any state of the PIA process.

At this point of the Master Data Management programme conceptual phase, consultation has and is taking place with senior management, assigned officers, as well as the formal Committee consultation process with elected members and Unions across both Councils.

This section will be updated as the programme progresses.

Step three: identify the privacy and related risks

Identify the key privacy risks and the associated compliance and corporate risks. Larger scale PIAs might record this information on a more formal risk register.

Annex three can be used to help identify the DPA related compliance risks.

Privacy issue	Risk to individuals	Compliance risk	Associated organisation / corporate risk
Ability to comply with Data Protection Act requirements	Likelihood: Impact:	Processing and using out of date personal information and application of appropriate retention periods	Monetary penalties, customer harms and reputational damage

Step four: Identify privacy solutions

Describe the actions you could take to reduce the risks, and any future steps which would be necessary (eg the production of new guidance or future security testing for systems).

Risk	Solution(s)	Result: is the risk eliminated, reduced or accepted?	Evaluation: is the final impact on individuals after implementing each solution a justified, compliant and proportionate response to the aims of the project?

Ability to comply with Data Protection Act requirements	Appropriate information and security architecture for personal (and sensitive) information	Reduced significantly	Yes

Step five: Sign off and record the PIA outcomes

Who has approved the privacy risks involved in the project? What solutions need to be implemented?

Risk	Approved solution	Approved by

Step six: Integrate the PIA outcomes back into the project plan

Who is responsible for integrating the PIA outcomes back into the project plan and updating any project management paperwork? Who is responsible for implementing the solutions that have been approved? Who is the contact for any privacy concerns which may arise in the future?

Action to be taken	Date for completion of actions	Responsibility for action

Contact point for future privacy concerns

Caroline Anderson, Information Manager, Aberdeen City Council
01224 522521 [canderson@aberdeencity.gov.uk](mailto: canderson@aberdeencity.gov.uk)

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources Committee
DATE	04 December 2015
DIRECTOR	Gayle Gorman
TITLE OF REPORT	Corporate Parenting – Employability Support to Care Experienced Young People
REPORT NUMBER:	ECS/15/059
CHECKLIST RECEIVED	Yes/No

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek Committee approval to waive the need for a competitive procurement for the above proposal which is detailed below.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee:
- (i) note the information contained within this report.
 - (ii) approve the invoking of SO 1(6)(a) and thereby waive the need for a competitive procurement on the grounds that the exemption is justified by special circumstances as detailed in this report.
 - (iii) approve the Action for Children proposal for a period of 3 years.
 - (iv) approve the expenditure of £150k over 3 years as detailed within the attached memo.

3. FINANCIAL IMPLICATIONS

- 3.1 On submission of a proposal (copy attached) to the Directorate Leadership Team meeting of 17 March 2015 to develop a support service for care experienced young people in work experience placements and internships within the Council, Education and Children's Services agreed to a project being commissioned from Action for Children.
- 3.2 The total value of the subsequent proposed contract will be £450k over 3 years. Aberdeen City Council's contribution will be £150k (ie. £50k per annum) over three years with the remainder being sourced from Inspire

Scotland and the EU, as detailed below and in the attached proposal.

- 3.3 The contribution from the City Council has been earmarked from within existing budgets and is held in a unique cost centre.

4. OTHER IMPLICATIONS

- 4.1 The local authority is the corporate parent to all looked after children and young people. The Children and Young People (Scotland) Act 2014 has recently extended the duties and responsibilities placed on local authorities towards care experienced young people, particularly in relation to its corporate parenting role and also with a duty to provide care for young people who request to remain in care up to the age of 21, as well as support for those who require it up to the age of 26.
- 4.2 One way that the Council seeks to fulfil its duties and responsibilities as a corporate parent to care experienced young people is to provide them with work experience under the Family Firm initiative.

