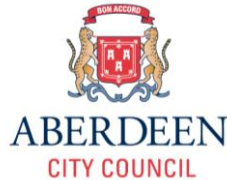


# Public Document Pack



To: All Members of the Council

Town House,  
ABERDEEN, 9 August 2016

## **COUNCIL**

The Members of the **COUNCIL** are requested to meet in Council Chamber - Town House on **WEDNESDAY, 17 AUGUST 2016 at 10.30am.**

FRASER BELL  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

### **BUSINESS**

- 1 Admission of Burgesses
- 2 Determination of Exempt Business and Urgent Business
- 3 Requests for Deputations

### **MINUTES OF COUNCIL**

- 4(a) Minute of Meeting of Aberdeen City Council of 29 June 2016 - for approval (circulated separately)
- 4(b) Minute of Meeting of Urgent Business Committee of 1 July 2016 - for approval (Pages 5 - 6)

### **BUSINESS STATEMENT, MOTIONS LIST AND OTHER MINUTES**

- 5(a) Business Statement (Pages 7 - 12)
- 5(b) Motions List (Pages 13 - 16)

## **REFERRALS FROM COMMITTEES IN TERMS OF STANDING ORDER 36(3)**

6 None to date

### **GENERAL BUSINESS**

7(a) Cremation Investigation (to follow)

7(b) Annual Audit, Risk and Scrutiny Committee Report - referred by Audit, Risk and Scrutiny Committee of 27 June 2016 (Pages 17 - 44)

7(c) Aberdeen City Integration Joint Board (Pages 45 - 58)

7(d) Gaelic Language Plan (Pages 59 - 126)

7(e) EU Referendum (Pages 127 - 148)

7(f) Scottish Benefits Agency (Pages 149 - 154)

7(g) Fishing Industry Memorial Working Group (to follow)

7(h) Draft Aberdeen City Local Outcome Improvement Plan 2016-26 and Approach to Locality Planning (Pages 155 - 216)

7(i) Governance Review - Bridge of Don Trust and Other Trust Reorganisations (Pages 217 - 226)

7(j) Corporate Parenting: Annual Update 2015-16 (Pages 227 - 246)

7(k) Energy Services Company (Pages 247 - 296)

7(l) Conservation Area Regeneration Scheme (Pages 297 - 308)

7(m) Additional Powers (to follow)

7(n) Affordable and Social Housing (to follow)

### **BUSINESS THE COUNCIL MAY WISH TO CONSIDER IN PRIVATE**

8(a) Decisions and Minutes of Meetings of Social Work Complaints Review Committee of 16, 22 and 30 June and 6 July 2016 (Pages 309 - 366)

- 8(b) Conservation Area Regeneration Scheme - Appendix (Pages 367 - 380)
- 8(c) Strategic Mixed Tenure Housing for Aberdeen City: Progress Report (Pages 381 - 386)
- 8(d) Berryden Corridor Improvements (Pages 387 - 406)
- 8(e) AECC Financing (to follow)

**CONFIDENTIAL BUSINESS**

- 9(a) City Deal (to follow)

Website Address: [www.aberdeencity.gov.uk](http://www.aberdeencity.gov.uk)

To access the Information Bulletins for full Council please use the following link:  
<http://committees.aberdeencity.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13013&path=13004>

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

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## URGENT BUSINESS COMMITTEE

ABERDEEN, 1 July 2016. Minute of Meeting of the URGENT BUSINESS COMMITTEE. Present:- Councillor Laing, Convener; and Councillors Boulton, Cooney, Copland (substituting for Councillor Cameron), Donnelly, Flynn, Greig (substituting for Councillor Yuill), Len Ironside CBE (substituting for Councillor Crockett), Nicoll (substituting for Councillor Dickson), Samarai (substituting for Councillor Jackie Dunbar), Taylor, Townson and Young.

### DETERMINATION OF URGENT BUSINESS

1. In terms of Standing Order 28(6)(vi), and in accordance with Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Committee was informed that it had to determine (1) that the item of business on the agenda was of an urgent nature; and (2) that the Committee required to consider the item and take a decision thereon.

#### The Committee resolved:-

to agree that the item was of an urgent nature, and required to be considered this day.

### DETERMINATION OF EXEMPT BUSINESS

2. The Committee was requested to determine that the item of business on the agenda, which had been identified as containing exempt information as described in Schedule 7(A) of the Local Government (Scotland) Act 1973, be taken in private.

#### The Committee resolved:-

to consider the report in public.

### CHIEF OFFICER POSTS - OCE/16/026

3. The Committee had before it a report by the Chief Executive which dealt with several matters relating to posts at chief officer level.

#### The report recommended:-

that the Committee -

- (a) approve the re-designation of the post of Director of Corporate Governance as Depute Chief Executive (Director of Corporate Governance);
- (b) (i) approve the re-designation of the post of Head of Planning and Sustainable Development as Head of City Planning and the removal of responsibility for 'protective services' from the post's portfolio of functions; and (ii) note that authority had previously been granted in relation to the establishment of an Appointment Panel to progress recruitment and selection arrangements relevant to the post;
- (c) (i) approve the transfer of responsibility for 'protective services' functions to the Head of Communities and Housing; and (ii) approve the establishment of an Appointment Panel comprising nine members in total (3+3+1+1+1) including the

**URGENT BUSINESS COMMITTEE**

1 July 2016

Convener of the Communities, Housing and Infrastructure Committee, to appoint to the post of Head of Communities and Housing and to deal with all relevant matters pertaining to the recruitment and selection process concerned (e.g. the job profile);

- (d) note that the tender process to source a recruitment partner for the Council was underway and likely to ensure that a suitable organisation would be available to assist the Council with the recruitment activity outlined in the report; and
- (e) approve a six month extension for the current shared arrangement with Aberdeenshire Council for the post of Head of Education within Education and Children's Services.

**The Committee resolved:-**

to approve the recommendations.

- **JENNIFER LAING, Convener**.

**COUNCIL**

**BUSINESS STATEMENT**

**17 AUGUST 2016**

Please note that this statement contains a note of every report which has been instructed for submission to Council. All other actions which have been instructed by the Council are not included, as they are deemed to be operational matters after the point of decision.

Reports which are overdue are shaded

<u>No.</u>	<u>Minute Reference</u>	<u>Council/Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>
1.	Council 19.08.15 Article 17	<b><u>Corporate Parenting</u></b>  The Council instructed officers to report back on the implementation and review of the policy to Council in 2016.	A report is on the agenda.	Director of Education and Children's Services	17.08.16
2.	Council 25.02.16 Article 1	<b><u>Strategic Business Plan Refresh 2016/17</u></b>  The Council instructed the Chief Executive to bring forward a report to the Council meeting in August 2016 with proposals for a series of public discussions on local matters in each of the 13 wards led by the Leader of the Council in conjunction with all Conveners and the Chair of the Integration Joint Board.	The subject matter of this decision is addressed in the report on the Draft Aberdeen City Local Outcome Improvement Plan 2016-26 which is on the agenda.	Chief Executive	17.08.16
3.	Council 25.02.16 Article 2	<b><u>Affordable and Social Housing</u></b>  The Council instructed the Chief Executive to bring forward to the Communities, Housing and Infrastructure Committee	The report will be submitted straight to Council and not via the Communities, Housing and Infrastructure Committee.  A report is listed to follow on the agenda.	Chief Executive  Director of Communities,	17.08.16

<u>No.</u>	<u>Minute Reference</u>	<u>Council/Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>
		proposals for the Council to accelerate the delivery of affordable and social housing within the Aberdeen city boundary utilising all relevant fiscal mechanisms, including asking the Scottish Government to use their devolved powers to help support these opportunities and to report back to Council at its meeting in August 2016.		Housing and Infrastructure	
4.	Council 02.03.16 Article 13	<p><b><u>Integration Joint Board (IJB) for Health and Social Care</u></b></p> <p>The Council instructed the Chief Executive to provide an update report to members on matters relating to the IJB that she considered to be of interest to them at the Council meetings of 17 August and 14 December 2016 and quarterly thereafter, such reports including financial monitoring information in relation to the IJB.</p>	A report is on the agenda.	Chief Executive  Chief Officer - Aberdeen Health and Social Care Partnership	17.08.16
5.	Council 02.03.16 Article 17	<p><b><u>Devolution of Additional Powers to the Council</u></b></p> <p>The Council instructed the Head of Economic Development to provide an 'options appraisal' of the devolution of existing and proposed (via the Scotland Bill) powers and the different levers that could be available to the Council, and report to the Council meeting on 17 August 2016.</p>	A report is listed to follow on the agenda.	Head of Economic Development	17.08.16

<u>No.</u>	<u>Minute Reference</u>	<u>Council/Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>
6.	Council 11.05.16	<p><b><u>Berryden Corridor Improvements</u></b></p> <p>The Council instructed officers to proceed with public engagement on the current draft design and to report back on the public response to the various options after the summer recess, anticipated to be the August Council meeting, with the preferred design option and land requirements for inclusion in the Compulsory Purchase Order.</p>	A report is on the agenda.	Director of Communities, Housing and Infrastructure	17.08.16
7.	Council 11.05.16	<p><b><u>Powering Aberdeen: Aberdeen's Sustainable Energy Action Plan</u></b></p> <p>The Council instructed officers to report back with (a) an update on implementation of the governance structure; and (b) a final draft of Powering Aberdeen for approval, including the findings of the public consultation.</p>	This report is now expected to be submitted to Council on 6 October 2016.	Director of Communities, Housing and Infrastructure	17.08.16
8.	Council 08.10.15 Article 19	<p><b><u>Strategic Mixed Tenure Housing for Aberdeen City - Limited Liability Partnership (LLP)</u></b></p> <p>The Council noted that a progress report would be brought back to Council within six months after the establishment of the LLP.</p>	A report is on the agenda.	Director of Communities, Housing and Infrastructure	17.08.16

<u>No.</u>	<u>Minute Reference</u>	<u>Council/Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>
9.	Council 29.06.16 Article 4	<b><u>Crematorium Investigation</u></b>  The Council noted that the Chief Executive would submit a report to the Council meeting on 17 August 2016.	A report is listed to follow on the agenda.	Chief Executive	17.08.16
10.	Council 31.10.13 Article 17	<b><u>Community Planning Aberdeen - Development Plan</u></b>  The Council agreed to receive six monthly updates on progress with the implementation of the Development Plan.	The Council received the last six month progress report on 29 June 2016.	Director of Communities, Housing and Infrastructure	14.12.16
11.	Finance and Resources 12.11.09 Article 22	<b><u>Community Planning Partnership - Fairer Aberdeen Fund</u></b>  The Finance and Resources Committee instructed the Director of Corporate Governance to provide twice yearly updates in February and October to the Aberdeen City Alliance (now Community Planning Aberdeen) and the Corporate Policy and Performance Committee on the outcomes achieved through the investment of the Fairer Scotland Fund (now Fairer Aberdeen Fund).	The Council received the last six month progress report on 29 June 2016.	Director of Communities, Housing and Infrastructure	14.12.16

<u>No.</u>	<u>Minute Reference</u>	<u>Council/Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>
12.	Council 24.06.15 Article 21	<p><b><u>Broadford Works</u></b></p> <p>The Council noted the content of the report and agreed that officers report back to a future meeting on any further action that may be required.</p>	<p>Early in 2015, a number of incidences of fire raising and unauthorised entry to the derelict site had been reported. As a result, a perimeter and internal inspection of the site was completed by Building Standards staff which resulted in the serving of a Dangerous Building Notice on the owner in June 2015. The Notice highlighted a number of requirements relating to perimeter security and protection of dangers within the site. Significantly, a requirement for 24 hour site security was included. By the end of July, the Notice was duly complied with and in the intervening period since, there have been no reports of fire raising and only minor cases of unauthorised entry recorded by the security system.</p> <p>A revised planning application will be presented to the August meeting of the Planning Development Management Committee with a recommendation of approval. In the meantime, a building warrant for demolition work to the non-listed buildings has been approved and these works are progressing on site.</p> <p><b><u>It is therefore recommended that this item be removed from the business statement.</u></b></p>	Director of Communities, Housing and Infrastructure	<u>Recommended for removal</u>

<u>No.</u>	<u>Minute Reference</u>	<u>Council/Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>
13.	Council 24.06.15 Article 13	<p><b><u>Local Authority Community Covenant</u></b></p> <p>The Council agreed to receive a report at a future meeting once the Scottish Government had reviewed the Scottish Veterans Commissioner's report <i>Transition in Scotland</i> and decided how it wishes to take its recommendations forward.</p>		Chief Executive	Upon review by the Scottish Government
14.	Council 06.03.13 Article 16	<p><b><u>Welfare Reform</u></b></p> <p>The Council, amongst other things, approved the steps taken by officers to develop a policy and practice response and agreed to receive further reports in due course as measures were implemented.</p>	<p>A progress report was noted by the Council on 21 August 2013. Further reports were contained within the Information Bulletin for the Council meetings on 14 May 2014 and 16 December 2015.</p> <p>The final outcome of discussions between the Scottish and UK Governments regarding the devolution of decisions around welfare reform is awaited. Once this is clear an update will be provided in the Information Bulletin.</p>	Director of Communities, Housing and Infrastructure	As and when required



**COUNCIL**  
**MOTIONS LIST**  
**17 AUGUST 2016**

Please note that this statement tracks all Notices of Motion (relevant to Council) submitted by members, until the point of disposal. The motion will remain on the statement until the Council has agreed to remove it.

Reports on motions which are overdue are shaded

<u>No.</u>	<u>Motion</u>	<u>Date of Council Meeting</u>	<u>Decision of Council</u>	<u>Action taken/Proposed Future Action</u>	<u>Responsible Officer</u>	<u>Due Date</u>
1.	<p><b><u>Motion by Lord Provost George Adam</u></b></p> <p>“That Aberdeen City Council agrees to take forward approaches from associates of the local fishing industry to create an appropriate and lasting memorial to the men and women who lived, worked and died in it, in peace time and war, and to commemorate the major contribution which fishing has made to the city’s life and heritage. Officers are instructed to report on the establishment of a small working group, the scope of a commission and confirmation of a budget with a view to obtaining additional contributions to build on external funds already secured.”</p>	17.12.14	To approve the terms of the motion.	<p>A report was on the agenda at the Council meeting of 13 May 2015 however it was withdrawn from the agenda at the meeting.</p> <p>A report is listed to follow on the agenda.</p>	Director of Education and Children’s Services	13 May 2015
2.	<p><b><u>Emergency Motion by Councillors Laing and Hutchison</u></b></p>	29.06.16	To approve the terms of the emergency motion.	A report is on the agenda.	Chief Executive	17 August 2016

<u>No.</u>	<u>Motion</u>	<u>Date of Council Meeting</u>	<u>Decision of Council</u>	<u>Action taken/Proposed Future Action</u>	<u>Responsible Officer</u>	<u>Due Date</u>
	<p>“Council notes the decision to leave the European Union following a United Kingdom Referendum.</p> <p>Council instructs the Chief Executive to provide a detailed report to the August Council meeting on the short (0-3 years), medium (3-10 years) and long term (10 years plus) implications of this decision for Aberdeen City Council, its ALEOs and its partner organisations.</p> <p>In addition, Council instructs the Chief Executive to write to the Prime Minister and the First Minister seeking advice on the proposed timescales for the exit from the EU exploring with both the UK and the Scottish Governments the opportunity for Aberdeen City Council to receive financial help towards any future project that may no longer receive EU funding as a consequence of the UK’s decision to leave the European Union, and asking the UK and/or Scottish Government to act as a guarantor for any current EU funding which may now be at risk.”</p>					

<u>No.</u>	<u>Motion</u>	<u>Date of Council Meeting</u>	<u>Decision of Council</u>	<u>Action taken/Proposed Future Action</u>	<u>Responsible Officer</u>	<u>Due Date</u>
3.	<p><b><u>Emergency Motion by Councillor Laing</u></b></p> <p>“Council notes the announcement by the Scottish Government indicating its intention to set up a new Scottish Benefits Agency and the letter written by the Council Leader to the First Minister on this matter.</p> <p>Council agrees that Aberdeen City is best places to host these 300 new jobs and urges the Scottish Government to confirm Aberdeen as its preferred location for this new flagship organisation that will oversee the delivery of benefits in Scotland.</p> <p>Council instructs the Chief Executive to write to the Prime Minister and the First Minister outlining the benefits of locating or relocating any flagship organisation in Aberdeen, providing a copy of her letter to all members, with any replies from the Prime Minister or First Minister going to the August Council meeting for consideration.</p>	29.06.16	To approve the terms of the emergency motion.	A report is on the agenda.	Chief Executive	17 August 2016

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Audit, Risk & Scrutiny
DATE	27 <sup>th</sup> June 2016
DIRECTOR	Angela Scott
TITLE OF REPORT	Audit, Risk & Scrutiny Committee – Annual Report
REPORT NUMBER:	OCE

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### 1. PURPOSE OF REPORT

The purpose of this report is to present the annual report of the Audit, Risk & Scrutiny Committee.

### 2. RECOMMENDATION(S)

that the Committee:–

- (a) Approve the annual report; and
- (b) Refer the report to the Council for their consideration.

### 3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

### 4. OTHER IMPLICATIONS

None.

### 5. BACKGROUND/MAIN ISSUES

During the Committee's self-evaluation exercise in 2014, Member's agreed that the Committee prepare an annual report of its activities and that this be referred to Council. The first annual report was published in 2015. This report attaches a draft of the annual report for 2015/16.

### 6. IMPACT

There is impact on the Council's governance arrangements through improved transparency, understanding and challenge of the activity and outcomes from the Audit, Risk & Scrutiny Committee.

7. MANAGEMENT OF RISK

There are no identified material risks which would result from the approval of the recommendations in this report.

8. BACKGROUND PAPERS

“A Toolkit for Local Authority Audit Committees” - CIPFA  
“Audit Committees: Practical Guidance for Local Authorities and Police”  
- CIPFA (2013)

9. REPORT AUTHOR DETAILS

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[mmurchie@aberdeencity.gov.uk](mailto:mmurchie@aberdeencity.gov.uk)  
(01224) 522008

**Audit, Risk and Scrutiny Committee**  
**Annual Report 2015/16**

## **Introduction**

I am pleased to present this year's Annual Report of the Audit, Risk & Scrutiny Committee. An annual report to Council is a useful way to develop understanding of the Committee's role and functions. The Committee is accountable to Council and welcomes scrutiny of its effectiveness in fulfilling its terms of reference and its impact on the improvement of governance, risk and control within the authority. This report covers the work of the Audit, Risk & Scrutiny Committee during the period April 2015 – March 2016. In addition, to a summary of work undertaken, the report includes details of the Committee's membership and officer support to the Committee. The report ends with a look forward to 2016/17 and the Committee would welcome any feedback from Members of the Council on the themes identified.

**Stephen Flynn**

*Convener*

*Audit, Risk & Scrutiny Committee*



## The role of the Audit, Risk & Scrutiny Committee

Cipfa (the Chartered Institute of Public Finance and Accountancy) defines the purpose of an audit committee as:

*“...to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.”<sup>1</sup>*

In accordance with this, the role of the Committee is primarily concerned with assuring itself, and advising the Council as necessary, that the Council’s policies are being implemented and has in place systems which provide adequate controls over the Council’s resources and assets to prevent the risk of loss through fraud and corruption. It is not the role of the Audit, Risk & Scrutiny Committee to be responsible for, or manage, the arrangements themselves.

Key to the role of the Committee is that it should be independent; have clear reporting lines and rights of access to other committees; and that its members should be properly trained to fulfil the role. The Orders of Reference for the Committee are listed below with a summary of work undertaken.

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<sup>1</sup> CIPFA (2013) Audit Committees: Practical Guidance for Local Authorities and Police

# 1. Risk Management

The Committee will:-

- (a) receive an annual review of the risk management process, and an update every six months on the risk register and related action plans;
- (b) approve the risk management strategy and implementation plan;
- (c) monitor risk management and internal control arrangements; and
- (d) commission and review annual assessments of the effectiveness of the risk management and control framework.