5. BACKGROUND / MAIN ISSUES

- 5.1 The purpose of this paper is to outline proposals for an employability support service provided by Action for Children. It will support young people who are, or who have been, looked after or accommodated by the City Council. In the first instance, this will support such young people who are involved in placements under the Family Firm initiative within the City Council and its corporate parenting partners. In due course this may be expanded, subject to demand and opportunity, to support care experienced young people in such placements with other employers.
- 5.2 The service will be delivered within the context of the Aberdeen Guarantees initiative, enabling young people to make the most of locally available opportunities, leading to sustainable employment and the achievement of career progression.
- 5.3 Under the Family Firm initiative care experienced young people are currently involved in either the 12 week work experience programme (ie. Keen4Work), or internship placements with the City Council. Experience has shown though that this group of young people often find the transition to the experience of work a difficult challenge and have required considerable time and support to sustain their placement.
- 5.4 A business case was previously prepared, though not submitted, seeking support for a full time officer to support care experienced young people in placements through the Family Firm initiative. Including both staff time and payments to young people, other than those in internships, this would have cost approx £80K per year.
- 5.5 Action for Children has experience in delivering similar projects in Glasgow and Edinburgh where they provide one-to-one support to care experienced young people who participate in a local authority or voluntary

sector work experience, apprenticeship or internship opportunities. Action for Children have demonstrated that the additional level of support provided by the programme enables a greater volume of young people to participate in the offer and resulted in a higher number going on to succeed, achieve and progress.

- 5.6 Action for Children approached Aberdeen City Council in late 2014 with a proposal to develop a similar service in the city supported with two thirds funding that they were able to acquire through match funding contributions provided by other stakeholders. These were from Inspire Scotland providing a 33% contribution towards overall costs and a proposal for European structural funds, through the voluntary sector challenge fund, providing a further 33%.
- 5.7 The programme aims to support the Aberdeen Guarantees, Family Firm policy and Aberdeen City Council's corporate parenting strategy by providing an additional layer of support for Care leavers and the most vulnerable young people within the authority.
- 5.8 The cost to the local authority of Action for Children's proposal will be £50k per annum for 3 years (ie. £150k in total). The service would provide four members of staff with a capability of supporting up to 40 young people. This compares to the earlier business case which sought to establish one internal post to support 10 young people at a cost of £80K per year.
- 5.9 Exemption from competitive procurement is being sought due to the fact that Action for Children have been able to provide two thirds funding for the service and also because it will be able to support up to four times as many young people, thus making a significant contribution to the Council's corporate parenting duties and responsibilities.

6. IMPACT

6.1 Improving Customer Experience –

- There will be a positive impact for care experienced young people who will receive the necessary support to sustain employment.

6.2 Improving Staff Experience –

Staff mentoring the care experienced young people will receive support to ensure that they are aware of issues which might be affecting the young people they are supervising.

6.3 Improving our use of Resources –

- Action for Children will be bringing 66% of the funding tot his project and they will be able to support 4 times the number of young people.

6.4 Corporate –

- This initiative makes a significant contribution to the Council's corporate parenting duties and responsibilities.

- 6.5 Equality and Human Rights impact assessment does not need to be completed as part of this report due to this initiative not having an adverse effect on people. The funding provided by Action for Children is enhancing the initiative by 66%.

7. MANAGEMENT OF RISK

- 7.1 The council has a range of duties and responsibilities it must discharge in relation to its support for care experienced young people. These have recently been extended to include support up to the age of 26 with a view to ensuring that such young people achieve sustainable futures and are not exposed to further risks arising from their previous vulnerabilities.
- 7.2 The recommendations in this report and the proposed service will contribute to the council discharging its duties and responsibilities effectively and thus in part at least mitigating the risks highlighted above.

8. BACKGROUND PAPERS

- *Action for Children – Employability Support to Vulnerable Young People*
- *Memo – Corporate Parenting*

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MEMO



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Corporate Parenting

Corporate parenting represents the principles and duties on which improvements can be made for looked after children and care leavers. Guidance accompanying the Children & Young People (Scotland) Act 2014 defines 'corporate parenting' as:

An organisation's performance of actions necessary to promote and support the wellbeing of a looked after child or care leaver, including their physical, emotional, spiritual, social and cognitive development.

It also emphasises that corporate parenting is about listening to the needs, fears and wishes of children and young people, and being proactive and determined in our collective efforts to meet them. The recent legislation built on previous policy and also extended corporate parenting duties to a wider group of public bodies as well as establishing requirements for corporate parents to plan and report on their activities.

Section 58 of the 2014 Act sets out the responsibilities of those public bodies defined as corporate parents. These are to:

- *be alert to matters which, or which might, adversely affect the wellbeing of looked after children and care leavers,*
- *assess the needs of those children and young people for services and support that public bodies with a corporate parenting responsibility provide,*
- *promote the interests of those children and young people,*
- *seek to provide those children and young people with opportunities*
- *participate in activities designed to promote their wellbeing,*

- *take such action as the public bodies, consider appropriate to help those children and young people -*
 - (i) *to access opportunities they provide,*
 - (ii) *to make use of services, and access support, which they provide,*
- *take such other action as they consider appropriate for the purposes of improving the way in which they exercise their functions in relation to those children and young people.*

The Guidance makes clear that although corporate parents will fulfil these duties in a variety of ways, in view of their varied other functions, they are not a menu from which corporate parents can pick and choose. They are interrelated: good 'corporate parenting' depends on each of the duties being fulfilled.

The Keen4Work Scheme

The Keen4Work Scheme is one initiative that aims to meet a number of these duties by recognising the difficulties that care experienced young people may have in getting into and sustaining training or employment. It is alert to how this can affect their wellbeing; seeks to promote their interests; provides them with training and employment opportunities; helps them to access those opportunities; and supports and mentors them to sustain their involvement in them.

The Scheme began as a 12 week programme designed initially around blue collar opportunities with the City Council. This was simply a starting point and work is well underway to replicate the model in such a way as it can be parachuted into any service within any directorate.

It is being developed as part of the review and re-launch of the Council's Family Firm Policy and is aimed at better preparing young people to take up internship and apprenticeship opportunities as they arise within the council. A draft booklet is being prepared in order to readily show our young people what is on offer, and also show Heads of Service/Service managers the format of the programme in order to encourage their buy-in to hosting placements. NHS Grampian has also shown an interest in the scheme and it has the potential to become a model widely championed throughout the council and amongst those public bodies who have a corporate parenting responsibility under the recent legislation.

Social Cost

Young people have always had a tough time finding work. Historically, the unemployment rate for those ages 15 to 24 in advanced economies has been two to three times higher than for older age groups. But since the global crisis began in 2008, young people have suffered a much sharper rise in joblessness than older workers, and structural issues - especially in Europe - have exacerbated youth employment problems. This position is further exacerbated for young care leavers who traditionally have been less successful in achieving positive destinations.

Unemployment can exact a big personal toll on young people. Failure to find a first job or keep it for long can have damaging long-term consequences on their lives and career prospects. But youth unemployment also has broader social

consequences and contributes significantly to growing income inequality in advanced economies.

In addition to the short-term problems unemployment causes for young people, it has long-term debilitating effects. Studies have shown that those who experience unemployment early in their life are more likely to be unemployed again in later years. Moreover, they are likely to earn less over their working life than are their peers who find jobs more easily. Experts call the negative long-term consequences of early unemployment “scarring effects.” Those scarring effects are the result of such factors as deterioration of skills and forgone work experience. But they can also come from potential employers’ belief that these workers will not be productive. The longer a person is unemployed, the longer the scarring effects are likely to last. The earnings penalty can be as high as 20 percent compared with their peers who find employment early, and the earnings deficit can persist as long as 20 years.

In addition to harmful effects on future wages and employability, studies find evidence that spells of unemployment for a young person often hurt the individual’s happiness, job satisfaction, and health for many years thereafter.

Youth unemployment can also lead to high economic and social costs for society. Underutilization of young people in the labour market can result in a vicious circle of intergenerational poverty and social exclusion. Lack of employment opportunities may trigger violence and juvenile delinquency. Recent high youth unemployment has contributed to social unrest in many countries - advanced, emerging, and developing. Youth unemployment contributes significantly to rising income inequality.

There is therefore a substantial cost incurred by both local and central government every time one such young person finds them self unemployed, engaged in the justice system, subject to substance abuse, or medically ill (including depression). The relatively small investment proposed below, even if it changed the outcome of one or two young people would, in terms of finances, outweigh the total cost of the project.