## Summary of Activity

- Commissioned, received and reviewed an Internal Audit on the Council's adopted Risk Management procedures;
- Reviewed reports on aspects of the Council's "System of Risk Management", namely, Staff. In doing so, identified strengths, weaknesses and required improvement actions;
- Reviewed Service Risk Register for Corporate Governance;
- Reviewed the Risk Register for the Shadow Aberdeen Health and Social Care Partnership.

## Outcomes

- The component of the system of risk management which remained to be reported concerned the 'shared values' aspect of the system. The Governance Review will examine the system for strength and effectiveness as well as assisting with the formulation of a statement of risk appetite, which will underpin further reporting to the Committee in this area.

## 2. Internal Audit

The Committee is charged with responsibility for ensuring that there is an effective Internal Audit function. This to be achieved through the following:-

- (a) the approval of the Internal Audit Annual Plan;
- (b) the consideration of all reports issued by Internal Audit with the exception of those on the Pension Fund;
- (c) responsibility for ensuring that there is an adequately resourced Internal Audit service; and
- (d) the consideration of performance reports on Internal Audit activity.

### Summary of Activity

- Managed the transition to a new model of delivering Internal Audit through a shared service with Aberdeenshire Council.
- Approved a risk based Audit Plan 2015/16 and Internal Audit Charter;
- Reviewed the performance of Internal Audit, including the progress in completing the Audit Plan, at each meeting;
- Considered each internal audit report and management responses;
- Followed up on the implementation of all recommendations agreed following audit reviews;
- Considered an Annual Report by the Head of Internal Audit which included the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control;
- Approved joint work between NHS Grampian, Aberdeen City, Aberdeenshire and Moray Councils and the Shadow Integrated Joint Boards for Health & Social Care to develop working arrangements; consistency of approach; a local audit network; and an adjustment to the 2015/16 Internal Audit Plan to include the review of Health and Social Care integration.

### Outcomes

- Whilst a small number of reviews within the 2015/16 Audit Plan are carried forward into 2016/17, this has not impacted on the internal auditor's ability to provide an overall opinion on the adequacy of internal controls operating during 2015/16. The Plan has largely been implemented and, where required, further controls identified;
- Significant improvement has been seen during the year in the number of recommended actions implemented on time.

### 3. External Audit

To receive all reports prepared by the Council's External Auditor with the exception of those on the Pension Fund.

#### Summary of Activity

- Received and reviewed the Council's external auditor's (Audit Scotland) annual Audit Plan and assessment of significant audit risks.
- Reviewed regular reports from the external auditor on progress in implementing the Audit Plan;
- Considered the Local Scrutiny Plan for the Council from the Local Area Network;
- Considered specific reports from the external auditor relating to Housing benefit and ICT Services;
- Considered the local implications and responses to national reports from Audit Scotland;
- Instigated formal reporting of progress against External Audit recommendations and received status reports;
- Considered the external auditor's independent report on the financial statements; and annual report to members and the Controller of Audit.

#### Outcomes

- Ensured the discharge of the Council's responsibilities with regard the external audit function;
- Improved the Committee's review of external audit activity, including implementation of recommendations, throughout the year;
- The committee considered the external auditor's Annual Plan and the Local Scrutiny Plan together for the first time which provided a more rounded view of the Council's risks.
- The external auditor's annual report to members was concluded approximately two months earlier than in previous years in order that it could be considered by the committee alongside the audited financial statements. This change in audit practice was a response to the requirements set out in the Local Authority Accounts (Scotland) Regulations 2014 which applied for the first time.

## **4. Accounts**

To consider and approve the Council's and its Registered Charities Annual Accounts.

### **Summary of Activity**

- Approved an action plan and key dates for the preparation and audit of the Annual Accounts;
- Considered and approved the Annual Accounts for the Council and its Registered Charities; and
- Within the annual accounts, the Annual Governance Statement was specifically considered and approved.

### **Outcomes**

- The audited 2014/15 accounts were prepared and certified in line with the requirements of the Local Authority Accounts (Scotland) Regulations 2014 which applied for the first time. In preparation, a timetable for earlier delivery of the audited accounts had been agreed between finance and external audit.

## 5. Whistleblowing and Other Investigations

### Summary of Activity

- The Committee gave consideration to a report on an investigation into issues within the Building Services section. This included hearing a deputation from trades Unions and instructing a follow up report for the next meeting;
- The Committee heard oral reports on a small number of other investigations during 2015/16;
- The Committee also considered the implications of a Scottish Parliament petition regarding Whistleblowing procedures in local government, noting that this did not impact upon the Council's current Whistleblowing policy;
- No whistleblowing reports were received or considered.

## 6. Anti-Fraud

The approval of an anti-fraud policy and monitoring its implementation; and

- (a) Commissioning investigations to secure value for money in the delivery of services.
- (b) To oversee the processes by which services are exposed to competition and costs are let, where the Council itself is a bidder for the work.

### Summary of Activity

- The Committee considered a revised corporate Policy and Strategic Response to Fraud, Bribery and Corruption, which had been approved by the Council's Finance, Policy & Resources committee;
- The first Fraud Annual Report was considered by the Committee for the year 2015/16;
- No frauds were reported to the Committee during the year.

## **7. Legal Compliance**

To review minuted actions from all main Committees with the exception of the Planning Development Management and Licensing Committees (or Regulatory Committee) to ensure compliance with legal requirements and good practice. The Committee will not prevent any decision being taken and will only review a decision.

### **Summary of Activity**

- Reports to the Audit, Risk and Scrutiny Committee can cover matters relating to services across the Council. This provides the Committee with an opportunity to ensure that services are being delivered in accordance with the law, Council procedures and best practice; and
- The Audit, Risk and Scrutiny Committee receives information on a regular basis in respect of the Council's compliance with the Data Protection Act. This allows members to scrutinise performance in this area.

## **8. Health and Safety**

Approve the Council's Health & Safety Policy, including its annual review and implementation.

### **Summary of Activity**

- The Audit, Risk & Scrutiny Committee began to receive the minutes of each meeting of the Central Health and Safety Committee in August 2014 for consideration.

## 9. Arm's Length External Organisations (ALEOs)

The Committee will ensure, through consideration of a quarterly report from the governance hub, that each tier 1 Arm's Length External Organisation has an effective system of risk management in place, covering strategy, structure, skills, system, staff and shared values. The Committee will use this to determine the level of assurance it can place on the effectiveness of that system and its ability to achieve the organisational objectives.

### Summary of Activity

- The Committee commissioned and received a report from the Internal Auditor on the governance of the Council's ALEO's and included the determination of sources of assurance regarding risk management, internal controls and staff and information governance;
- The Committee received and considered minutes of the meetings of the ALEO Governance Hub held in June 2015 and minutes and a report of significant issues for Hub meetings held on December 2015.
- The Committee also instructed and received a report on progress with monitoring Tier 2 ALEOs including assurance on Service level Agreements.

### Outcomes

- The Committee's Annual Report in 2014/15 noted that "the Committee has not yet received full assurance that governance of ALEOs is effectively controlled". The Committee's scrutiny of the work of the ALEO Governance Hub has provided additional assurance that risks are controlled and this will continue in 2016/17.

## 10. Additional Reports

The Committee commissioned and received additional reports covering a number of areas, including:-

- Regular reports identifying any upheld complaints which had been considered by the Scottish Public Services Ombudsman;
- Regular reports on compliance with FOI and data Protection legislation, including breaches;
- A review of "Following the Public Pound" arrangements for Aberdeen International Youth Festival;
- Reports covering policy and compliance with Protecting Vulnerable Groups (PVG) requirements, both for Council employees and members, as well as for those operating Community Centres;
- Follow Up Actions stemming from the Transport Commissioner's review of Fleet Services;



- An audit by Food Standards Scotland;
- The Council's Public Performance Reporting arrangements.

## Membership of the Committee

The Audit, Risk & Scrutiny Committee is composed of 17 Members from across all parties. Members bring with them business experience of audit, risk management, health & safety, project management and relevant service and local governance knowledge. During the self-evaluation of the committee's effectiveness, Members and officers acknowledged the skills and knowledge of the Committee.

During 2015/16 training was delivered to all new members of the committee giving an overview of the role of the Committee and the member's role in this. Additional training packages were delivered to members:-

- The annual accounts process;
- Internal Audit;
- Risk Management.

### Attendance:

Member	Total Expected Attendances	Total Attendances	Nominated Substitute Attended
Cllr Jackie Dunbar Convener from June 2015	5	5	
Cllr Yuill Vice Convener	5	5	
Cllr Cameron	5	5	
Cllr Cooney	5	5	
Cllr Copland (from September 2015)	3	3	
Cllr Crockett	5	4	Cllr L Dunbar – Mar 16
Cllr Donnelly	5	3	Cllr Thomson – June 15
Cllr Flynn (from September 2015)	3	3	
Cllr Graham	5	4	Cllr Allan – Nov 15
Cllr Greig	5	5	
Cllr Hutchison (from November 2015)	2	2	
Cllr Lawrence	5	5	
Cllr Malik	5	4	Cllr Finlayson – June 15
Cllr May (Up to June 2015)	2	0	Cllr McGregor – June 15
Cllr Jean Morrison	5	5	
Cllr Nathan Morrison	5	3	Cllr Milne – Nov 15 Cllr Young – Mar 16
Cllr Noble (Up to September 2015)	3	3	
Cllr Reynolds	5	2	Cllr Young – Sept 15 & Nov 15 Cllr Carle – Mar 16
Cllr Townson	5	5	

## **Officer support to the Committee**

### The Chief Executive

The Chief Executive has taken a very active role in the development and support of the Committee over the last 12 months. She regularly attends the Committee and ensures that the Committee is effectively supported.

### The Section 95 Officer

Steve Whyte, Head of Finance, provides key support to the Committee. Statute requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. The Section 95 Officer, with the support of his colleagues and external audit, has provided reports and training in relation to the Annual Accounts, external audit activity and financial management. They have attended every Audit, Risk & Scrutiny Committee meeting and ensured that the Committee has received the information and advice that it needs to do its job effectively.

### Chief Internal Auditor

During 2015/16, the Chief Internal Auditor role has been undertaken by David Hughes, who manages a joint service with Aberdeenshire Council. David and his colleagues have attended each meeting of the Committee to present their reviews, answer members' questions and provide advice in relation to scrutiny and the regulatory framework. In addition, the Committee and the Council Corporate Management Team have commissioned additional investigations from David's team.

### Lead Executive Support

The lead executive support role for the Committee was performed by Martin Murchie, Office of the Chief Executive, until February 2016 when Richard Ellis the Interim Director of Corporate Governance took on the role.

### External Audit

Audit Scotland are the Council's appointed external auditors. The appointed auditor for the Council is Stephen Boyle and the local contact responsible for day to day management of the audit is Anne MacDonald. Their primary responsibility is to give their opinion on whether the Council's accounts give a true and fair view of the Council's financial transactions. Audit Scotland also deliver a targeted programme of risk based reviews and take the lead role in the Local Area Network, which determines the level and nature of external scrutiny which will be applied to the Council's services.

**Attendance:**

<b>Officer</b>	<b>Total Expected Attendances</b>	<b>Total Attendances</b>	<b>Nominated Substitute Attended</b>
Chief Executive	5	5	N/A
Steve Whyte	5	5	N/A
David Hughes	5	4	1
Anne Macdonald	5	5	N/A
Martin Murchie	5	5	N/A
Richard Ellis	2	2	N/A

## **Effectiveness review through self-evaluation**

In April / May 2015, the Committee undertook a facilitated self-evaluation of the Committee's effectiveness in line with Cipfa's "*Audit Committees: Practical Guidance for Local Authorities and Police*". This guidance includes a self-evaluation tool, which was used to assess the Committee's compliance with commonly agreed standards and to identify areas for improvement.

The Committee was found to have areas of strength, but a number of improvement actions were identified where the Committee considered best practice was not yet in place.

The self-evaluation exercise built on a previous exercise in 2014. Members and officers are agreed that significant progress was made during the year and that the Committee is well placed to further improve its effectiveness.

The output from the 2015 self-evaluation is included as Appendix A.

## **Next year's focus**

The Audit, Risk & Scrutiny Committee will continue to review and challenge the Council's arrangements with regards to risk management, corporate governance, internal and external audit and treasury management throughout 2016/17.

Amongst the issues which are likely to receive particular focus are:-

- The operation of the shared internal audit function with Aberdeenshire Council;
- The revised governance arrangements for the Council's Arm's Length External Organisations;
- Confirmation of scrutiny arrangements to be implemented with respect to integrated health and social care;
- Outputs from the Council's Governance Review;
- A revised strategic risk register, corporate operational risk register and operation of the system of risk management;
- The exercise of the Committee's responsibilities for Health and Safety;
- Follow up on the first Fraud Annual Report;
- The outcomes of the 2015 follow-up Best Value Audit and the new approach to Best Value being developed by the Accounts Commission;
- The transition to a new External Auditor.

Question	Self-Evaluation Method & Evidence	Response	
Establishment, Operation & Duties Role & Remit		Comments 2015 and 2016 Updates	Status
1. Does the committee have written terms of reference?	Officers		✓
2. Do the terms of reference cover the core functions of a committee as identified in the CIPFA guidance?	Officers	Yes. The core functions are described as:- <ul style="list-style-type: none"> <li>• Annual Governance Statement;</li> <li>• Internal Audit;</li> <li>• Risk Management</li> <li>• Assurance Frameworks and Assurance Planning</li> <li>• Value for Money and Best Value;</li> <li>• Countering Fraud and Corruption</li> <li>• External Audit;</li> <li>• Financial Reporting;</li> <li>• Partnership Governance.</li> </ul>	✓
3. Are the terms of reference approved by the council and reviewed periodically?	Officers	These are approved by Council and reviewed periodically, but not in line with an agreed timetable.	✓
4. Has the committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Officer Input & Interviews with Committee Members	Members agreed that the Committee did have the membership, authority and resources to perform and role, but raised questions on how the Committee would be supported to undertake its remit with respect to the Council's relationship with ALEOs; with significant shared services and nationally based partners, such as	✓

		Police Scotland.	
5. Can the committee access other committees and full council as necessary?	Officer Input & Interviews with Committee Members	During discussions members agreed there was a need for items identified by the Audit, Risk & Scrutiny Committee to be routinely and systematically reported to appropriate committees.	✓
6. Does the authority's annual governance statement include a description of the committee's establishment and activities?	Officers	Yes. This was added in 2014.	✓
7. Does the committee periodically review its own effectiveness?	Officers	Yes, through this self-evaluation.	✓
8. Does the committee make a formal annual report on its work and performance during the year to full council?	Officers	Yes	✓
<b>Membership, Induction &amp; Training</b>			
9. Has the membership of the committee been formally agreed and a quorum set?	Officers		✓
10. Is the chair independent of the executive function?	Officers		✓
11. Has the committee chair either previous knowledge of, or received appropriate training, on financial and risk management, accounting concepts and standards, and the regulatory regime?	Interview with Convenor and Vice Convenor	Training has been given and knowledge acquired. It is acknowledged that this is, and requires to be, a continual process.	✓
12. Are new committee members provided with an appropriate induction?	Officer Input & Interviews with Committee Members	Training for members of the Committee has been significantly increased and improved in the last year.	✓
13. Have all members' skills and experiences been assessed and training given for identified gaps?	Officer Input & Interviews with Committee Members	Organisational Development advise that 1-2-1 sessions have been made available for members. Members' feedback during this self-evaluation process was that take up has been slow.	X
14. Has each member declared his or her business interests?	Officer Input & Interviews with Committee	The Council's process for declaring interests and the advice of officers is consistent.	✓

	Members		
15. Are members sufficiently independent of the other key committees of the council?	Interviews with Committee Members	Members believe that recent training has reinforced the distinct role of members of the Committee and that behaviours reflect this.	✓
<b>Meetings</b>			
16. Does the committee meet regularly?	Officers		✓
17. Do the terms of reference set out the frequency of meetings?	Officers	No, but an 18 month schedule is reported to Council.	X
18. Does the committee calendar meet the authority's business needs, governance needs and the financial calendar?	Officer Input & Interviews with Committee Members	Yes. Greater planning was introduced during 2014 to ensure this is systematic.	✓
19. Are members attending meetings on a regular basis and if not, is appropriate action taken?	Officers	Details are provided in the annual report above.	-
20. Are meetings free and open without political influences being displayed?	Interviews with Committee Members	Members reflected that there has been a reduction in adversarial behaviours and that the Committee acts more as a team.	✓
21. Does the Chief Financial Officer or deputy attend all meetings?	Officers		✓
22. Does the committee have the benefit of attendance of appropriate officers at its meetings?	Officer Input & Interviews with Committee Members	Mostly. Improvement has been evident during 2014/15, but members identified occasions when the appropriate officers had not been present.	-
<b>Internal Control</b>			
23. Does the committee consider the findings of the annual review of the effectiveness of the system of internal control including the review of the effectiveness of the system of internal audit?	Officers		✓
24. Does the committee have responsibility for review and approval of the Annual Governance Statement and does it consider it separately	Officers	Yes.	✓



from the accounts?			
25. Does the committee consider how meaningful the Annual Governance Statement is?	Officer Input & Interviews with Committee Members	Members reflected that meaningful consideration had been given to the AGS, as part of the Annual Accounts, but there is some lack of clarity about these as separate documents.	-
26. Does the committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Officers	The Committee receives assurance through the statement of internal control and the individual audit reviews.	✓
27. Has the committee considered how it integrates with other committees that may have responsibility for risk management?	Officer Input & Interviews with Committee Members	Yes. The system of risk management explores this and members have been trained on their role re risk management.	✓
28. Has the committee or the full council adopted managing the risk of fraud – actions to counter fraud and corruption?	Officers		✓
29. Does the committee ensure that actions to counter fraud and corruption are being implemented?	Officer Input & Interviews with Committee Members	There have been relatively recent audits on the arrangements for the detection and prevention of fraud and agreed recommendations are followed up. An action outstanding for officers to report annually on arrangements for the prevention and detection of fraud.	✓
30. Is the committee made aware of the role of risk management in the preparation of the annual internal audit plan?	Officers		✓
31. Does the committee review the authority's strategic risk register at least annually?	Officers		✓
32. Does the committee monitor how the authority assesses its risk?	Officer Input & Interviews with Committee Members	This is now more systematically reported through analysis of the system of risk management.	✓
33. Do the committee's terms of reference include oversight of the risk	Officers		✓

management process?			
<b>Financial Reporting &amp; Regulatory Matters</b>			
34. Is the committee's role in the consideration and / or approval of the annual accounts clearly defined?	Officers	The Committee's role is to consider the unaudited annual accounts and to authorise the audited annual accounts for signature.	-
35. Does the committee consider specifically: <ul style="list-style-type: none"> <li>• the suitability of accounting policies and treatments</li> <li>• major judgements made</li> <li>• large write offs</li> <li>• changes in accounting treatment</li> <li>• the reasonableness of accounting estimates</li> <li>• the narrative aspects of reporting</li> </ul>	Officers	These are included within the annual accounts.	✓
36. Is a committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Officers	The Committee meetings are scheduled for this purpose. The report to "those charged with governance" is included in the reporting schedule.	✓
37. Does the committee review management's letter of representation?	Officers	This was done for the 2014/15 annual accounts.	✓
38. Does the committee annually review the accounting policies of the authority?	Officers	Not explicitly, although these are referred to within reporting on the annual accounts and members have the opportunity to ask questions.	-
39. Does the committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Interviews with Committee Members	The Accounting Manager reports to the Committee advising of the arrangements for preparation of the accounts.	✓
40. Does the committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?	Officer Input & Interviews with Committee Members	Nationally reports are now reported when published. The Information Bulletin exists for other issues. Whilst this is not actively used, members did not feel that significant issues were not being	✓