Collaboration

The Keen4Work scheme in and of itself is a laudable project, but it is only a part of the puzzle and not the complete jigsaw. In order to reap the greatest benefit from the scheme there needs to be an additional layer of support which deals with issues such as:

1. Preparing the young person for the “structure” of a working day
2. Managing interpersonal skills
3. Time management
4. Money management
5. Debt advice
6. Coping mechanisms
7. Orchestrating which young people best fill which opportunity
8. Out of Hours safety net

To that end this proposal includes working with Action for Children to deliver a team of 4 full-time workers that will service the above functions.

Action for Children has previous experience in this area having established a joint programme with Glasgow City Council's Care Leavers Employability programme (CLES). The Action for Children Transitions project takes a holistic approach to employability with project staff working together with young people to carry out a needs assessment looking at all aspects of their life including an understanding of the risk factors relating to social, health, identity, emotional behavioural development or family and care circumstances.

Clear plans with intensive support to overcome personal and practical barriers to young people to access and sustain appropriate employment/training are produced with young people who then receive support from a dedicated key worker with one to one support, advice and guidance to enable the young person to make a smooth transition into employment or training. Staff work flexibly around service user needs and outwith core working hours to support them in training/employment without impacting on their working environment. There is an understanding, throughout the process that for some young people, this may take significant time and that many other factors in their life need addressing before they can seriously engage with structured programmes. Therefore many young people may engage with the service for some considerable time (average 9 months to a year).

The project will also link in with *Aberdeen Guarantees*, which was launched in autumn 2014 and is a partnership commitment to providing learning, training and employment opportunities to all 14 - 25 year olds, with a particular focus on those groups at risk of falling into negative destinations. Identification and co-ordination of young people to participate in the project will be retained within Children's Social Work.

Request for funding

Action for Children have proposed to extend the Transitions Project to Aberdeen and have identified two sources of match funding through central government (ie. inspire Scotland) and European Social Fund, both of which, if successful, would contribute £50K per year for three years. The City Council's commitment would be a similar £50K, plus costs of payments to young people whilst undertaking the 12 week programme (currently £15 per day plus meal allowance). In return, the project would employ four staff to support and mentor young people through both the 12 week programmes and Internships & Apprenticeships. The project's aim would be to work with up to approximately 200 young people over 3 years, including 40 per year commencing the 12 week programme.

In order to fund all of the above, the total cost to the council for 3 years, would be not more than £74300 per year (ie. £50K plus payments to young people). This budget has been identified from within existing resources and is now earmarked in unique cost centre **S59163 65111**.

Commitment for funding at this level will create a managed environment designed at best placing 40 vulnerable care experienced young people per year into a better position to find their positive destination in life. This enriches their lives, improves their long-term future, and decreases the potential burden to the public purse in the long-term whilst also fulfilling, in part, a number of the council's corporate parenting responsibilities.

To proceed with this initiative, although funding has been identified within the existing service and agreement in principle has been indicated to Action for Children to enable them to continue with their funding applications, it needs to be formally sanctioned within the Directorate to enable formal negotiations to be entered into with Action for Children. If required, a further update can be made to the DLT before any final commitment is given.

Kiemon Stewart, Operations Manager, Housing & Environment;

David Bliss, Service Manager (Planning & Development), Children's Social Work

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ABERDEEN

CITY COUNCIL



Ref:-TS/MC/15

To Aberdeen City

Title - Employability Support to Vulnerable Young people

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Introduction

The purpose of this paper is to outline proposals for a looked after young people's and care leavers employability support service, provided by Action for Children to support young people who are or who have been looked after or accommodated. The service will be delivered within the context of the Aberdeen Guarantees, enabling young people to make the most of locally available opportunities, leading to sustainable employment and the achievement of career progression. Action for Children has experience in delivering a similar project in Glasgow and Edinburgh where we provide one to one support to care leavers in parallel to external support whereby young people participate in a local authority or voluntary sector, work experience, apprenticeship or internship opportunities. The additional level of support enabled a greater volume of young people to participate in the offer and resulted in a higher number going on to succeed, achieve and progress. Action for Children is supported in this initiative, through match funding contributions provided by other stakeholders, with Inspiring Scotland providing a 33% contribution towards overall costs and a proposal for European structural funds through the voluntary sector challenge funded providing a further 33%. The programme aims to support the Aberdeen Guarantees, Family Firm policy and Aberdeen City Council's corporate parenting strategy by providing an additional layer of support for Care leavers and the most vulnerable young people within the authority. The cost to the local authority will be £50k per annum for 3 years, £150k in total.

Local Fit

The new service will link in with the Aberdeen Guarantees, which was launched in autumn 2014 and is a partnership commitment to providing learning, training and employment opportunities to all 14 – 25 year olds, with a particular focus on those groups at risk of falling into negative destinations. Aberdeen Guarantees represents the collective efforts of the public, private and third sector in assisting and enabling young people to progress towards employment. The Aberdeen Guarantees initiative provides a range of approaches, pre and post school which are already in place to support young people into positive destinations, promote good news stories and advertises new training and work opportunities for young people in Aberdeen. Information is available on the Aberdeen Guarantees website which aims at promoting opportunities to young people, parents, professionals and employers.

Present Challenges

Aberdeen City Council currently has a Family Firm policy as part of the Council's Corporate Parenting Policy. The Family Firm policy is Aberdeen City Council's aim to create opportunities within the Council for looked after young people. This has mainly been realised through creating internship opportunities. However, a recent 12 week work experience model has been developed with plans to expand the model across the Council's directorates and be a prerequisite to any future internship opportunities offered. Any opportunities created within the context of Family Firm are co-ordinated with the Aberdeen Guarantees team. However, it is recognised that for many of our most vulnerable young people there is a requirement for additional support for those groups at risk of falling into negative destinations to enable them to take full advantage of the opportunities offered/available/presented. This is particularly true of looked after children and young people, where the authority has a corporate parenting responsibility. Many of the young people within the looked after group have failed to sustain an opportunity due to the lack of resources to provide additional support mechanisms. For example at critical crisis points where young people would have benefited from coaching or mentoring in order to deal with general issues outside of the opportunity. The difficulty in supporting this group of young people is not solely related to creating the opportunity. Opportunities have been created for example through Aberdeen Guarantees and the Family Firm policy. The issue relates to the "readiness" of the young person, the ongoing support, and having available resources to provide mentoring and coaching to the young person.

Achievements have been made by Aberdeen City Council as an employer to make available places for work experience, paid work or internships. These opportunities, supported through the Family Firm approach, are demonstrating some early signs of success. However, there is recognition that the success rate could be improved by linking up external support. Many directorates within the local authority wish to support a vulnerable young person but recognise that they don't understand the issues facing the young person and what issues outside of work may impinge on their attendance and overall performance. Equally many directorates do not have the resources to provide the required external support, beyond that of the young person's duties whilst in the workplace or equally have the available resources to provide a short term work-place mentor. It's envisaged that the service proposed, will fill this requirement, with the key worker- mentor supporting the young person from referral to positive END destination.

To address the challenges and support vulnerable young people our services will include:

- Referrals and engagement – linking in with Aberdeen Guarantees (AG) and the Family Firm policy
- Action plan- bespoke action plan for young people – with key indicators - timelines
- Opportunity readiness - skills development, training, interventions - opportunity matching with Aberdeen Guarantees and the Family Firm policy.
- Mentoring support – supporting the young person whilst in the opportunity
- Continued support - ensuring the continuum support from one opportunity to another (progression)
- Community Support- providing support out with working hours dealing with other issues (eg housing, family relationships etc.)
- Crisis Support – providing that support at key times no matter where they are in the journey and preventing the issues for escalating or effecting their opportunity
- Key dedicated support – worker becomes single point of contact for employers etc. to contact for attendance issues etc.

Model and approach

The model proposed to Aberdeen City Council is based on previous experience of delivering Care leaver employability support services programmes within other local authority areas. The model proposed is a highly tailored and holistic support service for care leavers or looked after young people. The support is delivered through an intensive support model assisting young people to overcome personal and practical barriers which preventing them from entering or sustaining employment. The service works through individual issues with the young person using a personal centred approach which is built on building and developing a trusting relationship before looking for outcomes. Staff work flexibly around the needs of the young people often outwith core working hours and within the young person's own home environment (if applicable). This enables the programme to support young people whilst attempting to sustain training/ work experience or employment opportunities and recognises the needs of this group of young people outside the working/training environment. All support is bespoke and centred around the individual needs of the young person, relating to where they are at within their employment career, or individual journey. The programme begins with an individual action plan, looking at the young people's needs, skills, wishes and aspirations. Therefore direct one to one support varies between each service user, dependant on their needs, where they are within their individual journey, with the service always being prepared for crisis support.