		reported.	
<b>Internal Audit</b>			
41. Does the committee approve annually and in detail the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	Officers		✓
42. Does internal audit have an appropriate reporting line to the audit committee?	Officers		✓
43. Does the committee receive periodic reports from the internal audit service including an annual report from the head of internal audit?	Officers		✓
44. Are follow up audits by internal audit monitored by the committee and does the audit committee consider the adequacy of implementation of recommendations?	Officers	Follow up on agreed recommendations are undertaken and reported by Internal Audit.	✓
45. Does the committee hold periodic private discussions with the head of internal audit?	Officers	Yes, this was done for the first time during 2014/15.	✓
46. Is there appropriate co-operation between internal and external auditors?	Officers	Both the Head of Internal Audit and the lead auditor from External Audit reported that there was appropriate co-operation.	✓
47. Does the committee review the adequacy of internal audit staffing and other resources?	Officers	The Committee receives performance metrics which cover key aspects of the internal audit process.	✓
48. Has the committee evaluated whether its internal audit service complies with the CIPFA code of practice for internal audit in local government in the UK?	Officers	The Committee has not formally considered this, but External audit give assurances on internal audit each year as part of their annual audit plan and annual audit report.	X
49. Are internal audit performance measures monitored by the audit committee?	Officers	Yes.	✓
50. Has the audit committee considered the information it wishes to receive from internal audit?	Interviews with Committee Members	Members expressed a desire to meet in early course with the Head of Internal Audit to discuss the reporting needs of	✓

		the Committee.	
<b>External Audit</b>			
51. Do the external auditors present and discuss their audit plans and strategy with the committee (recognising the statutory duties of external audit)?	Officers		✓
52. Does the committee hold private periodic discussions with the external auditor?	Officers		✓
53. Does the committee review the external auditor's annual report to those charged with governance?	Officers		✓
54. Does the committee ensure that officers are monitoring action taken to implement external audit recommendations?	Officers		✓
55. Are reports on the work of external audit and other inspection agencies presented to audit committee?	Officers		✓
56. Does the committee assess the performance of external audit?	Officers	External Audit report regularly on the status of their agreed annual plan. In addition, Audit Scotland request councils to complete a questionnaire on the performance of the auditor every 2-3 years.	✓
57. Does the committee consider and approve the external audit fee?	Officers		✓
<b>Administration Agenda Management</b>			
58. Does the committee have a designated secretary from committee / member services?	Officers		✓
59. Are agenda papers circulated in advance of meetings to allow adequate preparation by committee members?	Officers		✓
60. Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Officers	Agendas are now planned 3 cycles in advance. Outstanding issues remain in the business statement until discharged.	-
61. Are inputs for any other business formally requested in advance from committee members, relevant officers, internal and external	Officers	There is no "Other Business" mechanism other than raising a motion. However,	-

audit?		an informal session is now held at the conclusion of each Committee meeting for members and officers to raise any issues which are pertinent to the business of the committee.	
<b>Papers</b>			
62. Do reports to the committee communicate relevant information at the right frequency, time and in a format that is effective?	Interviews with Committee Members	Members were, on the whole, content but there was some discussion on the length of some reports.	✓
63. Does the committee issue guidelines and / or a proforma concerning the format and content of the papers to be presented?	Officers	Both internal and external audit have their own formats.	✓
<b>Actions Arising</b>			
64. Are minutes prepared and circulated promptly to the appropriate people?	Officers		✓
65. Is a report on matters arising made and minuted at the committee's next meeting?	Officers		✓
66. Do action points indicate who is to perform what and by when?	Officers	Whilst the minute does not always include dates, the Business Statement does.	✓

APPENDIX B

Title of Report	Lead Officer	11 <sup>th</sup> May 2015	25 <sup>th</sup> Jun 2015	29 <sup>th</sup> Sept 2015	26 <sup>th</sup> Nov 2015	9 <sup>th</sup> March 2016
<b>Risk Management</b>						
System of Risk Management (Staff)	N Buck	✓				
Risk Register – Corporate Governance	N Buck		✓			
Risk Register – Communities, Housing & Infrastructure	P Leonard	✓				
Risk Register – Shadow IJB	J Proctor			✓		
Risk Management – Review of Procedures	D Hughes				✓	
<b>Internal Audit</b>						
Supply & Delivery of Internal Audit Services	M Murchie					
Internal Audit Progress Report & Performance	PWC / D Hughes	✓		✓	✓	✓
Internal Audit Follow Up	PWC	✓	✓	✓	✓	✓
Internal Audit Annual Report	PWC		✓			
Internal Audit Plan 2016/17	D Hughes					✓
Fleet Asset Verification	PWC	✓				
Corporate Landlord Responsibilities (Asset Management)	PWC	✓				
Library Services Self-Service Machines	PWC	✓				
Policy and Procedures Development	PWC	✓				
Procurement in Construction	PWC	✓				
Section 75 Planning	PWC	✓				
Continuous Financial Controls Programme	PWC		✓			
Pension Fund Financial Controls	PWC		✓			
Compliance with Public Sector Records (Scotland) Act - Phase 2	PWC		✓			
Management Information ICT	PWC		✓			
Roads Construction Consent	PWC		✓			
Fleet Management Governance	PWC		✓			
Health & Social Care Integration	D Hughes			✓		✓
Council Tax Billing	D Hughes			✓		
Housing – Rent Assessment	D Hughes			✓	✓	
Creditors System	D Hughes				✓	
Payroll System	D Hughes				✓	
Craft Workers Terms & Conditions	D Hughes				✓	
Payment Controls in Children’s Social Work	D Hughes					✓
Council Tax	D Hughes					✓

Crematorium	D Hughes					✓
Sheltered Housing	D Hughes					✓
Trade Waste	D Hughes					✓
Recruitment Procedures	D Hughes					✓
Time Sheets	D Hughes					✓
<b>External Audit (Non-Accounts)</b>						
Aberdeen Local Scrutiny Plan and National Scrutiny Plan	S Boyle		✓			✓
External Audit – Outstanding Recommendations	A MacDonald		✓		✓	✓
External Audit Progress & Performance	A MacDonald		✓	✓	✓	✓
External Audit Plan 2015/16	A MacDonald		✓			✓
Audit of Housing Benefit	A MacDonald				✓	
Review of ICT Service	A MacDonald		✓			
<b>Other External Inspection &amp; Regulation</b>						
Public Performance Reporting Assessment	T Sulaiman			✓		
Food Standards Scotland Core Audit	P Leonard				✓	
Transport Commissioner – Fleet Follow Up	M Riley	✓				
<b>Annual Accounts</b>						
Interim Report on the 2014/15 Audit	A MacDonald		✓			
Annual Report to Members and the Controller of Audit on the 2014/15 Audit	A MacDonald			✓		
Unaudited of Accounts & Annual Governance Statement	S Whyte		✓			
Audited Annual Accounts 2014/15	S Whyte				✓	
Annual Accounts 2015/16 – Action Plan and Key Dates	S Whyte					✓
<b>ALEO Governance</b>						
Aleo Governance Hub Minutes 15/6 & 17/6	R MacBeath		✓			
Aleo Governance Hub – Minutes and Significant Issues	R MacBeath					✓
Aleo Tier 2 Review	R MacBeath		✓			
ALEOs – Internal Audit Review	D Hughes					✓
<b>Audit Scotland – National Reports</b>						
Borrowing and Treasury Management	M Murchie	✓				
An Overview of Local Government in Scotland 2015	M Murchie	✓				✓
Update on Developing Financial Reporting	M Murchie	✓				
Scotland’s Public Sector Workforce – Impact Report	M Murchie					
<b>Health &amp; Safety</b>						
Minute of Meeting of the Corporate Health & Safety Committee of:- - 20 <sup>th</sup> February 2015	K Rennie		✓			

- 22 <sup>nd</sup> May 2015					✓	
- 28 <sup>th</sup> August 2015						✓
- 27 <sup>th</sup> November 2015						✓
<b>Fraud, Corruption, Bribery and Whistleblowing</b>						
Matters Under Investigation	M Murchie			✓		✓
Whistleblowing Policy – Scottish Parliament Petition	R MacBeath	✓				
Policy and Strategic Response to Fraud, Bribery and Corruption	S Whyte				✓	
Window Replacements	D Hughes				✓	✓
<b>Committee Development</b>						
Committee Annual Report	M Murchie		✓			
Self-Evaluation of the Committee	M Murchie	✓				
Elected Member Development	Director of CG				✓	
<b>Other Reports</b>						
Transfer of Site, Langdykes Road (Referral from FP&R) Committee	D Hughes		✓		✓	
Deduction of PAYE From Office Holders	Director of CG			✓		
Aberdeen International Youth Festival – Following the Public Pound	Director of CG			✓		
Data Protection Monitoring	Director of CG		✓	✓	✓	
Protecting Vulnerable Groups (PVG) Scheme	Director of CG				✓	
Protecting Vulnerable Groups (PVG) Checks – Community centres	J Mackie				✓	
Leased Community Centres	J Mackie					✓
Scottish Public Services Ombudsman (SPSO) Complaint Decisions	L McKenzie				✓	✓

\* Late paper.



## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	17 <sup>th</sup> August 2016
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Aberdeen City Integration Joint Board
REPORT NUMBER	OCE/16/028
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

The report provides the Council with details of the arrangements put in place for governance of the Integration Joint Board (IJB).

### 2. RECOMMENDATION

That the Council:-

- i. notes the content of this report;
- ii. recommends that the chairs of the Audit Committees of Aberdeen City Council, NHS Grampian and the IJB come together to avoid duplication of effort, whilst ensuring that both parent bodies receive necessary assurances; and
- iii. agrees to receive regular updates on the governance arrangements relating to the Integration Joint Board.

### 3. FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report. Finance is, however, a key element of the governance arrangements of which this report provides details.

### 4. OTHER IMPLICATIONS

None.

### 5. BACKGROUND/MAIN ISSUES

The Council considered a report by the Director of Corporate Governance on 2<sup>nd</sup> March 2016 which set out the powers to be

delegated by the Council and NHS to the Integration Board for Health & Social Care (IJB). In approving the report, Council agreed to instruct the Chief Executive to provide an update report to members on matters relating to the IJB that she considers to be of interest to them at the Council meetings of 17 August and 14 December 2016 and quarterly thereafter, such reports including financial monitoring information in relation to the IJB.

In providing this first report, it is considered appropriate to set out the central elements of governance which have been established from the IJB's arrangements, giving details for each of these.

<b>A.</b>	<b>Purpose</b>
	<p>The purpose of the IJB is set out in its <b>Strategic Plan 2016 -19</b> which it agreed in March 2016.</p> <p>The Strategic Plan includes:-</p> <ul style="list-style-type: none"> <li>- A strategic vision statement</li> <li>- Values</li> <li>- Strategic priorities for the next 3 years</li> </ul> <p>and places these in the local and national context.</p> <p>In terms of accountability, the Scottish Government have identified nine national health and wellbeing outcomes that the partnership must work towards and show what difference it is making. This is supported by a core suite of indicators which are aligned with the national outcomes. It is for these indicators, primarily, on which the IJB's annual report will provide performance information.</p>
<b>B.</b>	<b>Board Governance</b>
i.	<p>In its "Shadow" form the Board engaged the <b>Good Governance Institute (GGI)</b> to provide support identifying and delivering the key governance requirements in 2015/16. Key governance structures and processes have been developed with this support, including:-</p> <ul style="list-style-type: none"> <li>- a methodology for assessing board effectiveness and establishment of a baseline using a maturity matrix;</li> <li>- production of a Board Assurance and Escalation Framework;</li> <li>- improvement and definition of the Board's organisation, behaviours, dynamics and sense of strategic purpose.</li> </ul> <p>GGI remain engaged and have made recommendations for the further development of governance arrangements. These have been agreed by the IJB and progress is being monitored and reported.</p>
ii.	<p>As stated above, a <b>Board Assurance and Escalation Framework (BAF)</b> has been developed with support from GGI. The BAF describes the means by which the Board secures assurance on its activities. It states that it sets out the governance structure, systems and performance and outcome indicators through which the IJB receives assurance. (The ongoing development of the IJB's performance management systems is further discussed in section H. below.) The BAF describes the process for the escalation of concerns or risks which could</p>

	<p>threaten delivery of the IJB's priorities, including risks to the quality and safety of services to service users, although as seen in section E. below, the application of the system of risk management remains in development.) The BAF also describes the regulatory framework within which the IJB operates and is designed to give assurance to the Board:-</p> <ul style="list-style-type: none"> <li>• that decision making is underpinned by principles of good governance;</li> <li>• on the quality of its services;</li> <li>• on the probity of its operations; and</li> <li>• on the effectiveness of its system of risk management.</li> </ul> <p>The Assurance Framework is owned and will be regularly reviewed by the IJB's Audit and Performance Systems Committee.</p> <p>As part of its normal operations, the IJB is subject to independent assurance through the Care Inspectorate; Healthcare Improvement Scotland; the Health and Safety Executive; as well as its external auditors. All relevant external independent assurance reports will be reported to the Council.</p> <p>Members will be aware that the Care Inspectorate has undertaken a Joint Inspection of Services for Older People. The final report is expected soon and will, like all similar reports, be submitted to the Council.</p>
iii.	<p><b>Standing Orders</b> for the Board and its Committees have been approved;</p>
iv.	<p>In line with the <b>Model Code of Conduct for Devolved Public Bodies</b> the Board has appointed Roderick MacBeath as its Standards Officer with the following duties:-</p> <ul style="list-style-type: none"> <li>- Providing advice to the IJB on standards and conduct;</li> <li>- Establishing and maintaining registers of interests and registers of gifts and hospitality;</li> <li>- Ensuring the provision of appropriate training on ethical standards and the Code of Conduct;</li> <li>- Advising members on declarations of interest;</li> <li>- Reporting to the Board as appropriate on any matter relating to the Code of Conduct;</li> <li>- Dealing with complaints about the conduct of members submitted locally;</li> <li>- Assisting the Commissioner in any formal investigation of members; and</li> <li>- Generally, liaising with the Standards Commission as appropriate.</li> </ul>
v.	<p>Clarity has been obtained via <b>The Standards Commission</b>, which has issued a revised dispensation to Councillors who are Board members which allows them to stay in Council meetings when IJB matters are being discussed.</p>
vi.	<p>Two <b>Committees</b> have been established as undernoted. Terms of reference agreed and are now meeting:</p> <ul style="list-style-type: none"> <li>- Audit &amp; Performance Systems</li> <li>- Clinical &amp; Care Governance Committee</li> </ul> <p>Aberdeen City Council is represented as follows:</p>

	<ul style="list-style-type: none"> <li>• Audit &amp; Performance Systems: Cllrs Ironside and Young;</li> <li>• Clinical &amp; Care Governance Committee: Cllrs Donnelly and Cameron.</li> </ul>
vii.	The Board has established an <b>Integration and Transformation Programme Board</b> to consider priorities as identified through localities and provide added value and influence strategic decision making in relation to improving health and wellbeing.
<b>C.</b>	<b>Reserved and Delegated Powers</b>
i.	<p>Aberdeen City Council and NHS Grampian have delegated a range of statutory functions in respect of health and social care to the IJB. It is important to note that these functions have been delegated and not transferred. This means that the legal responsibility for the functions still remains with the Council and NHS Grampian, under the direction of the IJB.</p> <p>A <b>Scheme of Delegation</b> has been developed and considered twice by the Board, although not yet approved by the Board. The draft Scheme sets out:-</p> <ul style="list-style-type: none"> <li>- the powers which are reserved to the IJB or its committees. Comprised of those which must, in terms of statute, be reserved, and those which the IJB has, itself, chosen to reserve;</li> <li>- an “<b>Operational Protocol</b>” which specifies the remit and responsibilities of the Chief Officer and the Chief Financial Officer in respect of the operational management and deliverability of the integrated services.</li> </ul> <p>As Chief Executive, I have twice requested further clarity on the draft Scheme with respect to the application of Aberdeen City Council’s own Scheme of Delegation to the role and authority of the Chief Officer, within the context of services provided by the Council. The Chief Officer has a dual role, in that they are accountable to the IJB for the responsibilities placed on the IJB under the Act and the Integration Scheme, and they are accountable to the NHS Board and to the Council for any operational responsibility for integrated services, as set out in the integration Scheme. In addition, the Chief Officer has powers delegated to them by virtue of their position as a Chief Official of the Council and NHS. Accordingly, <b>Aberdeen City Council Delegated Powers</b> applies to the Chief Officer. In exercising these Delegated Powers, the Chief Officer is accountable to the Chief Executive of the Health Board and the Council respectively.</p> <p>Members will be aware that a comprehensive review of the Council’s governance arrangements is being undertaken and revised arrangements will provide clarity on the nature and applicability of ACC’s Scheme of Delegation to the role of Chief Officer.</p> <p>Given the Joint Accountable Officer entirely reports to the IJB and not to a committee of Council, I have instructed the Director of Corporate Governance to ensure that a discipline is created within ACC where reports going to the IJB have been formally reviewed by the monitoring functions of Council in order to ensure that the Joint Accountable Officer has complied, where appropriate, with the Council’s Scheme of Delegation, Standing Orders and Financial Regulations.</p>
ii.	Legislation requires the IJB to set out a mechanism for implementing the Strategic Plan and this takes the form of <b>Directions</b> from the IJB to Aberdeen City Council and NHS Grampian which set out the services and functions to be delivered by each organisation and the associated budget for this.

	<p>The Directions are to be reviewed by the Audit and Performance Systems Committee as and when updates are required, and, at a minimum, on an annual basis.</p> <p>In discussions on the draft Scheme of Delegation, I have requested that it be specifically stated that it is the responsibility of the Chief Officer to ensure that the IJB Directions are made in accordance with the legislative framework and regulations which apply to NHS Grampian and Aberdeen City Council and that they are, consequently, legally competent.</p>
<b>D.</b>	<b>Financial Governance</b>
i.	A <b>Chief Financial Officer</b> has been appointed on a permanent basis by the IJB. An induction session has been arranged with the Council's own S95 officer and regular contact will be maintained.
ii.	<p><b>Financial Regulations</b> have been approved which detail the responsibilities of the IJB for its <b>own financial affairs</b>. The regulations detail the financial responsibilities and policies that govern the IJB, and the regulations which members and committees would have to comply with when considering financial matters. A formal review of the Regulations will take place on a biennial basis.</p> <p>For clarity, the Financial Regulations of Aberdeen City Council apply to the role of Chief Officer. It is expected that the Chief Finance Officer (now in post) is fully inducted on ACC's Financial Regulations.</p>
iii.	<p><b>2016/17 budget</b> has been approved with a supporting "Due Diligence Report". The due diligence process was based on guidance from the Integrated Resources Advisory Group (IRAG) which recommended that initial sums should be determined on the basis of existing Council and NHS budgets, in addition to actual spend and financial plans for delegated services.</p> <p>For 2017/18 the IJB, through the Chief Officer, will have the authority to make Directions to NHS Grampian and Aberdeen City Council which specify variation from previous spending patterns. I expect the Joint Accountable Officer to discuss such directions with myself and the Council's Section 95 officer as part of the regular performance meetings.</p> <p><b>Financial Planning</b> for 2016/17 was assessed against actual expenditure and forecasts reported in management accounts for the three most recent financial years and savings and efficiency targets have been identified and assumptions, risks and opportunities have been made clear to all partners.</p>
iv.	The Chief Financial Officer (CFO) of the IJB will be responsible for developing the <b>financial strategy</b> of the IJB including the production of its Medium Term Financial Plan to link to the IJB's Strategic Plan. The CFO will also be responsible for the completion of the IJB's Annual Financial Statement, which outlines the financial resources included in the Strategic Plan and the use of those resources in each financial year of the Plan.
v.	The arrangements for <b>financial management and financial reporting</b> are set out within the Integration Scheme. The Scheme requires the appointment of a chief financial officer, who will be accountable for the financial management of the IJB. The CFO will also be responsible for the preparation of financial reports to

	<p>the IJB, which will be presented to the Audit &amp; Performance Systems Committee. In order to give assurance to the Partners that the delegated budgets are being used for their intended purposes, financial monitoring updates will be reported to the Partners throughout the year. This will include monitoring the deliverability of savings and efficiency targets agreed via the budget setting process.</p> <p>The Integration Scheme also makes provision for the treatment of under or overspends on the IJB budget. In the event of a forecast underspend the IJB will need to decide if this will result in a redetermination of payments or if the surplus will contribute to the IJB's reserves. The Chief Officer and the CFO are required to prepare a reserves policy for the IJB, which must be agreed with the Director of Finance of NHS Grampian and the Section 95 Officer of the Council. In the event of a return of funds to the Parties, the split of returned payments between the Partners will be based on each Party's proportionate share of the baseline payment to the IJB.</p> <p>The Chief Officer is expected to deliver the agreed outcomes within the total delegated resources of the IJB. Where a forecast overspend against an element of the operational budget emerges during the financial year, in the first instance it is expected that the Chief Officer, in conjunction with the CFO will agree corrective action with the IJB. If this does not resolve the overspending issue then a recovery plan must be agreed with the Director of Finance of NHS Grampian and the Section 95 Officer of the Council. In the event that the recovery plan is unsuccessful and an overspend is evident at the year-end, uncommitted reserves held by the IJB, in line with the reserves policy, would firstly be used to address any overspend. In the event that an overspend is evident following the application of reserves, the following arrangements will apply for addressing that overspend:-</p> <ul style="list-style-type: none"> <li>- In the first complete financial year of the IJB the overspend will be met by the Partners with operational responsibility for the service that overspends.</li> <li>- In future years either one of the Partners may make an additional one off payment to the IJB or the Partners may jointly make additional one off payments to the IJB in order to meet the overspend. The split of one off payments between Partners in this circumstance will be based on each Partner's proportionate share of the baseline payment to the IJB.</li> <li>- The recovery plan may include provision for the Partners to recover any such additional one off payments from their baseline payment to the IJB in the next financial year.</li> </ul>
vi.	<p>The IJB's budget report for 2016/17 identified the following <b>risks and opportunities</b>:</p> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>i) Use of the additional £4.75 million of funding from the Scottish Government to support the delivery of improved outcomes in social care, help drive the shift towards prevention and further strengthen our approach to tackling inequalities;</li> <li>ii) Confirmation of the recurring nature of the Integrated Care Fund and Delayed Discharge funding will allow these funding streams to be used for longer term commitments in support of service redesign;</li> <li>iii) Slippage from 2015/16 on the Integrated Care Fund and Delayed Discharge funding (currently estimated at £3.6 million) will provide the IJB with additional non-recurring resource in 2016/17.</li> </ul>

- iv) The Scottish Government has also made other new funding streams available for transformation in Primary Care and investment in Mental Health services. Both of these can be accessed by the IJB in 2016/17.

#### Risks

- i) **Staff Recruitment** – the breakeven position on NHS community services is currently underpinned by a large number of vacant posts in staff groups due to recruitment difficulties. If recruitment conditions improve this will lead to a financial pressure on pay budgets.
- ii) **GP Prescribing** – this is a volatile budget which is influenced by volume and price movements which are often outwith local control.
- iii) **Primary Care Services** – recent experience has shown that some Primary Care services are in a fragile position due to recruitment difficulties and other service pressures. The fundamental requirement to provide universal access to Primary Care means there can be a need for increased investment to deal with gaps in service.
- iv) **Earmarked Funding** – the Scottish Government has announced a 7.5% budget reduction in 2016/17 on most earmarked funding streams. This will impact on areas such as dental services and public health. The IJB will be required to manage these budget reductions from within overall resource.
- v) **High Cost Referrals** – the IJB will be allocated a budget for high cost referrals based on existing patient numbers and costs. This represents both a financial opportunity and a risk. If patient numbers reduce, the IJB will achieve a saving. If patient numbers increase, this will be a cost pressure for the IJB.
- vi) **Delivery of living wage** – The Scottish Government anticipates that this can be achieved by 1 October 2016, but this will not be without a range of challenges to overcome. Given that achievement of this policy was made one of the conditions of the agreement on the 2016/17 local government funding settlement there is a risk that sanctions may be taken if this cannot be achieved.
- vii) During 2015/16 it has consistently been reported that an overspend on Learning Disability budgets had been broadly matched by underspending on older people's services due to the levels of availability of care services. Agreements had been reached with the budget holder to re-align the budgets to reflect the actual spend in these 2 areas. Similar to the risk around the recruitment to vacant posts there is a financial risk that the **changing local economy**, combined with the possible impact of the living wage and other measures may lead to greater availability of care, in which case close management would be required to ensure that the additional costs could be managed within the overall budget levels available.
- viii) **Additional social care funding** - it may not be possible to spend the entirety of the budget for additional services within the first year. This would partly result from lead-in times to introduce new measures to resource availability. There may be a reputational risk in this regard, with potential financial risk if this resulted in funding being clawed back later.

E.	<b>System of Risk Management</b>
i.	<p>A <b>Risk Management Framework</b> has been developed and approved by the Board. This includes:</p> <ul style="list-style-type: none"> <li>a. A Risk Management Policy;</li> <li>b. Both strategic and corporate operational risk registers;</li> <li>c. A “Statement of Risk Appetite”, developed with the support of “The Good Governance Institute”.</li> </ul> <p>Both the Risk Management Policy and the “Statement of Risk Appetite” will be reviewed during 2016/17.</p> <p>As stated above, the Board Assurance and Escalation Framework also describes the process for the escalation of concerns or risks.</p> <p>Strategic and Operational Risk Registers were reported to the Board in June 2016, but, at that time, were described as developmental and, therefore, I will continue to monitor the development of the registers to ensure they adequately reflect the risks being carried by the IJB on behalf of the Council.</p>
ii.	<p><b>Internal Audits</b> are being conducted by the Joint Aberdeen City Council/ Aberdeenshire Council Internal Audit Team on the basis of the Annual Plan approved by Aberdeen City Council for 2016/17. With the Council’s Chief Internal Auditor, I have agreed that it remains a responsibility of the Council, through its Audit, Risk &amp; Scrutiny Committee, to assess risks and commission internal audit reviews on the control environment for the delivery of adult social care. Therefore the Council’s Audit, Risk &amp; Scrutiny Committee should expect senior management representation from the IJB to be in attendance.</p> <p>The Board have not made a formal appointment of Internal Auditors, but will be considering a paper at its next meeting on the 30th of August.</p>
iii.	<p>The Board has directed the Chief Officer to apply to Scottish Ministers to join the <b>Clinical Negligence and Other Risks Indemnity Scheme</b> (CNORIS) for Directors and Officers cover. The CNORIS Scheme is established and underwritten by the Scottish Government and provides indemnity cover for the IJB should any significant claims be made against the Board. The Board have instructed that membership of CNORIS be monitored and reviewed on a regular basis.</p> <p>In becoming Members of the IJB, Board members remain employees or elected representatives of the partner organisations (NHS Grampian and Aberdeen City Council), and as such they may at any point be asked to do something or make a decision that goes against their partner organisations normal business. The cover would step in at that point to cover any decisions of this nature that they have made.</p>
iv.	<p>A <b>Civil Contingencies Plan</b> has been prepared and agreed by the IJB. Whilst a focus on civil contingencies is welcome, these arrangements sit within the broader context of the emergency planning arrangements of NHS Grampian and Aberdeen City Council, which are both Category 1 responders, as well as the Local Resilience and Regional Resilience Partnerships. It is not appropriate, therefore, for the IJB to take assurance on civil contingencies without the perspective and agreement of the “whole system” emergency planning</p>



	<p>governance.</p> <p>As Chief Executive and Chair of the Local Resilience Partnership I have instructed that the Civil Contingencies Plan be reviewed by the City's Emergency Planning officers and referred to the Council, NHS Grampian and the Local Resilience Partnership for agreement.</p>
<b>F.</b>	<b>Information Governance</b>
i.	The IJB has formally registered with the <b>Information Commissioner's Office</b> as a joint data controller with the Council and NHS Grampian under the Data Protection Act 1998;
ii.	The Chief Officer is the Nominated Representative for the IJB and the main point of contact for the Information Commissioner's Office;
iii.	The Board has adopted the Scottish Information Commissioner's <b>Model Publication Scheme</b> 2015;
iv.	The Chief Officer is the main point of contact for <b>subject access requests</b> and this is "signposted" on the Partnership's website;
v.	Work is ongoing between the Council and NHS Grampian to develop a streamlined <b>complaints process</b> and implement a uniform way to resolve complaints which relate to integrated service delivery. The statutory process for dealing with Social Work complaints remains in place and statutory complaints which reach the Complaints Review Committee stage are brought to the IJB for noting, after they have been considered by the Council.
<b>G.</b>	<b>Clinical Care Governance</b>
i.	Through an interim Clinical and Care Governance Framework, based on existing systems and processes, arrangements have been put in place by the IJB to comply with the <b>National Framework for Clinical and Care Governance</b> .
ii.	A Clinical and Care Governance Group and a Clinical and Care Governance Committee have been established to oversee the <b>Clinical and Care Governance Framework</b> . Specifically, a review of the Framework's fitness for purpose will be completed by the Clinical and Care Governance Committee within its first year of operation.
iii.	The <b>Clinical and Care Governance Committee</b> provides assurance to the IJB in relation to the quality and safety of services planned and/or delivered by the IJB. Its key role is to ensure that there are effective structures, processes and systems of control for the achievement of the IJB's priorities, where these relate to regulator compliance, service user experience, safety and the quality of service outcomes. To support this role, the CCGC is informed by the clinical and care governance arrangements in place across NHS Grampian and Aberdeen City Council. It also assures the IJB that services respond to requirements arising from regulation, accreditation and other inspections' recommendations. The Committee will consider and approve high value clinical and care risks, consider the adequacy of mitigation, the assurance provided for that mitigation and refer residual high risks to the Board. It has a key role in assuring the Board that learning from governance systems across services, including learning arising from incidents, complaints and identified risks, is shared and embedded as widely as possible.

iv.	Work is required to bring the processes for <b>Health and Safety</b> assurance together. A workshop to take this forward has been proposed at the Clinical and Care Governance Committee.
v.	<p><b>Functions of the Chief Social Work Officer.</b> The Social Work (Scotland) Act 1968 requires Local Authorities to appoint a single Chief Social Work Officer (CSWO) for the purposes of listed social work functions. The role provides a strategic and professional leadership role in the delivery of social work services. In addition there are certain functions conferred by legislation directly on the CSWO by name.</p> <p>The Public Bodies (Joint Working) (Scotland) Act 2014 provides for the delegation of certain social work functions by a local authority to an integration authority. The CSWO's responsibilities in relation to local authority social work functions continue to apply to functions which are being delivered by other bodies under integration arrangements. However, the responsibility for appointing a CSWO cannot be delegated and must be exercised directly by the local authority itself.</p> <p>The CSWO must be empowered and enabled to provide professional advice and contribute to decision-making in the local authority and health and social care partnership arrangements, raising issues of concern with the local authority Elected Members or Chief Executive, or the Chief Officer of the Integration Joint Board as appropriate (or the Chief Executive of a Health Board if appropriate in the context of a lead agency model), in regard to:</p> <ul style="list-style-type: none"> <li>(a) effective governance arrangements for the management of the complex balance of need, risk and civil liberties, in accordance with professional standards;</li> <li>(b) appropriate systems required to 1) promote continuous improvement and 2) identify and address weak and poor practice.</li> <li>(c) the development and monitoring of implementation of appropriate care governance arrangements;</li> <li>(d) approaches in place for learning from critical incidents, which could include through facilitation of local authority involvement in the work of Child Protection Committees, Adult Support and Protection Committees and Offender Management Committees where that will result in the necessary learning within local authorities taking place;</li> <li>(e) requirements that only registered social workers undertake those functions reserved in legislation or are accountable for those functions described in guidance;</li> <li>(f) workforce planning and quality assurance, including safe recruitment practice, probation/mentoring arrangements, managing poor performance and promoting continuous learning and development for staff;</li> <li>(g) continuous improvement, raising standards and evidence-informed good practice, including the development of person-centred services that are focussed on the needs of people who use services and support;</li> <li>(h) the provision and quality of practice learning experiences for social work students and effective workplace assessment arrangements, in accordance with the SSSC Code of Practice for Employers of Social Service Workers.</li> </ul> <p>In the light of the new delivery arrangements created by the formation of the IJB and my need to receive robust assurance around our adult and child protection arrangements, I have instructed an independent review which will examine our</p>

	existing arrangements and make recommendations for improvement. I will share the findings of the review with Council in due course.
<b>H.</b>	<b>System of Performance Management</b>
i.	<p>Legislative guidance requires partnerships to produce an <b>annual report</b> on performance using a 'core suite of indicators' developed by the Scottish Government. The IJB has accepted a recommendation from the Chief Officer and the Good Governance Institute that an integrated reporting approach will be undertaken so that the report narrative reflects the breadth and complexity of the delegated functions and services.</p> <p>The Annual Report will be submitted to Council. What other performance information will be reported through Aberdeen City Council's own performance management arrangements, at both officer and member level, has not been finalised at this stage.</p>
ii.	The <b>Audit and Performance Systems Committee</b> performs the role of reviewing and reporting on the effectiveness of the governance structures in place and on the quality of the assurances the Board receives. It has a moderation role in relation to the consistency of risk assessment. It also has oversight of information governance issues.
iii.	<p>The IJB has committed itself to producing a system of tiered intelligence so that information is presented appropriately to support effective service delivery, performance improvement, strategic planning and governance.</p> <p>An <b>officer working group</b> has been established to review and develop performance management arrangements. This includes representation from Council and Health Board colleagues. It is overseeing four main areas of work:</p> <ul style="list-style-type: none"> <li>• Identifying the data, information and intelligence required;</li> <li>• Systems architecture and information governance;</li> <li>• Intelligent Board processes;</li> <li>• Evaluation.</li> </ul> <p>A Joint Information Sharing Group has endorsed a proposed Data Sharing Agreement with National Services Scotland (NSS) and consideration is now being given as to how Council and NHSG approve this agreement.</p> <p>Work is ongoing to develop an evaluation framework to evaluate all of the Partnership's transformational activities to evidence the extent to which these are attaining their specific objectives and contributing to the implementation of the strategic plan.</p>
iv.	Regular one to one meetings between Joint Accountable Officer and ACC and NHS Grampian CEOs are held and attended by the Council's S95 Officer where the financial and non-financial performance of the IJB is reviewed. The structure of these one to one's is developing.
<b>H.</b>	<b>Procurement Governance</b>
i.	'The IJB's Strategic Plan, which was published on 1st April 2016, outlines a high level narrative on how the delegated functions and services will be set out in order for the Partnership to evidence attainment of the national health and wellbeing outcomes.

	<p>Following on from this, a complementary <b>commissioning strategy</b> will be developed showing, in more detail, the IJB's commitment to transform the configuration and delivery of the integrated health and social care services across all sectors to meet the needs of the local population. Specific client group policies and plans will be developed and aligned with both the Strategic Plan and the accompanying Commissioning Strategy.</p> <p>The substance and detail of this commissioning strategy will influence future directions that the IJB gives to Council and Health Board in respect of delegated services that they deliver on behalf of the IJB.</p>
ii.	<p><b>Bon Accord Care</b> remains an ALEO of Aberdeen City Council. The establishment of Aberdeen Health and Social Care Partnership means:-</p> <ul style="list-style-type: none"> <li>a. that the strategic priorities for social care will be determined by the IJB, who then make Directions to NHS Grampian and Aberdeen City Council with regard to the services and functions to be delivered, as well as the associated budget;</li> <li>b. following this Direction, Aberdeen City Council commissions services, as appropriate, from Bon Accord Care;</li> <li>c. the Council's governance with respect to its ALEO - Bon Accord Care - is managed through the Governance Hub, both for issues of finance, risk, HR, etc as well as service delivery.</li> </ul> <p>In practice, however, roles and responsibilities are more complex. The IJB is advised on strategic priorities and supported in issuing Directions by the Joint Accountable Officer (Chief Officer). It is also the Joint Accountable Officer who commissions services from Bon Accord Care, on behalf of the Council and the Joint Accountable Officer who supports the Governance Hub undertake scrutiny and give assurance on the service delivery provided by Bon Accord Care.</p>
<b>I.</b>	<b>Equalities</b>
i.	<p>The Equality Act 2010 was amended in 2015 so that IJBs were included in the definition of what constitutes a public authority and as such must comply with the general public sector equality duty as set out in the act. The IJB also has other more specific duties in that it has a duty to report progress on mainstreaming the public sector equality duty and a duty to publish a set of equality outcomes which it considers will enable it to better perform the equality duty. The IJB published these reports on the Partnership's website before the required date set by the required date of 30th April 2016.</p>

**Additional notes:-**

<b>1.</b>	<b>Audit Scotland National Report</b>
i.	<p>Audit Scotland published a national report in March 2016 which found that significant risks needed to be addressed if integration is to fundamentally change the way health and care services are delivered.</p> <p>The recommendations of this report, see below, were submitted to the Council's Audit, Risk &amp; Scrutiny Committee in June 2016.</p> <p><i>"NHS boards and councils should work with integration authorities during their first</i></p>

**year of integration to:**

- i. carry out a shared analysis of local needs, and use this as a basis to inform their plans to redesign local services, drawing on learning from established good practice.*
- ii. ensure new ways of working, based on good practice from elsewhere, are implemented in their own areas to overcome some of the barriers to introducing new care models.*
- iii. move away from short-term, small-scale approaches towards a longer-term approach to implementing new care models. They should do this by making the necessary changes to funding and the workforce, making best use of local data and intelligence, and ensuring that they properly implement and evaluate the new models.*
- iv. ensure, when they are implementing new models of care, that they identify appropriate performance measures from the outset and track costs, savings and outcomes.*
- v. ensure clear principles are followed for implementing new care models.”*

Assurance, to elected members, that these specific recommendations are being implemented falls to the Joint Accountable Officer.

In the above example it is, therefore, possible that the Joint Accountable Officer would be reporting and attending the Audit Committee of the IJB, ACC and NHSG. Whilst, clearly, not wishing to dilute the assurance all 3 bodies receive, we will need to be mindful of the burden this places on the Joint Accountable Officer. I would recommend that the chairs of the 3 Audit Committees come together to avoid duplication of effort, whilst ensuring that both parent bodies receive the necessary assurances.

6. IMPACT

**Improving Customer Experience –**  
None direct.

**Improving Staff Experience –**  
None direct.

**Improving our use of Resources –**  
None direct.

**Corporate –**  
The report supports the awareness of Council of the developing arrangements for the IJB.

**Public –**

The report may be of public interest as the new arrangements are developed and embedded.

7. MANAGEMENT OF RISK

Any significant risks will be identified and managed as appropriate. The report includes details of the system of risk management as well as identified financial risks.

8. BACKGROUND PAPERS

“Aberdeen: the Smarter City”

“Aberdeen City Health and Social Care Partnership Strategic Plan”

“Aberdeen City Health & Social Care Partnership – Integration

Scheme”

9. REPORT AUTHOR DETAILS

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	17 <sup>th</sup> August 2016
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Gaelic Language Plan
REPORT NUMBER	OCE/16/024
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

The report brings before the Council for its consideration a revised Gaelic Language Plan.

### 2. RECOMMENDATION

That the Council approves the content of the Council's revised Gaelic Language Plan.

### 3. FINANCIAL IMPLICATIONS

The envisaged annual monitoring report on the delivery of the Gaelic Language Plan will provide details of any additional costs incurred by the Council in its implementation.