Mentoring and coaching

Each qualified staff member carries a caseload of between 10 to 12 young people depending on their needs. This may result in a larger throughput per annum – if young people have progressed positively, as the figures are based on maximum caseloads at any one time. Each staff member will provide a one to one mentoring and coaching service to the young person, ensuring where possible continuity of service delivery utilising a key work social work approach. The support is flexible, with possible high intensity at the beginning, tailoring towards a step down approach, with the ultimate goal to be total withdrawal. However, our support is tailored to individual needs, issues, priorities and circumstances, relevant at the time of crisis, even if they are progressing well and available out of hours to provide support when they need it most. The service works in partnership with other agencies to pull in support- resources or assistance around the young person, for example- housing, youth justice, mental health services, ensuring a GIRFEC type approach.

Local statistics

Presently, according to the latest figures, there are 37,875 children and young people under the age of 18 in the city of Aberdeen, representing 17% of the total population. Of the 37,875, there were 606 children who were looked after by the local authority (figures July 2013). 241 looked after children attend Aberdeen City Council educational establishments (nursery, primary, secondary or special schools).

Of the 241 looked after children in Aberdeen City Council educational establishments, 127 (53%) are looked after at home and 114 (47%) are looked after away from home (residential children's home, foster care, with friend/relatives). However the evidence of demand for the service is better evidence through statistics provided through the CareFirst System. Overall statistics from CareFirst regarding current 16 – 21 year olds that have had a care experience illustrate the following number of young people,

Age as of April 2014	Number of young people who have had a care experience
Aged 16	154
Aged 17	155
Aged 18	147
Aged 19	141
Aged 20	123
Aged 21	151
Total	871

The breakdown of these young people of how many of these are looked after at home, kinship, foster care, residential and what locations they are in are not fully available. However the figures do represent a large potential of number of young people who are entitled to support through the recent changes in the young person's bill, where support was increased for all young people who had experience of care up to the age of 24. This includes the legal responsibility of the local authority to provide support or care. Additionally Aberdeen City's Throughcare Service has an active case-load of about 90 care leavers, but have a total of about 150 young people they work with. This would be a key referral route with the throughcare team, Aberdeen Guarantees and the new service operating seamlessly and in partnership to provide support and opportunity to the young person.

Match Funding

The funding to support this programme is a potential mixture of private sector, venture philanthropy, Scottish Government, European Structural funds and local authority funding. The funding below, which has been secured or applied for is per annum for a 3 year period.

Funder	Type of Funder	Requested amount per annum	Status
Inspiring Scotland	Venture Philanthropy and Scottish Government	£50,000 - (£150K- 3 years)	Confirmed
ESIF	European Structural Funds	£50,000 (£150K- 3 years)	In Progress-April 2015
Aberdeen City Council	Public sector funding	£50,000 (£150K- 3 years)	In Progress
TOTAL		£150,000 (£450K- 3 years)	

Footnote- the ESIF funding is applied for through the European Structural Investment Fund - under the voluntary sector Challenge programme and does not affect Aberdeen City CPP proposal or allocation from European Structural Funds.

Volumes

As agreed, the volumes are variable due to the length of time required by a young person to make a successful transition to the world of work and receive the life coaching support. For all participants the length of time will vary, dependent on their needs and the journey they will undertake. It is also recognised that a crisis event can crop up for this group of young people and this can lead to setbacks, that can lengthen their stay on the programme. Finally young people achieve at surprisingly fast pace when given the right level of support and the right potential offer.

It is envisaged that the project will work have the capacity to work approximately 200 young people over 3 years. The project will forecast a slightly lower average figure in year 1 – due to establishing referral routed and caseloads being developed within the first 2 delivery quarters.