As noted in the report agreed by Council at its meeting on 19<sup>th</sup> August 2015 (CHI/15/238) many of the in-house changes envisaged through the action plan can be made at minimal additional cost through for example programming work at the time of refreshing out-dated signage or through simply raising awareness of existing provision which is not currently promoted.

Gaelic Classes are available through Aberdeen Gaelic Club and Aberdeen University and their support for the Council's action plan will be sought. The Gaelic Club is already considering running some initiatives which the Council could support either through funding or promotion of the events/classes which would contribute to some of the aims of the plan.

Education projects have specific funding streams for Gaelic Education or are included as part of the '1+2' initiative which also has funding available toward all languages. Arts and Community projects can be

supported through various bodies working in Aberdeen with Gaelic plans in place such as Creative Scotland, the University of Aberdeen, Scottish National Heritage, the Forestry Commission and the National Theatre of Scotland. Aberdeen Gaelic Club will also be aware of funding opportunities.

There are also several opportunities for funding community projects through various funds (Community, drama etc.) which are detailed at: <http://www.gaidhlig.org.uk/bord/en/funding-opportunities>.

Comunn Na Gàidhlig (CnaG) also funds Gaelic projects, information is available online at: <http://www.cnag.org/en/>

The Council will make partner organisations aware of the funding opportunities which are available to them and will promote these funding opportunities, as they become available, through Aberdeen Council of Voluntary Organisation (ACVO) for community groups and to our own mailing lists of organisations and community forums.

#### 4. OTHER IMPLICATIONS

The Council has a statutory obligation under the Gaelic language (Scotland) Act 2005 to produce a Gaelic Language Plan.

As noted in the report agreed by the Council at its meeting on 19<sup>th</sup> August 2015 the Head of Legal and Democratic Services advises that the Gaelic Language (Scotland) Act 2005 does not provide for any sanctions. It is likely that non-submission of a Plan would fall within the remit of the Scottish Public Services Ombudsman (for example if a member of the public raised a complaint). The SPSO could then produce a report for consideration by the Scottish Parliament, if the Council did not remedy this failure. It would then be for Parliament to decide what, if any, action to take. The Head of Legal and Democratic Services is not aware of the SPSO ever producing such a report.

An EHRIA has been completed and found no adverse impact.

#### 5. BACKGROUND/MAIN ISSUES

At its meeting of 19<sup>th</sup> August 2015 the Council considered a report by the Director of Communities, Housing and Infrastructure on the Council's draft Gaelic Language Plan. Council resolved to agree:

- i. the content of the Council's final draft Gaelic Language Plan;
- ii. to receive annual monitoring updates in relation to the associated action plan by means of an information bulletin report;
- iii. to submit the draft plan on 21 August 2015 to Bòrd na Gàidhlig for approval; and



- iv. should Bòrd na Gàidhlig propose modifications to the submitted draft plan, to instruct officers to submit the modified plan to Committee for approval.

Bòrd na Gàidhlig has proposed a small number of modifications to the Council's draft plan and as a result a revised plan is now presented to the Council for its consideration.

While the vast majority of the draft plan submitted by the Council satisfied the requirements of the Bòrd na Gàidhlig Plans Panel a small number of changes were requested both in relation to some of the phraseology used in the plan and the language used in some of the plan's commitments.

## 6. IMPACT

### **Improving Customer Experience –**

The Gaelic Language Plan includes sections relating to how the Council will make use of Gaelic in its interactions with customers.

### **Improving Staff Experience –**

The Gaelic Language Plan includes sections relating to how the Council will encourage staff to develop their Gaelic skills and knowledge.

### **Improving our use of Resources –**

The Gaelic Language Plan discharges the Council's statutory responsibility in relation to its support for Gaelic.

### **Corporate -**

The Council has a statutory obligation under the Gaelic Language (Scotland) Act 2005 to produce a Gaelic Language Plan.

### **Public –**

An EHRIA has been undertaken on the Gaelic Language Plan.

## 7. MANAGEMENT OF RISK

The report deals with the Council's statutory duty to comply with the Gaelic Language (Scotland) Act 2005

## 8. BACKGROUND PAPERS

None

## 9. REPORT AUTHOR DETAILS

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# **Aberdeen City Council DRAFT GAELIC LANGUAGE PLAN 2016-2021**

This plan has been prepared under Section 3 of the Gaelic Language (Scotland) Act 2005 and approved by Bòrd na Gàidhlig on XXXX"

## **Foreword by Angela Scott, Chief Executive**

This is Aberdeen City Council's Gaelic Language Plan which sets out our aims and ambitions for Gaelic in the local authority, our schools and communities over the next five years.

Aberdeen City Council is committed to supporting the aspirations and objectives included in the National Gaelic Language Plan and the Gaelic Language (Scotland) Act 2005. This plan explains the reasoning behind the creation of national and local Gaelic Language Plans and what the intentions of our individual plan are. It sets out to what extent we aim to increase the attainment, usage and visibility of Gaelic in Aberdeen and how we will endeavour to achieve these objectives.

The energy sector, entrepreneurial activity connected to the sector, our position as a research and technical knowledge hub, and world famous universities have all secured Aberdeen's status as one of the UK's leading business centres. The city is also a vibrant and culturally exciting place in which to live and work and this plan will support our aspiration of "A Better Image for Aberdeen" in our Strategic Infrastructure Plan.

Aberdeen is a culturally diverse city with a unique linguistic heritage which has shaped our culture and identity. We will continue to celebrate, support and promote this identity. As Scotland's third largest city and with a small but growing number of Gaelic speakers we play an important role in ensuring that Gaelic, Scotland's oldest national living language, has a sustainable future.

Focusing on Education, we aim to increase the numbers of children going through Gaelic Medium Education and also the number who will have the opportunity to learn Gaelic as a language in our schools. We will also demonstrate how we will better support teaching staff and parents in these developments.

Aberdeen City Council has supported Gaelic through cultural and arts initiatives in the past. We will examine where this can be strengthened and new areas in which we can work with schools and the third sector to give our residents more opportunities to participate in this aspect of Scottish culture.

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This chapter sets out how we will use, and enable the use of Gaelic in relation to our main business functions. It covers key areas of operation such as corporate identity, signage, communication with the public and the use of Gaelic on our website. This chapter sets out *the basic minimum level* of Gaelic language provision to which we are committed to providing in the lifetime of the Plan.

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## SUMMARY

Aberdeen City Council recognises that Gaelic is an integral part of Scotland's heritage, national identity and cultural life. We are committed to the objectives set out in the *National Plan for Gaelic* and have put in place the necessary structures and initiatives to ensure that Gaelic has a sustainable future in Scotland.

We recognise that the position of Gaelic is extremely fragile and if Gaelic is to be revitalised as a living language in Scotland, a concerted effort on the part of government, the public and private sectors, community organisations and individual speakers is required to:

- *enhance the status of Gaelic;*
- *promote the acquisition and learning of Gaelic;*
- *encourage the increased use of Gaelic.*

This document is Aberdeen City Council's Gaelic Language Plan prepared within the framework of the Gaelic Language (Scotland) Act 2005. It sets out how we will use Gaelic in the operation of our functions, how we will enable the use of Gaelic when communicating with the public and key partners, and how we will promote and develop Gaelic.

Aberdeen City Council's Gaelic Language Plan has been prepared in accordance with statutory criteria set out in the 2005 Act, and having regard to the *National Gaelic Language Plan* and the *Guidance on the Development of Gaelic Language Plans*.

# CHAPTER 1 - INTRODUCTION

## Setting the Context for Developing Gaelic Language Plans

The Gaelic language has over time suffered as a result of neglect and active suppression and is now identified as a “Definitely Endangered” language by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in its Atlas of the World’s Languages.

The National Gaelic Language Plan includes proposals for increasing the number of Gaelic speakers, encouraging its use and facilitating access to Gaelic language and culture.

*The Gaelic Language (Scotland) Act 2005 and the issuing of a notice:*

The Gaelic Language (Scotland) Act 2005 was passed by the Scottish Parliament with a view to securing the status of the Gaelic language as an official language of Scotland commanding equal respect to the English language.

One of the key features of the 2005 Act is the provision enabling Bòrd na Gàidhlig to require public bodies to prepare Gaelic Language Plans. This provision was designed to ensure that the public sector in Scotland plays its part in creating a sustainable future for Gaelic by raising its status and profile and creating practical opportunities for its use.

*Consultation on a draft Gaelic Plan:*

The 2005 Act requires public authorities to bring the preparation of its Gaelic Language Plan to the attention of all interested parties. Aberdeen City Council consulted publicly on the draft of its Gaelic Language Plan in March/April 2015 and took into account representations made to it during the consultation process.

*Approval of Aberdeen City Council’s Gaelic Language Plan:*

Aberdeen City Council’s Gaelic Plan was submitted to Bòrd na Gàidhlig for approval on 21 August 2015, following approval of the plan by Aberdeen City Council on 19 August 2015.

Bòrd na Gàidhlig recognises that Gaelic language plans will differ depending on the functions of individual public authorities and where they operate in Scotland, and in terms of the number of Gaelic users and the potential for the development in their area. Officers have worked with Bòrd na Gàidhlig to achieve a Gaelic Language Plan which is reasonable and proportionate according to our circumstances.



## Overview of the functions of Aberdeen City Council and the use of Gaelic within our area of operation

### Background Information about the City of Aberdeen

The city of Aberdeen, Obar Dheathain, (the name for Aberdeen in Gaelic) is bordered by Aberdeenshire and has a stretch of sandy coastline along the North Sea. Aberdeen is situated between two river mouths – the river Dee and river Don. Located at the mouth of the Don, Old Aberdeen is believed to be the location of the first settlement of Aberdeen, *Aberdon*, deriving its name from the Pictish word ‘*Aber*’ meaning ‘river mouth’. The city now includes the former burghs of Old Aberdeen, New Aberdeen, Woodside and the Royal Burgh Torry.

Aberdeen is Scotland’s third most populous city with an estimated population of 222,973 (Scottish Census 2011 results). The city has a lower median age for both females (37) and males (35) than the rest of Scotland (42 and 40 respectively). However the city also has a lower percentage of young people less than 17 years of age. Aberdeen has a ratio of 49.4% males to 50.6% females compared to the national ratio of 48.5% males to 51.5% females.

#### *Business and industry in Aberdeen*

The traditional industries of fishing, paper-making, shipbuilding and textiles have been largely replaced in Aberdeen over the past three decades by a buoyant oil industry. The fishing ports of Peterhead and Fraserburgh have overtaken as the North East’s fishing capitals but investment and expansion of Aberdeen Harbour, one of Europe’s most modern ports and also one of Britain’s oldest businesses has ensured that Aberdeen harbour has not seen the decline similar ports have suffered.

Aberdeen is recognised as one of the UK’s most competitive cities, the Gross Valued Added (GVA) figure per head of population for Aberdeen is £28,731, 38% above the Scottish average.

The City has significantly higher proportions of households with income over £40,000 compared to the other key cities in Scotland and the Scottish average. In 2012, 25% of Aberdeen City’s working age population earned less than £14,811 compared to £13,395 in Scotland.

	£0 - £10,000	£10,001 - £20,000	£20,001 - £30,000	£30,001 - £40,000	Over £40,000
<b>Aberdeen City</b>	17%	32%	18%	13%	19%
<b>Scotland</b>	18%	34%	20%	14%	14%

Figure 1: Household Income, 2009/10

According to the Income and Poverty Modelled Estimates, in 2011, 9% of Aberdeen City’s working age population was income deprived compared to 13% in Scotland. However, out of 47 Intermediate Zones in Aberdeen eight have below £22,000 median household income. West End North has the highest median income of

£51,000, which is more than double the median income of Torry East, which has the lowest income.

### *Linguistic make-up of Aberdeen*

Aberdeen is a linguistically rich city with higher than the national average rates of bilingualism. 14.5% of Aberdeen's population use a language other than English at home compared to the national 7.4%.

In addition to English, Gaelic and Scots are the other two national languages of Scotland, spoken in Aberdeen city. From the 2011 census, there are 1636 Gaelic speakers (0.8% of Aberdeen's population, which compares to the national average of 1.1%). This is a slight increase in growth from Aberdeen's percentage of Gaelic speakers at 0.6% in the 2001 census. The number of Gaelic speakers in the census results will not take into account the large number of students and workers in the city who speak the language and live here a substantial amount of time but whose permanent residence is elsewhere

Scots is spoken by a higher percentage of the city's residents than is spoken nationally with 35.5% of the population with spoken ability in Scots (30.1% nationally). Doric (Mid Northern Scots) is the dialect of Scots used in the North East. Other minority languages are also spoken, for instance, 2.9% of Aberdeen's residents speak Polish at home.

Gaelic plays a unique role in Scottish culture and a 2014 study by Highlands and Islands Enterprise found that businesses and organisations across Scotland found Gaelic to be an asset in a range of fields, particularly the sectors of creative industries; food and drink; education and learning; nature based heritage and tourism. We will assess where Gaelic will enhance our city's cultural offer to residents and visitors.

### *Art and Culture in Aberdeen*

Residents of Aberdeen and visitors to the city are well served for culture, music and art. Aberdeen Performing Arts manages His Majesty's Theatre, Music Hall and The Lemon Tree, producing, commissioning and creating programmes for each. It has built a strong reputation in small to large scale theatre, music and dance, curated programmes and imaginative collaborations. Working with partners in the city they aim to develop the cultural offer and promote this offer nationally and internationally.

ACT (Arts Centre & Theatre) Aberdeen has at its heart performing arts tuition and is nationally recognised as an inclusive community centre. The auditorium regularly plays host to music and drama events and the gallery offers local artists and photographers a platform to showcase their work.

Gaelic has a visible profile in the Arts and Cultural life of the city through music and theatrical performances and the activities of Aberdeen Gaelic Choir.

## **Background Information about the Public Authority**

In 1975, the County of City was combined with Bucksburn, Dyce, Newhills, Old Machar, Peterculter and the Stoneywood areas of the County of Aberdeen and the Nigg area of the County of Kincardine including Cove Bay to form the Aberdeen District of the Grampian Region. This district became the council area of Aberdeen City in 1996.

Delivery of the Gaelic Plan will be overseen by the elected members of Aberdeen City Council. The council serves its communities through four directorates in addition to the Office of Chief Executive. These are: Communities, Housing and Infrastructure; Corporate Governance; Education and Children's Services; and Adult Health and Social Care (Integrated Service with NHS).

The Council Committee structure is as follows:-

- Council
- Audit, Risk and Scrutiny Committee
- Communities, Housing and Infrastructure Committee
- Education and Children's Services Committee
- Finance, Policy and Resources Committee
- Licensing Committee
- Petitions Committee
- Planning Development Management Committee

Each Committee has its own distinctive remit which allows it to make decisions. These are known as the Committee Orders of Reference. The Committees meet on an eight week cycle. The business of Council and its Committees is governed by the Council's Standing Orders. These are a set of rules which govern the procedures to be followed prior to and at Council and Committee meetings.

Officers also make decisions that help the Council govern and provide services. The Council has delegated powers to officers to give them the authority to make decisions on its behalf. These are outlined in detail in the Scheme of Delegation.

Committee meetings are open to members of the public. Individuals can ask to address the Committee by making a deputation and can also submit a petition for consideration by the Petitions Committee.

In order to compete with other global cities Aberdeen will need to invest in various elements of its 'offer' by enhancing its cultural heritage, promoting strong, safe communities, and investing in high quality infrastructure. Shaping Aberdeen is a long term plan of how we can make this city a great place to live in, work in and visit. Resulting from the Strategic Infrastructure Plan five key goals have been outlined:

- A step change in the supply of housing
- High quality digital connectivity at home and at work
- Better local transport
- The skills and labour that Aberdeen needs to thrive

- A better image for Aberdeen.

Councillors have approved a near £400 million five-year capital investment plan to deliver on our vision 'Shaping Aberdeen' through key projects which include but are not limited to:

- City Centre Regeneration
- Art Gallery Redevelopment
- Housing and Wider Regeneration
- The Dyce Drive Link Road
- The Aberdeen Western Peripheral Route
- A Third Don Crossing
- School Estate Strategies
- Social Care Facilities
- The Tillydrone Extra Care Village
- Refurbishment of the Aberdeen Arts Centre
- Renovation and refurbishment of the Music Hall

Opportunities for the promotion of Gaelic will be considered as these projects and plans develop.

The Council has a range of employment types including full-time, part-time, job-share, fixed-term, term-time and zero hours reflecting the complex and diverse range of services we provide. In addition, there are individuals who work for the Council on an irregular basis, including reliefs, casuals, and supply teachers. Using a 'snap shot' position (as at 30/1/13), Aberdeen City Council employs approximately 9,300 persons, with a full-time equivalent of approximately 7,800.

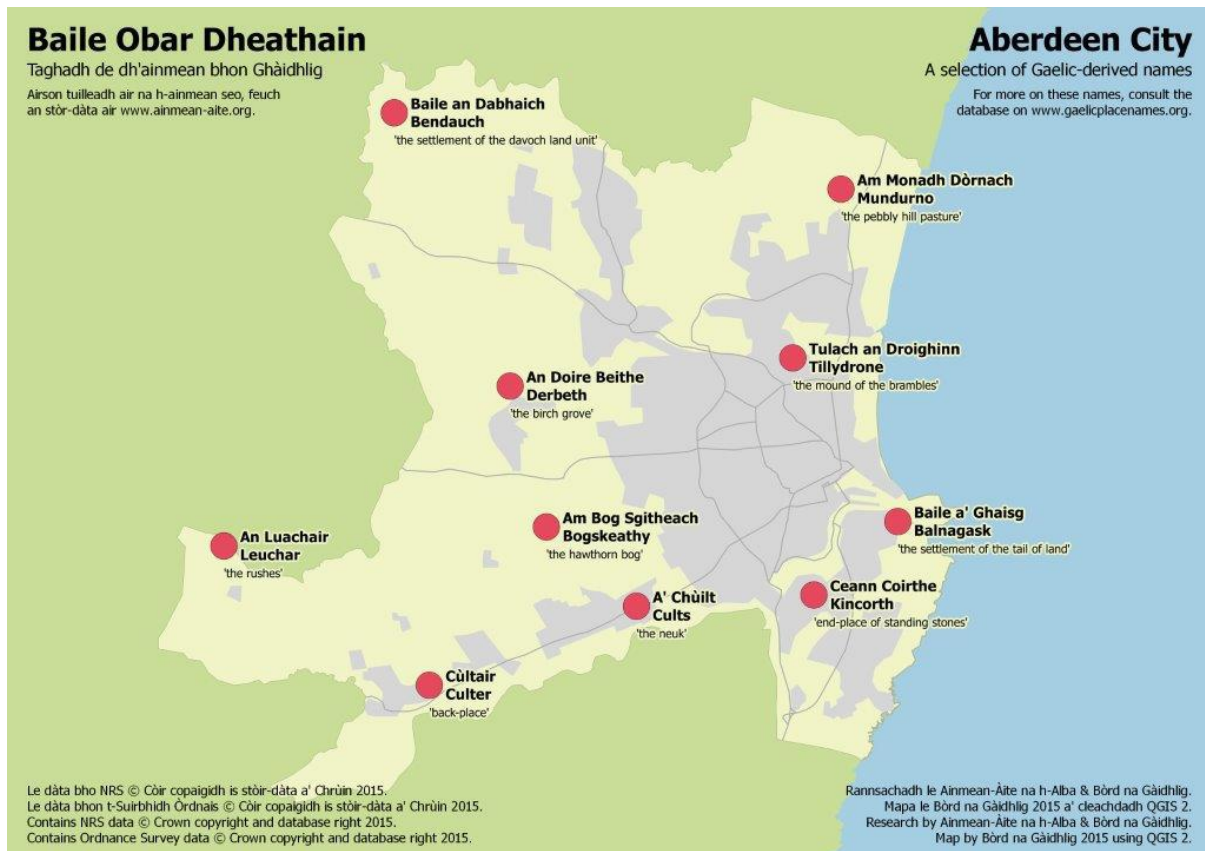
## **Gaelic within the Authority's area of operation**

Like much of the north-east of Scotland, the maximum extent of Gaelic in the Aberdeen city area was in the twelfth century, when it was spoken up to the coast. It was probably not long after this that Gaelic ceased to be the dominant language in the town.

Place names such as Ruthrieston and Gilcomston are names of Scots origin but contain Gaelic personal names, Ruairidh and GilleCaluim in modern form. These persons date from the twelfth century, showing us that while Gaelic was likely still spoken in Aberdeen, Scots place-names were beginning to be formed. Later, Gaelic continued to be used by speakers who migrated into the city from the countryside, and a popular and exclusively Gaelic chapel is on record in the 18<sup>th</sup> Century. Although Scottish Gaelic has not recently been a primary language on the North East Coast, the language is attested by Goidelic place names in the region:

- Cults - A' Chùilt, from Coilltean, the Scottish Gaelic word for "Woods"
- Kincorth - a corruption of the Scottish Gaelic "Ceann Coirthe", which probably refers to an old pillar or standing stone, coirthe

- Kittybrewster - Cuidhe Briste, a Celtic derivation from Cuitan Briste, meaning "broken fold"
- Peterculter – Cultair, the latter part of the name is said to come from the Gaelic compound word "Cul-tir", which signifies the "back part" of the country
- Tillydrone - Tulach Droighne, the name is a corruption of the Scottish Gaelic "Tulach Droighne", meaning a knoll with thorn trees growing on it



The last known speaker of Gaelic in the Aberdeenshire dialect, Mrs Jean Bain, of Braemar died in 1984. The oldest examples of Scottish Gaelic originate from Old Deer, in the district of Buchan, around 30 miles north of Aberdeen. A small manuscript of the Gospels in vulgate, it contains Scottish Gaelic writing in the margins. This manuscript "The Book of Deer" is now held in The Cambridge University library.

The 2011 census results show that the City of Aberdeen has a total number of 1636 Gaelic speakers. This represents 0.8% of the population in comparison to Scotland's 1.1% of the population. Figure 2 shows a breakdown of Gaelic Language Skills for the city of Aberdeen. This is a figure which has grown from the 2001 census.

Aberdeen City		
	No.	%
<b>All people aged 3 and over</b>	215,597	-
Understands but does not speak, read or write Gaelic	1,200	0.6%
Speaks, reads and writes Gaelic	929	0.4%
Speaks but does not read or write Gaelic	553	0.3%
Speaks and reads but does not write Gaelic	146	0.1%
Reads but does not speak or write Gaelic	269	0.1%
Other combination of skills in Gaelic	77	0.0%

Figure 2: Gaelic Language Skills in Aberdeen

Aberdeen City Council provides Gaelic Medium Education at various stages including a Gaelic nursery and primary education. Pupils can continue their Gaelic studies at Hazlehead Academy.

A parent and child group meet on Wednesday and Friday mornings. The aim of the group is to have lots of fun with the children and to introduce them and their parents to Gaelic through arts, crafts, play and song. Gaelic learner language classes are run on a Friday morning for parents.

The Gaelic nursery at Gilcomstoun School opened in 1999. This is a well-equipped nursery where the children follow the same curriculum as other nurseries but in the medium of Gaelic.

The Gaelic Medium Primary Unit opened in Gilcomstoun Primary School in 1991. The unit is fully integrated within the school and has taken part in various activities a visit to the local Mòd in Inverness, International Mother Language Day and various Gaelic television productions. The Gaelic Unit currently has 2 classes – primary 1-3 and primary 4-7.

Class	Number of pupils	Staff Employed
Nursery	11	1 Gaelic nursery nurse
Primary 1	6	1 Gaelic teacher
Primary 2	4	
Primary 3	8	
Primary 4	2	2 Gaelic part time teachers (1 FTE)
Primary 5	3	
Primary 6	1	
Primary 7	6	

Figure 3: Number of pupils receiving Gaelic Medium Education at Gilcomstoun Primary 2014/15

Hazlehead Academy is the designated secondary school within Aberdeen City where provision is made for pupils to continue studying Gaelic Language. Children are offered Gaelic as a subject at all stages.

Delivered through the Curriculum for Excellence S1 – 3 pupils follow a broad general education, which aims to teach them numerous skills, such as research, communication, reading, writing different kinds of texts, as well as pulling in experiences and skills in numeracy and health & wellbeing. In S4 – 6 they have the

option to study for Nationals, Higher or Advanced Higher. These are the certificated classes with exams at the end (National 5 and above).

All classes are delivered exclusively through the medium of Gaelic. In National courses, there is a focus placed on becoming familiar with contexts (society, culture, employment, and health & wellbeing language) and being able to use these in the understanding and creation of texts. Literature study increases in Higher and Advanced Higher.

Class	Number of pupils
S1	2
S2	3
S3	2
Nat 5 Gàidhlig	1
Higher Gàidhlig	2
Advanced Higher Gàidhlig	2
Nat 5 Gaelic	1
Higher Gaelic	2

Figure 4: Number of pupils receiving Gaelic Education at Hazlehead Academy

Young people from Hazlehead have participated in Deasbad BTAIba, the BT Scotland National Gaelic Schools Debate for several years. Pupils auditioned for roles in “Bannan” (first series screened on BBC Alba in 2014) in February 2015. Bòrd na Gàidhlig visited pupils to discuss careers in March 2015. A class trip to a Gaelic drama was organised for March 2015 along with an accompanying creative writing workshop delivered by a visiting author.

A Development Officer for Gaelic Education took up post with the City Council in September 2015.



Image 1: Orla MacDonald and Iona MacDonald of Hazlehead Academy at Deasbad BTAIba, the BT Scotland National Gaelic Schools Debate © MMU, Comhairle nan Eilean Siar



Sradagan, a Gaelic youth group, is run by Comann nam Pàrant (CnP), the parents' management committee for children who attend the Gaelic primary unit. The group meets once a week on Thursday evenings from 6pm to 7.30pm. The aim of the group is to enable children to use their Gaelic out with the school environment.

Club Gàidhlig Obar Dheathain (Aberdeen Gaelic Club) is a community-run Gaelic club for Aberdeen City and Aberdeenshire. It was formed in October 2004 and provides regular Gaelic evening classes, day-long Gaelic courses, Gaelic song workshops and coffee afternoons, as well as organising community events such as ceilidhs and talks. The Club also runs children's Gaelic clubs during the coffee afternoons, one for children aged 0-5 and one for primary school age children. The clubs are open to all children; learners and fluent speakers.

Aberdeen Gaelic Choir formed in 1952. The choir sings, in four part harmony, a range of Gaelic songs. They are traditional and modern with lovely melodies which form part of Scotland's centuries-old culture. Every year they perform at different events and compete in provincial mods, climaxing in the Royal National Mod in October. Some choir members speak Gaelic and many have an interest in the language and culture. There is no requirement to be able to speak Gaelic or read music as word and music recordings are provided as well as tuition at practices.

The City of Aberdeen has hosted the National Mòd on four occasions, 1946, 1955, 1964 and 1976.



Image 2: The Queen Mother and Princess Margaret arriving at Aberdeen Music Hall for the 1955 National Mòd © The Scotsman Publications Ltd. Licensor [www.scran.ac.uk](http://www.scran.ac.uk)

As part of the 100 words project organised by Aberdeen City Council's Community Learning Team Aberdeen residents were invited to submit their favourite Doric word. Working with Gilcomstoun Primary School who submitted their favourite Gaelic words the resulting 100 words were then turned into an artwork by local artist Gabrielle Reith.





Image 1: 'Carnegie' by artist 'Gabrielle Reith © Gaia Photography

Aberdeen Performing Arts have brought Gaelic performance and music to the North East as part of their cultural programme with acts such as Mànrán, Capercaillie, The Shee, Breabach, Dàimh and Julie Fowlis; productions such as Dunsinane, and Fiona Kennedy and the Kist; and the Sound Festival Mr McFall's Chamber *Remember/Imagined*.

Aberdeen Music Hall hosted the 2013 MG Alba Scots Trad Music Awards which is an annual event highlighting Scotland's traditional music in all its forms. The event receives live coverage on BBC Alba and attracts over 100,000 votes from across the world.

The University of Aberdeen has a long and prestigious history of teaching Gaelic with a particular emphasis on modern, Scottish Gaelic. The Department of Gaelic provide courses in Gaelic language, culture and literature. The University also delivers undergraduate programmes and postgraduate diplomas for Primary Teaching in the Medium of Gaelic, and teaching Gaelic as a language subject in primary or secondary. An Comunn Ceilteach, the University's Celtic Society, was formed in 1853 for Gaelic speakers, and continues to promote Gaelic and run cultural events in Aberdeen.

Established by the University in 2013, the May festival showcases the world-class research been undertaken at the university and is fast establishing itself as a highlight in the North East cultural calendar. Gaelic events feature strongly at the festival and visitors can listen to Gaelic lectures, short films, music and song as well as introduce their children to Gaelic through fun Bookbug and song sessions.

The University of Aberdeen, Aberdeenshire Council, Angus Council and the Cairngorms National Park Authority all have statutory Gaelic Language Plans in place which creates local opportunities for creative learning opportunities and collaborative projects.

Further opportunities are available through national bodies such as Creative Scotland, the Forestry Commission, Historic Scotland, Learning Teaching Scotland, the National Galleries of Scotland, Scottish Funding Council, Scottish National

Heritage, Skills Development Scotland, and Visit Scotland all of which have approved Gaelic Language Plans.

## Gaelic within the public authority

A survey on ability and interest in the Gaelic language was conducted in February 2015 which 517 members of approximately 8000 staff took the time to complete. The results from this survey are as follows:

Can you understand Gaelic? (Please choose one option)		
Answer Options	Response %	Response Count
I can fully understand Gaelic	1.7%	9
I can understand most daily conversation	2.9%	15
I can understand some Gaelic words and phrases	23.8%	123
I do not understand any Gaelic	71.6%	370
<i>answered question</i>		517
<i>missed question</i>		0

Can you speak Gaelic? (Please choose one option)		
Answer Options	Response %	Response Count
I can speak Gaelic fluently	1.4%	7
I can hold a basic Gaelic conversation	3.1%	16
I can exchange simple greetings in Gaelic	17.8%	92
I cannot speak any Gaelic	77.8%	402
<i>answered question</i>		517
<i>missed question</i>		0

Can you read Gaelic? (Please choose one option)		
Answer Options	Response %	Response Count
I can read and understand Gaelic books and articles	1.5%	8
I can read and understand simple sentences	3.7%	19
I can read and understand limited words and greetings	12.0%	62
I cannot read any Gaelic	82.8%	428
<i>answered question</i>		517
<i>missed question</i>		0

Can you write Gaelic? (Please choose one option)		
Answer Options	Response %	Response Count
I can write Gaelic without difficulty (emails, letters, reports)	1.2%	6
I can write a few sentences in Gaelic	3.5%	18
I can write some simple greetings and words	6.4%	33
I cannot write Gaelic	89.0%	460
<i>answered question</i>		517
<i>missed question</i>		0

Have you ever been taught/ studied Gaelic?		
Answer Options	Response %	Response Count
Yes	14.7%	76
No	85.3%	440
<i>answered question</i>		516
<i>missed question</i>		1

If yes, please tell us where you were taught/ studied Gaelic? (Please tick all that apply)		
Answer Options	Response %	Response Count
In primary school	42.6%	29
In secondary school	33.8%	23
At college or university level	16.2%	11
At an evening class	33.8%	23
Through a training course at work	1.5%	1
Through distance learning	8.8%	6
I have never learnt Gaelic	0.0%	0
Other (please specify)		21
<i>answered question</i>		68
<i>missed question</i>		449

Some ways in which staff reported learning Gaelic were specified as:

- Nursery/cròileagan; Saturday classes when a child; Self education at home when children were younger.
- My family are fluent in Gaelic; my family speak Gaelic; My mother tongue; brought up speaking in family home
- Speaking Our Language on BBC Alba; Book & recordings; Online

The number of staff interested in learning Gaelic or improving their language ability was very positive.

Do you have any interest in learning Gaelic or improving your current Gaelic language ability?		
Answer Options	Response %	Response Count
Yes	45.6%	234
No	54.4%	279
<i>answered question</i>		513
<i>missed question</i>		4

What training opportunities would be of interest to you? (Please tick all that apply)		
Answer Options	Response %	Response Count
Evening classes	46.7%	107
Lunchtime classes within work	51.5%	118
A course on OIL (Online Interactive Learning, the council's eLearning portal)	67.7%	155
Home study	48.0%	110
An Intensive week-long course	42.8%	98
A formal qualification	34.1%	78
Other (please specify)		10
<i>answered question</i>		229
<i>missed question</i>		288

Other suggestions given for training opportunities and issues with ability;

- Conversation sessions with Gaelic speakers
- Use of IT to practise - listen and respond type activity. Wee film clips etc.
- Any method that does not require a commitment at the same time each day or week
- Study sheets available online giving basic words - numbers, colours, days, basic greetings, etc.
- Day release one day per week for few months
- I am aware that my spelling / grammar are erratic
- Letters and information posters in Gaelic

Have you ever come across Gaelic being used in your workplace?		
Answer Options	Response Percent	Response Count
Yes	10.5%	53
No	89.5%	451
<i>answered question</i>		504
<i>missed question</i>		13

Examples given of experiencing Gaelic used in the workplace included:

- Language development at An Comann Gàidhealach (organisers of the Royal National Mòd) and Comann nam Pàrant (parent and child group) and also as a teacher of Gaelic
- We have a few Gaelic speakers in Aberdeen City Council Roads who occasionally lapse into it
- When dealing with other Scottish Authorities in my day to day work.
- Aberdeen City Council when I was a student social worker in a care home
- National Trust for Scotland. Certain events would have an element of bilingual spoken and written English / Gaelic
- Provision of resources such as books, poems, language, courses etc. part of library service provision and services
- Within Aberdeen City Council when I have heard staff using it when talking to visitors at the museum
- Library service delivering Gaelic Bookbug sessions
- Communication from Scottish Qualifications Authority
- My work with Adventure Aberdeen for Aberdeen City Council, we use Gaelic for place names most days
- National museums and galleries displays, documents and labels
- My Manager speaks Gaelic and we have held conversations
- I taught Gaelic in Switzerland years ago!

Would you like to see the use of Gaelic increased in the workplace?		
Answer Options	Response %	Response Count
Yes	33.1%	163
No	66.9%	329
<i>answered question</i>		492
<i>missed question</i>		25

Staff were asked in what way they would like to see the use of Gaelic increased in the workplace and some of the responses were as follows:

- We have translations available for most other languages so it would be good if the same was available for Gaelic
- If it were used alongside English words on signs etc. then we would become more familiar with it and begin to see an increased level of interest in learning it
- I think it would be interesting from a cultural perspective to have both languages on official documentation.
- Local use for parks and green space
- Dual language signage
- Incorporated into schools, particularly at primary school level

- Communication with citizens who are fluent in Gaelic, website publication, civic ceremonies/presentation material
- I would like Gaelic speakers to be available to speak to people in e.g. nursing homes if required as I have come across situations where people with dementia have started speaking in Gaelic and no-one knew what they were saying
- I would like Looked After Children to have the ability to be aware of and make use of resources which could teach them the language
- Letters for our GMU parents written in Gaelic the same way as the other languages are catered for
- Basic training courses to be supported. Qualifications to be supported
- To help Scotland and Aberdeen City Council enhance its identity
- Using arts and culture as a vehicle so that people can explore it in context and also to explore the relevance of the language now

An open ended question on opinions on how Aberdeen City Council can support the Gaelic language in general elicited the following responses:

- Keep on teaching it to those who wish to study it - the language shouldn't be allowed to die
- By taking some first steps involving increased visibility of the language in the context of its extended reach within the Community, Aberdeen City Council, could generate an awareness of the Gaelic medium which, potentially, might encourage curiosity and, hopefully, interest in its use more widely
- Gaelic on Council vehicles. Addition of Gaelic as an optional language on documents and fliers. Bringing the Mod to Aberdeen.
- If the survey finds there is considerable demand, the Council could make available documents in Gaelic (as it does in other languages like Polish, or Braille/large print etc.) but probably the most effective way of supporting the Gaelic language to remain living would be to embed it in the curriculum in schools - is there demand for this? And where does Doric fit into the curriculum? Does Doric command similar attention and respect?
- I would prefer to see Doric supported rather than Gaelic, as a more local language
- Scots the more relevant indigenous language to the NE should be Aberdeen City Council's focus
- In my role speaking an eastern European language would be more beneficial such as Polish or Latvian- although I fully understand the need to try and retain Gaelic-as its part of our Scottish heritage- sadly, I've met a handful of Gaelic speakers compared to those client who hail from eastern Europe
- I'm sick of the tail wagging the dog and the Gaelic Mafia insisting that the Gaelic language is important to Scotland. Given the rise in Polish as the chosen bilingual language of Aberdeen I would have thought this the more important language to promote in a forward looking modern country rather the backward looking shortbread-tin version of Scottish history.
- Waste of time, would be far more utility in us all learning an eastern European language (i.e. a language that is actually spoken as a first language by some people in Aberdeen)

- I shouldn't support it. It's a dead language. Tax payer's money would be better spent on live languages such as Spanish, Mandarin and Arabic
- ACC should recognise that Gaelic has traditionally not been spoken in the NE for a very long time, hence the proliferation of Doric in these parts. Having said that, acknowledging and embracing the language for the cultural heritage it provides would be good. Although the NE is no longer a Gaelic heartland, the place names are all of Gaelic origin would make people have more time and respect for the language.
- By taking some first steps involving increased visibility of the language in the context of its extended reach within the Community, Aberdeen City Council, could generate an awareness of the Gaelic medium which, potentially, might encourage curiosity and, hopefully, interest in its use more widely.
- Are there already programmes to develop the Gaelic language happening in our libraries?
- Aberdeen City Council could support the Gaelic language through the Arts - media, history and language input combined for various age groups across the City.

The results of the survey with regards to Gaelic Education can be viewed in chapter 3 of this plan.

Comments from the Public Consultation exercise appear at chapter 5 the end of the plan.



## CHAPTER 2 - CORE COMMITMENTS

This Gaelic Language Plan is a starting point for developing and improving our current Gaelic provision. Our commitments within the plan sets out what we will do to raise the status of Gaelic in a proportionate way. We have worked with the guidance on what would be proportionate for the Aberdeen City Council Plan, given the level of Gaelic speaking in the city and the opportunities for growth.

Aberdeen City Council will demonstrate equal respect for Gaelic and English, regarding any bilingual services and resources, and will make an active offer for all bilingual (Gaelic/English) services and resources.

A number of senior officers within the Council along with members of their teams will be accountable for the delivery of the core commitments set out below. As a first step in embarking on the roll out of the Plan, Gaelic Awareness training will be made available for all colleagues involved in the development areas detailed.

In its statutory Guidance on the Development of Gaelic Language Plans, Bòrd na Gàidhlig notes that creating the right environment for the use of Gaelic in public life is one of the key components of language regeneration. The Bòrd has identified four core areas of service delivery that it wishes public bodies to address when preparing Gaelic Language Plans:-

Identity:	corporate identity signage
Communications:	reception telephone mail and e-mail forms public meetings complaints procedures
Publications:	public relations and media printed material websites exhibitions
Staffing:	training language learning recruitment advertising

## Section 1 - Identity

### Rationale:

The presence of Gaelic in the corporate identity and signs of a public authority greatly enhances the visibility of the language, increases its status and makes an important statement about how Gaelic is valued and how it is given recognition. Developing the use of Gaelic through signage can also enrich the vocabulary of Gaelic users, raise public awareness of the language and contribute to its development.