The Key outcomes will be

Volumes and outcomes	First year	2nd year	Third year	Total
No of young people referred	55	70	75	195
No of young people receiving bespoke action plan	55	70	75	195
Number of young people benefiting from core skills	35	50	55	140
Number of young people receiving interventions	45	55	57	57
Number of young people receiving mentoring and coaching support	55	70	75	195
Number of young people receiving support within the work place (includes training and work experience),	35	50	55	140
Number of young people supported into	28	30	40	98

sustainable employment				
Number of young people successfully exiting the programme	28	30	40	98

Budget

Children Services - Budget (TM1) Template

Staff see staffing schedule		
	Staffing Schedule	£109,827
	Total Employee Costs	£109,827
Other Employee Related Costs		
	Mileage (Staff)	£4,100
	Fleet Costs	£0
	Staff Insurance	£1,285
	Training Charge	£1,927
	Other Training	£0
	Staff Meetings	£50
	Total Other Employee Related Costs	£7,362
Property Costs		
	Occupier Services Charge	£0
	Premises - Contributed	£8,000
	Other Premises Costs	£0
	Gas	£0
	Electricity	£0
	Total Premises Costs	£8,000
Equipment		
	IT Charges	£2,508
	Equipment - Contributed	£0
	Furniture & Fittings - Depreciation	£0
	Plant Machinery & Equipment - Depreciation	£0
	Total Equipment Costs	£2,508
Communication Costs		
	Telephones	£1,200
	Postage & Couriers	£100
	Stationery / Printing	£300
	Publications & Marketing	£0
	Total Communication Costs	£1,600
Activity Costs		
	Outings Activities & Other	£5,000
	Total Activity Costs	£5,000
	Fees Income	£0
	Contract and Grants Income	£150,000
	Miscellaneous Income	£0
	Local Project Donations	£0
	Rent Receivable	£0

Logic Model

Action for Children Logic Model for Transitions project

Activities <i>What happens in our organisation?</i>	Outputs <i>What are the tangible products of our activities?</i>	Short-term Outcomes <i>What changes do we <u>expect</u> to occur within the short term? (Up to 1 year)</i>	Intermediate Outcomes <i>What changes do we <u>want</u> to see occur after that? (1-2 years)</i>	Long-term and national Impact <i>What changes do we <u>hope</u> to see in Scotland over time? (3 years or more)</i>
Activity Category Transition's is a highly tailored and holistic support service for care leavers or looked after young people. Intensive support is given, to help them overcome the personal and practical barriers, that prevent them from sourcing and sustaining employment or training opportunities This community outreach service, offers a flexible support package to service users in their own homes, and, when required, outside of core working hours.	AFC -- OUTPUTS 60 service users in employment, training or further education. 20 service users receive a VQ qualification in employability. All service users complete the Outcome Star evaluation tool to set goals and monitor progress	Short term outcomes Service users will have needs assessment carried out and service plan of achievable goals identified and reviewed. 65% of service users have increased participation in a positive activity and develop an interest or skill. Increased opportunities for new experiences or activities for service users. Service users develop confidence in their skills and develop aspirations for further learning and development. Increased opportunities for continued participation by linking up and signposting to other provision. More participants have achieved accreditation for their learning. Service users develop positive peer networks	List the long term outcomes 65% of intake progressing into a positive destination. 65% of service users sustaining employment and training. Service users are more able to exercise a choice and express their ambitions for the future. Service users becoming more financially independent. Service user's practical and personal skills have improved. Service users exhibit improvements in self-esteem and confidence. Service users sustain participation in positive activities. Service users	National alignment The life chances of young care leavers and families at risk are improved. Service users sustain employment and training. Service users are able to leave the benefit system due to them being in paid employment. Service users' finances improve and they can contribute to wider economy Service users have improved their personal and practical skills and they feel more valued in society Service users demonstrate an improvement in in their physical and mental wellbeing and they require less intervention from the health authorities. Service users demonstrate an improvement in their education and qualifications; there is an improvement in the skill base. GIRFEC measures are being met. Service users are able to contribute to decisions that affect them

A dedicated practitioner will offer one to one support to each service user, and help them develop a bespoke action plan. There is a through care and after care support for all project participants Stage 2-4 who are in positive destinations		and relationships. Action plan reviewed, and through care offered to support service users in work or training Working in partnership with lead agencies to ensure GIRFEC policies and procedures are adhered to. Service users are able to contribute to decisions that affect them.	maintain or improve physical health and/or meet individual development milestones There is an improvement in a service users emotional or mental wellbeing. Service users have a relationship with significant others in their life. GIRFEC policies are in place and reviewed. Service users are able to contribute to decisions that affect them	

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