Aberdeen City Council is in the process of finalising a corporate management re-structure which has seen the creation of a new Communication and Promotion Service. This service brings together teams currently working on advertising, city events, city promotion, design, digital communications, freedom of information, internal communications, marketing, media relations, public reporting, twinning and web activity. This represents a good opportunity to begin to introduce and mainstream Gaelic into the Council's communications and promotional services.

The service has as its core role a responsibility of improving the Council's communication and engagement with the people of Aberdeen. In addition, by raising awareness of the Council's work and achievements and that of our partners in Aberdeen this service will also ensure that Aberdeen is recognised as a great place to live, work in and visit.

Gaelic does not currently feature in our corporate identity or signage. A Communication and Promotion Strategy is currently in development and areas in which Gaelic can be incorporated will be included as part of the development process. Corporate guidelines will be developed to mainstream the consideration of Gaelic in future branding initiatives and ensure that equality of respect for Gaelic with reference to English is demonstrated where Gaelic does feature.

***Aberdeen City Council recognises the importance of extending the visibility of Gaelic and increasing its status.***

Corporate Identity			
Current Practice: Gaelic is not visible in any of the council's corporate identity			
Development Area	Actions	Timescale	Lead Officer
Bilingual logo	Guidelines will be developed for the use of the Gaelic language in conjunction with	On council rebrand	Head of Communication and Promotion

	our current corporate logo for use as standard and to replace any prior version of the corporate logo. These guidelines will be based on the principle of equal respect and active offer.		
<b>City branding initiatives</b>	Gaelic will be considered and included in future rebranding initiatives for development sites and projects	Future Projects	Head of Communication and Promotion
<b>Gaelic version logo</b>	As a first step and prior to rendering the Council logo bilingual, a Gaelic version of the council's logo will be created and used with reference to Gaelic education and initiatives	Within 6 months of the date of plan's approval by Bòrd na Gàidhlig.	Head of Communication and Promotion
<b>Vision Statements / Straplines</b>	Vision statements and straplines will be rendered bilingually on Education documents and other selected council documents	Within 6 months of the date of plan's approval by Bòrd na Gàidhlig.	Head of Communication and Promotion Head of Education Services
Scottish Government's Strategic Objectives assisted: 1, 2			

<b>Signage (Internal and External)</b>			
Current Practice: Gilcomstoun School which provides Gaelic Medium Education features a bilingual sign. Aberdeen City Council does not have a policy of providing bilingual corporate, vehicle or street signage.			
<b>Development Area</b>	<b>Actions</b>	<b>Lead Officer</b>	<b>Costs &amp; Funding</b>
<b>Road Entry Signs</b>	Bilingual road entry signs will be considered by the council where they have jurisdiction, displaying equality of respect for both languages. We will liaise with BEAR Scotland regarding trunk routes out-with our jurisdiction to ensure consistency. (See bilingual logo above)	On renewal or replacement.	Head of Planning and Sustainable Development
<b>Bilingual Street Signs</b>	Bilingual street signs when new or being renewed, with equality of respect for the languages will be considered on a case by case basis	Beginning within 6 months of the date of plan's approval by Bòrd na Gàidhlig and ongoing for the duration of our 5 year plan.	Head of Planning and Sustainable Development
<b>Marischal College Signage</b>	Signage for the Marischal College building is currently under review. This opportunity will be taken to provide appropriate Gaelic signage in Marischal College and the Town House such as welcome signs and service titles with equality of respect demonstrated for both languages. (See bilingual logo above)	Within 6 months of the date of plan's approval by Bòrd na Gàidhlig.	Head of Communication and Promotion
<b>Vehicle Livery</b>	Gaelic will be considered when	Within 6 months of the date of	Head of Communication and

	vehicle signs are being replaced or renewed, with equality of respect shown for the languages. (See bilingual logo above)	plan's approval by Bòrd na Gàidhlig and ongoing for the duration of our 5 year plan.	Promotion
<b>Multilingual Signs and Plaques</b>	Gaelic will be considered for inclusion in multilingual signs, and plaques, displayed with equality of respect to English. Liaison will take place with Visit Scotland where appropriate re tourist signs.	For lifetime of plan	Head of Planning and Sustainable Development
<b>Parks and Gardens</b>	Consideration will be given to the inclusion of Gaelic in the current review of park and garden signage. (See bilingual logo above)	Within 6 months of the date of plan's approval by Bòrd na Gàidhlig.	Head of Planning and Sustainable Development
Scottish Government's Strategic Objectives assisted: 1, 2			

## Section 2 – Communications

### Rationale:

The use of Gaelic at the initial point of contact that members of the public have with a public authority increases the visible and audible presence of the language, and contributes to the sense that the use of Gaelic is possible and welcome. In addition to raising the profile of the language, it also creates opportunities for its practical use and encourages members of the public to use Gaelic in subsequent dealings with the public authority.

The use of Gaelic in interactions with the authority by mail, e-mail and by telephone is important in creating practical opportunities for the use of the language, and in contributing to the sense that its use is possible and welcome. The presence of Gaelic in a wide range of bilingual forms and Gaelic only forms can also greatly enhance the visibility and prestige of the language. The preparation of Gaelic versions of forms, applications and similar documents, can also assist in expanding the range of Gaelic terminology and the awareness of the Gaelic-speaking public of such terminology, thus helping the development of the language itself.

***Aberdeen City Council recognises the importance of creating opportunities for the practical use of Gaelic in a wide range of everyday situations and is committed to increasing its level of provision in this area. We will support staff in developing their Gaelic communication skills and where provision is available we will commit to making this known to service users.***

Reception			
Current Practice: The Council does not make provision for Gaelic in reception areas.			
Development Area	Actions	Timescale	Lead Officer
<b>Active offer Policy</b>	Where provision is available it will be visibly promoted	Within 12 months of the date of plan's approval by Bòrd na Gàidhlig and for the duration of our Gaelic Language Plan	Head of HR & Customer Service
<b>Language Learning</b>	Basic Gaelic greetings will be made available via training for reception staff to greet service users who communicate in Gaelic	Within 12 months of the date of plan's approval by Bòrd na Gàidhlig	Head of HR & Customer Service

Scottish Government's Strategic Objectives assisted: 1, 2
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<b>Telephone</b>			
Current Practice: The Council does not currently have a policy with regards to calls received in Gaelic or regarding Gaelic issues.			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Guidance Note</b>	A guidance note will be prepared which will explain to staff how calls received in Gaelic should be dealt with. This will also detail the appropriate contacts for Gaelic services	Within 12 months of the date of plan's approval by Bòrd na Gàidhlig	Head of Communication and Promotion
<b>Voice Mail Messages</b>	Set up a Gaelic Language skills bank of Gaelic speakers within the council who may wish to volunteer to become involved in Gaelic enquiries.	Within 12 months of the date of plan's approval by Bòrd na Gàidhlig	Head of HR & Customer Service Head of Education Services
Scottish Government's Strategic Objectives assisted: 1, 2			

<b>Mail and E-mail</b>			
Current Practice: The council does not have a policy with regards to Mail and E-mail.			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Mail and E-mail received in</b>	This will be incorporated into a	Within 12 months of the date of	Head of HR & Customer

<b>Gaelic</b>	single Guidance Note to be covered with the guidance for telephone calls in the section above. Correspondence received in Gaelic will be responded to in Gaelic, to the same time scale as English.	plan's approval by Bòrd na Gàidhlig	Service Head of Education Services
<b>E-mail signatures &amp; automated Out of Office replies</b>	HR and CS to promote corporately the use of signatures and out-of-office replies bilingually	Within 12 months of the date of plan's approval by Bòrd na Gàidhlig	Head of HR & Customer Service
<b>Active Offer Policy</b>	Set up corporate skills bank to identify Gaelic speakers. This could be used to identify an employee to assist in the case of a Gaelic related service.	Within 12 months of the date of plan's approval by Bòrd na Gàidhlig	Head of HR and Customer Service
Scottish Government's Strategic Objectives assisted: 1, 2			

<b>Forms</b>			
Current Practice: The council does not have a policy regarding the use of Gaelic in forms.			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Forms received in Gaelic</b>	The council will commit to receiving forms completed in Gaelic and responding to such forms in Gaelic	Over lifetime of plan	Head of Communication and Promotion
<b>Education Forms</b>	Forms regarding education will be audited and Gaelic introduced into those used for	Over lifetime of plan	Head of Education Services



<b>General Forms</b>	<p>GME and GLE purposes.</p> <p>As a first step the Council will introduce Gaelic content into some forms, demonstrating equal respect for Gaelic and English content. This will start with titles, and over the lifetime of the plan progress to fully bilingual forms.</p> <p>The Council will in the first instance utilise TòMaS* the Gaelic Translation Memory Service if a Gaelic translated form is requested. Similarly we will share standard text forms we have translated with this service for use by other public bodies</p>	Over lifetime of plan	Head of Communication and Promotion
Scottish Government's Strategic Objectives assisted: 1, 2			

<b>Public Meetings</b>			
Current Practice: The council does not make any provision for the use of Gaelic in public meetings.			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Education Meetings</b>	Where there is a request made no later than 3 days before a meeting date, public meetings will be conducted bilingually, showing equal respect for Gaelic and English	Over lifetime of plan	Head of Education Services
<b>Active offer Policy</b>	Where provision is available at	Beginning within 6 months of	Head of Legal and Democratic

general meetings it will be visibly promoted	the plan's approval date by Bòrd na Gàidhlig and for the duration of our Gaelic Language Plan	Services
Scottish Government's Strategic Objectives assisted: 1, 2		

<b>Complaints Procedure</b>			
Current practice: The council does not make any provision for including Gaelic in its complaints procedure.			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Guidance Note</b>	A guidance note will be prepared for staff on how to treat complaints received in Gaelic.	Within 12 months of the date of plan's approval by Bòrd na Gàidhlig	Head of HR and Customer Service
Scottish Government's Strategic Objectives assisted: 1, 2			

## Section 3 – Publications

### Rationale:

The use of Gaelic in a range of printed material can assist Gaelic development in a variety of ways. It helps increase the visibility of the language, it enhances Gaelic's status by being used in high profile publications, and it can help develop new and enhance existing terminology. The use of Gaelic in the media helps demonstrate a public authority's commitment to making important information available through the medium of Gaelic, as well as enhancing the visibility and status of the language. As more people access information about public authorities through their websites, making provision for the use of Gaelic can significantly enhance the status and visibility of the language.

***Aberdeen City Council is committed to increasing the use of Gaelic in publications where the subject matter relates to Gaelic issues at a minimum, and increasing visibility of the language more generally where we believe it can add value and will be appreciated since Gaelic users are interested in non-Gaelic issues too.***

Public Relations and Media			
Current Practice: The council does not have a policy for the use of Gaelic with regards to public relations and media.			
Development Area	Actions	Timescale	Lead Officer
<b>Social Media</b>	Facebook posts and tweets regarding Gaelic Education and Gaelic Events will be published bilingually	Beginning within 12 months of the date of the plan's approval by Bòrd na Gàidhlig and for the lifetime of this plan	Head of Communication and Promotion
<b>Press Releases</b>	Press releases on Gaelic initiatives will be provided bilingually	Beginning within 6 months of the date of the plan's approval by Bòrd na Gàidhlig and for the lifetime of this plan	Head of Communication and Promotion
<b>Collaborative approach with other bodies providing Gaelic opportunities</b>	Working with organisations such as Aberdeen University, Aberdeen Gaelic Club, Aberdeenshire Council and the Cairngorms National Park	Beginning within 6 months of the date of the plan's approval by Bòrd na Gàidhlig and for the lifetime of this plan	Head of Communication and Promotion

	Authority we will promote opportunities to get involved with Gaelic culture and learn the Gaelic language		
<b>Partnership working</b>	Third sector organisations working with the council will be encouraged to deliver PR information regarding Gaelic events bilingually	Beginning within 12 months of the date of the plan's approval by Bòrd na Gàidhlig and for the lifetime of this plan	Head of Communication and Promotion
Scottish Government's Strategic Objectives assisted: 1, 2			

<b>Printed Material</b>			
Current Practice: The council does not have a policy for the use of Gaelic in printed material.			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Guidelines</b>	We will develop guidelines based on the principles of equal respect, active offer and mainstreaming of Gaelic for the use of Gaelic in future council documents, where they may relate to Gaelic Development	Beginning within 12 months of the date of the plan and for the lifetime of this plan	Head of Communication and Promotion
<b>Gaelic Medium Education Documents</b>	Articles regarding Gaelic Medium Education at Gilcomstoun Primary School and Gaelic Education at Hazlehead Academy will be provided bilingually	Beginning within 12 months of the date of the plan's approval by Bòrd na Gàidhlig and for the lifetime of this plan	Head of Education Services
<b>School Prospectus, newsletters and yearbooks</b>	Schools providing Gaelic Medium Education and Gaelic	Beginning within 12 months of the date of the plan's approval	Head of Education Services

	Secondary Education will provide articles regarding Gaelic bilingually. Opportunities will be identified for the inclusion of Gaelic throughout the documents to increase its status and visibility	by Bòrd na Gàidhlig and for the lifetime of this plan	
<b>Standards &amp; Quality Report</b>	The council's annual Education Standards and Quality report will include a bilingual foreword and chapter titles	Beginning within 12 months of the date of the plan's approval by Bòrd na Gàidhlig and for the lifetime of this plan	Head of Education Services
Scottish Government's Strategic Objectives assisted: 1, 2			

<b>Websites</b>			
Current Practice: The council does not have a policy for the use of Gaelic on its websites.			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Gaelic Services</b>	Information regarding the council's Gaelic services will be provided bilingually	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Education Services
<b>Website Guidelines</b>	Our website guidelines will be updated as part of the Communication and Promotion Strategy which will include the principles of mainstreaming, equal respect and active offer.	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Communications and Promotion
Scottish Government's Strategic Objectives assisted: 1, 2			

## Exhibitions

Current Practice: The council does not have a policy for the use of Gaelic at exhibitions.

Development Area	Actions	Timescale	Lead Officer
<b>Exhibition guidelines</b>	We will develop guidelines which will include the principles of mainstreaming, equal respect and active offer for the use of Gaelic in our future exhibitions and exhibitions to which the council contributes.	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Communications and Promotion
Scottish Government's Strategic Objectives assisted: 1, 2			

## Section 4 – Staffing

### Rationale:

In order to deliver services through the medium of Gaelic, it is necessary to develop the requisite job skills and language skills of staff. The provision of language learning for staff helps promote adult Gaelic learning and promotes Gaelic as a useful skill in the workplace. The identification of jobs in which Gaelic is a designated skill will contribute greatly to the status of the language and to identifying it as a positive skill to acquire.

The use of Gaelic in advertising also helps recognise that Gaelic should be used in public life and that Gaelic users have an important role to play within a public authority.

***Aberdeen City Council recognises the importance of seeing Gaelic as an important job skill and of identifying situations in which its use is essential or desirable. Aberdeen City Council also recognises the importance of enabling staff to develop their Gaelic skills if they wish to do so.***

Training			
Current Practice: The council does not provide staff with training with regards to Gaelic.			
Development Area	Actions	Timescale	Lead Officer
<b>Guidance note</b>	Guidance will be prepared for staff regarding our Gaelic services, including where key staff enquiries can be transferred to. The Guidance will be included within the staff induction process. The Council will provide Gaelic awareness and Gaelic language skills training to staff, on an incremental basis.	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of HR & Customer Service

Scottish Government's Strategic Objectives assisted: 1, 2

### Language Learning

Current Practice: The council does not provide staff with Gaelic language learning opportunities. The interest expressed by staff through the survey undertaken in February 2015 is noted and will underpin the delivery of the Development Areas listed below.

Development Area	Actions	Timescale	Lead Officer
<b>Community Classes</b>	Classes being run in the city and Shire through Aberdeen Gaelic Club and the University of Aberdeen will be promoted to staff	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of HR & Customer Service Head of Education Services
<b>Gaelic courses</b>	Week long residencies and immersion courses will be promoted to teachers and key staff involved with the Gaelic Language Plan	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of HR & Customer Service Head of Education Services
<b>Gaelic learning resources</b>	Feedback will identify staff who have an interest in Gaelic and wish to learn Gaelic and resources will be made available via our online learning portal to all staff	Within 24 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of HR & Customer Service Head of Education Services

Scottish Government's Strategic Objectives assisted: 1, 2



<b>Recruitment</b>			
Current Practice: Where the ability to speak or write Gaelic is an occupational requirement, the candidate's linguistic ability is taken into consideration.			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Gaelic Education Promotion</b>	We will promote the opportunities available to teachers to both train to teach in Gaelic Medium Education, and Gaelic language and culture as subject	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Education Services
Scottish Government's Strategic Objectives assisted: 1, 2			

<b>Advertising</b>			
Current Practice: The council currently has no policy in place with regards to advertising in Gaelic			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Gaelic Posts</b>	Where Gaelic is an occupational requirement or desirable, job adverts will be bilingual	Within 6 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of HR & Customer Service with the service whose post is being advertised
Scottish Government's Strategic Objectives assisted: 1, 2			

# CHAPTER 3 – POLICY IMPLICATIONS FOR GAELIC

## Implementation of the National Plan for Gaelic

Aberdeen City Council recognises that the various priority areas identified in the National Plan for Gaelic will be primarily implemented through our Gaelic Language Plan but that opportunities will arise to promote and develop the language through existing policy measures. We will examine current policy commitments to identify areas where Gaelic can be pro-actively incorporated and the priorities of the National Plan for Gaelic initiated through additional methods. We see this development as corresponding to the normalisation principle which aims to include Gaelic as an everyday part of life in Scotland.

In the formation, renewal and monitoring of policies, Aberdeen City Council will ensure that the impacts on Gaelic will be in line with the National Plan for Gaelic.

## Overview of the National Plan for Gaelic

The National Plan for Gaelic identifies four interlinking aspects of language development which need to be addressed, and within them sets out a number of priority action areas:

### 1. *Language Acquisition*

Increasing the number of Gaelic speakers by ensuring the language is transferred within families and by securing effective opportunities for learning Gaelic, through:

- increasing the use and transmission of Gaelic in the home
- increasing the number of children acquiring Gaelic in the school
- increasing the uptake and availability of Gaelic-medium education
- increasing the number of adult Gaelic learners progressing to fluency

### 2. *Language Usage*

Encouraging greater use of Gaelic, providing opportunities to use the language, and promoting access to Gaelic forms of expression, through:

- increasing the use of Gaelic in communities
- increasing the use of Gaelic in tertiary education and places of work
- increasing the presence of Gaelic in the media
- increasing the promotion of Gaelic in the arts
- increasing the profile of Gaelic in the tourism, heritage and recreation sectors

### 3. *Language Status*

Increasing the visibility and audibility of Gaelic, enhancing its recognition and creating a positive image for Gaelic in Scottish public life, through:

- increasing the number of bodies preparing Gaelic Language Plans
- increasing the profile and prestige of Gaelic
- increasing the visibility and recognition of Gaelic

#### 4. *Language Corpus*

Strengthening the relevance and consistency of Gaelic and promoting research into the language, through:

- increasing the relevance and consistency of the Gaelic language
- increasing the quality and accessibility of Gaelic translations
- increasing the availability of accurate research information

### Commitment to the Objectives of the National Plan for Gaelic

Aberdeen City Council is committed to ensuring that the National Plan is implemented, and in this section we set out how we will achieve that aim.

## 1. Language Acquisition

Aberdeen City Council recognises that a sustainable future for Gaelic requires more people to learn the language and that attention requires to be focused on the home, education and adult learning as the key means of achieving this. This section explains the steps we will take to help create a supportive environment for growing the number of Gaelic speakers in Scotland.

### Gaelic in the home

**Rationale** - Statistics show that though the number of Gaelic speakers in Aberdeen is 1636, a much lower number (405) use Gaelic in the home. Many parents with little or no Gaelic skills, choosing Gaelic Medium Education for their children, do so with an appreciation of the cognitive benefits of bilingualism and the cultural benefits of Gaelic Medium Education.

Gaelic learner language classes for parents are run on Friday morning at the Parent and Child Group and these classes are organised and funded by Croileagan Obar Dheathain. There are also a good range of classes and day courses available through Aberdeen Gaelic Club, organised and funded by Club Gàidhlig Obar Dheathain. It is important that parents of Gaelic Medium Education, prospective parents and parents of children receiving Gaelic language classes feel able to support their children with homework and are able to give their children the opportunity to use and normalise their Gaelic language skills in the home. Aberdeen City Council provides support to these groups through the Development Officer for Gaelic Education.

Library Services raised that though the availability of Gaelic Bookbug packs was promoted on the council's website, as parents receive their packs directly they have no reason to check the site. Though at one time the libraries stocked a range of Gaelic books they have not done so for some time.

Gaelic in the Home			
<b>Aims:</b>			
<ul style="list-style-type: none"> <li>• Improved provision of classes and support for parents</li> <li>• Increased use of Gaelic in the home and access to resources</li> </ul>			
Development Area	Actions	Timescale	Lead Officer
<b>Support for language learning for parents of GME children</b>	An audit of current provision available to parents in the city for language learning	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Education Services

	opportunities will be carried out and a strategy to develop parents' Gaelic ability developed through a collaboration with Aberdeen Gaelic Club and The University of Aberdeen		
<b>Work with the Parental Support Group Comann nam Pàrant</b>	Ensure parents feel supported and that concerns are addressed by meeting with the Parental Support Group on a regular basis	Within 3 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Education Services
<b>Online Gaelic resources</b>	Raise awareness of the online Gaelic resources available and online support for parents helping children with homework	Within 3 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Education Services
<b>Promotion of Gaelic Bookbug Packs</b>	We will review how Gaelic Bookbug packs are advertised and ensure staff involved in Early Years work are aware of the provision. We will work with CnP Parental Advisors to create Gaelic Bookbug sessions in local libraries.	Within 6 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Education Services
<b>Ascertain demand for Gaelic materials in our libraries</b>	We will promote a selection of Gaelic publications and increase stock over time in line with where there is greatest demand.	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Education Services
Scottish Government's Strategic Objectives assisted: 1, 2			

## Gaelic in Education

Bilingualism across Europe is seen as being very normal, easily attainable and vibrant. The increase in Gaelic Medium Education is increasing the opportunity to be bilingual in Scotland. Research shows that bilingualism is beneficial for a child's development, their future and that the advantages of being bilingual hold true whatever that language may be. Some of the advantages of being bilingual are:

- An increased awareness of different cultures, other people and points of view
- Better ability in multitasking and focusing attention
- A better understanding of language syntax and increased ability to learn further languages
- Access to different literature, different ways of thinking and acting
- Gaelic bilinguals have a better understanding of the wider Scottish identity
- Research shows that children educated through Gaelic are on a par or outperform their peers educated in one language

More can be read on the benefits of bilingualism at [www.bilingualism-matters.org.uk](http://www.bilingualism-matters.org.uk). Bilingualism Matters is a Centre at the University of Edinburgh who encourage bilingualism and second language learning. Scottish Gaelic has been studied along with many other languages.

In order to ensure effective delivery of educational commitments in the Aberdeen City Council Gaelic language plan, we will develop a *Gaelic Education Strategy Plan* with guidelines produced in communication with Bòrd na Gàidhlig. The education plan and guidelines will be published alongside Aberdeen City Council's Gaelic language plan as soon as it is agreed.

Aberdeen City Council is developing a *Gaelic Education Plan* which will be further developed and finalised with guidelines produced in communication with Bòrd na Gàidhlig by March 2016. This plan will be implemented by a Gaelic Development Officer.

Aberdeen City Council staff were surveyed on their awareness of Gaelic Medium Education in the city and despite this provision being available since 1991, 50% of the 505 respondents were unaware of it. 5 of the 50 teachers surveyed indicated an interest in training for delivering Gaelic Medium Education or teaching Gaelic as a language in the classroom. There are a number of teachers working for the authority who are Gaelic speakers who could develop their skills to deliver their current subjects through the medium of Gaelic to extend provision in Secondary Schools or to teach Gaelic as a language as part of the 1+2 Initiative

<b>Gaelic in Education</b>			
<b>Aims:</b>			
<ul style="list-style-type: none"> <li>• Raised awareness of parents of children, 0-4years, of Gaelic medium education</li> <li>• Increased numbers of children who are accessing Gaelic Medium Education, with an increase of 15% in children attending GME by the end of 2020</li> <li>• Provision of taster language sessions across Aberdeen schools</li> <li>• Provision of a programme of opportunities to Senior pupils at secondary level to study for Gaelic Learner awards</li> <li>• Pro-active support to pupils who are transferring from Gaelic education in the primary school to Secondary Schools, with the aim of increasing the numbers of pupils who choose Gaelic medium education in the secondary school</li> </ul>			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Gaelic Development Officer</b>	A Gaelic Development Officer took up post in September 2015 to develop and implement the Gaelic Education Plan. The Development Officer will work alongside schools and partners in order to promote the availability of Gaelic education and to develop the quality of Gaelic education provided.	Immediate, with target date of March 2016 for completion of plan	Head of Education Services
<b>Review of current provision</b>	Carry out a review of current provision to identify areas of strength and areas for sharing of effective practice as well as key areas for improvement. Engage with national groups such as MRG in order to access support for educational improvements.	October 2016	Head of Education Services

<b>Skills survey</b>	Complete a skills survey of teachers and readiness to deliver Gaelic	June 2017	Head of Education Services
<b>Promotional Strategy</b>	Develop a promotional strategy for GME and publicise choice of current GME through website, press, city poster campaigns and promotion in schools and pre-school centres.	March 2016	Head of Education Services
<b>Career-Long professional learning</b>	Provide CLPL sessions to support GME practitioners and promote CLPL opportunities to teaching staff to learn Gaelic or improve their current skills	March 2017	Head of Education Services
<b>Promote GME in Early Years</b>	Develop a communication strategy to promote GME across Aberdeen City jointly with the Early Years teams, Community, Housing and Infrastructure. Work with Croileagan Obar Dheathain and Comunn nam Pàrant Gaelic Parental Advisors to promote GME.	March 2016	Head of Education Services
<b>1+2 Languages Initiative</b>	As part of 1+2 initiative schools have been introduced to the possibility of offering Gaelic as the additional language in Primary schools. We will offer taster sessions in Gaelic to schools and will encourage	June 2017	Head of Education Services



	<p>them to choose Gaelic as an additional language as part of 1+2. We will utilise the Gaelic language training resource 'Go Gaelic' to support staff language development and will liaise with Aberdeenshire Council to share resources and staff language training and CLPL.</p>		
<b>Gaelic Learner Classes</b>	<p>Provide Gaelic Learner Class at National 4/5 Level and Higher Level to all senior pupils across Aberdeen City through the City Campus</p>	Immediate	Head of Education Services
<b>Cròileagan</b>	<p>Support Cròileagan (Parent and Child Group) with any future accommodation difficulties and provide guidance and support with funding applications. Work with Croileagan and parents to ensure transition is strong between Croileagan and Sgoil-àraich at Gilcomstoun Primary School.</p>	Immediate	Head of Education Services
<b>Creative Learning</b>	<p>The Council's Creative Learning Team will work with teachers, artists and partners to develop and deliver creative and experiential Gaelic medium workshops and</p>	Feb 2017	Head of Education Services

	resources that support Gaelic education.		
<b>John Muir Award</b>	John Muir Award resources are available in Gaelic and this will be promoted to young people in Secondary schools who have gone through GME. This opportunity is supported through the Cairngorms National park and Comunn na Gàidhlig.	Dec 2016	Head of Education Services
<b>IntoFilm and FilmG</b>	Young people will be supported through workshops and IntoFilm Gaelic resources to create media work for submission to the FilmG annual Gaelic film competition.	Immediate	Head of Education Services
Scottish Government's Strategic Objectives assisted: 1, 2			

### Gaelic in Adult Learning

Language classes and day courses, and Gaelic song workshops are provided in the city through Aberdeen Gaelic Club. Along with their range of undergraduate and postgraduate courses The University of Aberdeen also run Gaelic events.

### Gaelic in Adult Learning

#### Aims:

- Increased numbers of adult Gaelic learners in Aberdeen, with an increase of 15% in the number of adult learners by the end of 2020.

Development Area	Actions	Timescale	Lead Officer
<b>Aberdeen Gaelic Club</b>	The council will support the work of Aberdeen Gaelic Club	For the duration of this plan	Head of Communication and Promotion

	and will provide staff and the public with information on their range of classes.		
<b>Aberdeen University</b>	The council will work with Aberdeen University to raise awareness of any of their Gaelic initiatives through social media and sharing of information at offices with staff and through libraries with the public.	For the duration of this plan	Head of Communication and Promotion
<b>Scottish National Heritage</b>	The council will work with SNH on Gaelic awareness and Gaelic landscape	For the duration of this plan	Head of Education Services
Scottish Government's Strategic Objectives assisted: 1, 2			

## 2. Language Usage

Aberdeen City Council recognises that creating a sustainable future for Gaelic requires not only increasing the number of people able to speak the language, but increasing actual usage. We recognise the importance of enabling more people to use Gaelic as their preferred and normal mode of communication in an increasingly wide range of daily activities.

### Gaelic in Arts & Communities

Aberdeen Gaelic Club, Aberdeen University and Aberdeen Performing Arts have provided a wide range of creative, exciting and educational events in the city either in Gaelic or featuring Gaelic. We will work to ensure that opportunities are promoted and available to all groups in our communities to extend our cultural and educational offer in the city.

Census results show that though the number of Gaelic speakers in the city is 1636, the number who use Gaelic at home is 405. This may in part be down to lack of opportunity in the home. The number of Gaelic speakers in the census results will also not take

into account the large number of students and workers in the city who speak the language and live here a substantial amount of time but whose permanent residence is elsewhere.

The census results also show that out of the 174 Gaelic speakers over the age of 65 that can speak Gaelic only 24 of those use Gaelic at home. Bilingualism Matters, The University of Edinburgh, have studied the benefits of bilingualism in delaying early onset dementia, and this study which was published internationally, showed that bilingualism delayed dementia by 4.5 years irrespective of educational achievement, sex, profession or lifestyle. Further studies have shown that learning a second language can boost cognitive performance in late learners too.

<b>Gaelic in Arts &amp; Communities</b>			
<b>Aims:</b>			
<ul style="list-style-type: none"> <li>• Extend the cultural offer for young people with fluent Gaelic, learner Gaelic or interested in Gaelic culture</li> <li>• Increase opportunities for people of all abilities to access Gaelic culture and language learning</li> <li>• Increase opportunities for all age groups to access Gaelic learning and events</li> <li>• Increase opportunities for voluntary organisations in the community</li> </ul>			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Fèis Obar Dheathain</b>	The council will have an education representative on the steering group for Fèis Obar Dheathain. The community-based Gaelic arts tuition festival ran in the city for several years and a steering group will work with the support of Fèisean nan Gàidheal to get provision for young people in the city again.	By Feb 2016	Head of Education Services
<b>Intergenerational Projects</b>	We will work with Aberdeen Gaelic Club to promote opportunities for age 65+ residents to share their language skills with younger	Within 6 months of the date of the plan's approval by Bòrd na Gàidhlig	Lead Service Manager of Older Adults (Interim)

	residents and to access cultural programmes in Gaelic. Classes being considered features art classes, song workshops and music tuition in Gaelic.		
<b>Befriending Scheme</b>	We will work with Aberdeen Gaelic Club to increase the opportunity for elderly residents to attend Gaelic coffee afternoons/classes and events or meet with Gaelic speakers if in residential care.	Within 6 months of the date of the plan's approval by Bòrd na Gàidhlig	Lead Service Manager of Older Adults (Interim)
<b>Language Learning and Music Tuition</b>	Working with the Disability Advisory Group and Aberdeen Gaelic Club we will increase and promote Gaelic language learning, music and song opportunities for all Explore the possibility of working with Aberdeen Gaelic Choir	Within 6 months of the date of the plan's approval by Bòrd na Gàidhlig	Head of Communities and Housing
<b>Promotion of Gaelic Opportunities and Funding</b>	We will ensure information regarding Gaelic support and funding opportunities are shared with third sector organisations through (ACVO) Aberdeen Council of Voluntary Organisations	Within 6 months of the date of the plan's approval by Bòrd na Gàidhlig and for the duration of this plan	Head of Communities and Housing
<b>Aberdeen Performing Arts</b>	We will support Gaelic performance arts run by Aberdeen Performing Arts.	Immediate and for the duration of this plan	Head of Education Services

Scottish Government's Strategic Objectives assisted: 1, 2

## Gaelic in the workplace

This area of work is covered in Chapter 2 of this plan (Core Commitments).

## Gaelic in the Media

The council provides translation services in many languages through InterTrans our Interpretation and Translation Service and we provide Gaelic translators to the council and external bodies.

<b>Gaelic in the Media</b>			
<b>Aims:</b>			
<ul style="list-style-type: none"><li>• Provide a cost effective, timely and reliable Gaelic translation service</li><li>• Promote our translation service for the whole of the North East</li><li>• Encourage use of the service by partner providers</li></ul>			
<b>Development Area</b>	<b>Actions</b>	<b>Timescale</b>	<b>Lead Officer</b>
<b>Translation Service</b>	We will increase the number of Gaelic translators on our database to ensure a quick and reliable service. We will use TòMaS*, the Gaelic translation memory service wherever possible to minimise costs. We will submit frequently translated material to the TòMaS service for use by other public organisations.	Within 6 months of the date of the plan's approval by Bòrd na Gàidhlig and for the duration of this plan	Head of Communities and Housing
<b>Encourage bilingual advertising of Gaelic Events in the city</b>	We will increase awareness of, and promote our Gaelic translation services to public bodies and third sector organisations working in the city and the North east	Within 12 months of the date of the plan's approval by Bòrd na Gàidhlig and for the duration of this plan By June 2016 and for the lifetime of this plan	Head of Communities and Housing

encouraging bilingual promotion of Gaelic events and cultural events where Gaelic could add value.

Scottish Government's Strategic Objectives assisted: 1, 2

\* TòMaS - <http://www.uhi.ac.uk/en/lis/tomas/what-is-tms>

### Gaelic in Tourism, Heritage and Recreation

Gaelic plays a unique role in Scottish culture and a 2014 study by Highlands and Islands Enterprise found that businesses and organisations across Scotland found Gaelic to be an asset in a range of fields, particularly the sectors of creative industries; food and drink; education and learning; nature based heritage and tourism. We will assess where Gaelic will enhance our city's cultural offer to residents and visitors, with reference to the VisitScotland survey 'Consumer Interest in Gaelic Language and Culture'

[HTTP://WWW.VISITSCOTLAND.ORG/PDF/INTEREST%20IN%20GAELIC%20-%20SCOTLAND%20VISITOR%20SURVEY%2011-12\\_PPTX.PDF](HTTP://WWW.VISITSCOTLAND.ORG/PDF/INTEREST%20IN%20GAELIC%20-%20SCOTLAND%20VISITOR%20SURVEY%2011-12_PPTX.PDF) .

### Gaelic in Tourism, Heritage and Recreation

#### Aims:

- Encourage inclusion of Gaelic

Development Area	Actions	Timescale	Lead Officer
<b>City Festivals</b>	We will promote Gaelic through city festivals.	Within 6 months of the date of the plan's approval by Bòrd na Gàidhlig and for the duration of this plan	Head of Communication and Promotion
<b>Tourism Providers</b>	We will provide tourism partners with details of our Gaelic translation services and	Within 3months of the date of the plan's approval by Bòrd na Gàidhlig and for the duration of	Head of Communities and Housing



promote awareness of the council's Intertrans service to encourage Gaelic provision this plan

Scottish Government's Strategic Objectives assisted: 1, 2

### 3. Language Status

Aberdeen City Council recognises that the status of a language is affected by its presence in the daily environment and the extent to which it is used, valued and perceived to be valued by those institutions which play an important role in our daily lives.

#### Preparation of Gaelic Language Plan

We have prepared this Gaelic Language Plan in consultation and collaboration with services, organisations providing Gaelic language and events, parents of Gaelic children and a variety of third sector groups. We have evaluated current provision, assessed our staff survey and will consult with the public on the initial draft of this plan. Our plan will be implemented through council services. We will also work in partnership with organisations in our communities and external Gaelic organisations.

#### Creating a Positive Image for Gaelic

Gaelic currently has a low profile in the city of Aberdeen and we will increase the awareness of our present Gaelic community and its history in the North East, the benefits of learning the Gaelic language and the opportunities which are available to partake in Gaelic events and culture locally. We welcome and encourage opportunities for collaborative Gaelic and Doric projects which promote the unique linguistic heritage of the city and promote the city's cultural appeal locally and nationally.

## 4. Language Corpus

Aberdeen City Council recognises the need to strengthen the relevance and consistency of Gaelic, the importance of facilitating translation services and to promote research into the language. The council will adhere to the guidance contained in Gaelic Orthographic Conventions, [http://www.sqa.org.uk/sqa/files\\_ccc/SQA-Gaelic\\_Orthographic\\_Conventions-En-e.pdf](http://www.sqa.org.uk/sqa/files_ccc/SQA-Gaelic_Orthographic_Conventions-En-e.pdf)

### **Gaelic Orthographic, Terminological and Place-name Development**

Aberdeen City Council will make use of Ainmean Àite na h-Alba to ensure correct and consistent approach to place naming.

We run a translation and interpretation service, InterTrans, which is used by our services, partner organisations and private organisations. We will make use of TòMaS, the Gaelic translation memory service wherever possible to minimise costs. We will also submit frequently translated material to the TòMaS service for use by other public organisations.

## CHAPTER 4 – IMPLEMENTATION AND MONITORING

### Timetable

This Gaelic Language Plan will formally remain in force for a period of 5 years from the date on which it is approved by Bòrd na Gàidhlig or until a new plan has been put in place. In Chapter 2 – *Core Commitments* and Chapter 3 – *Policy Implications for Gaelic*, we have set out the individual target dates for when we expect to implement specific commitments.

### Publicising the Plan

Aberdeen City Council's Gaelic Language Plan will be published bilingually on [www.aberdeencity.gov.uk](http://www.aberdeencity.gov.uk) and publicised through the social media. In addition, we shall:

- issue a bilingual press release announcing the plan;
- make copies of the plan available in our public offices and reception areas,
- make the plan known to employees via Aberdeen City Council's Intranet on a regular basis
- distribute copies of the plan to Non-departmental Public Bodies and agencies, agents and contractors;
- distribute copies of the Plan to Gaelic organisations;
- distribute copies of the plan to other interested bodies; and
- make copies available on request.

## Resourcing the Plan

Many in-house changes can be made at minimal additional cost as changes are made at the point of refreshing old signage or simply raising awareness of existing provision which is not currently promoted. Classes are available through Aberdeen Gaelic Club and Aberdeen University and it is probable that they will be able to support the council in some of its plans. The Gaelic Club is already considering running some initiatives which the council could support either through funding or promotion of the events/classes which would contribute to some of the aims of the plan.

Education projects have specific funding streams for Gaelic Education or are included as part of the 1+2 initiative which also has funding available toward all languages. Arts and Community projects can be supported through various bodies working in Aberdeen with Gaelic plans in place such as Creative Scotland, Aberdeen University, Scottish National Heritage, Forestry Commission and National Theatres of Scotland. Aberdeen Gaelic Club will also be aware of funding opportunities.

There are also several opportunities for funding community projects through various funds (Community, drama etc.)

We will make partner organisations aware of the funding opportunities which are available to them. and promote these funding opportunities, as they become available, through Aberdeen Council of Voluntary Organisation (ACVO) for community groups and to our own mailing lists of organisations and community forums.

There are several local organisations in Aberdeen delivering Gaelic opportunities and national organisations working in the city with Gaelic Language Plans which opens up opportunities for joint up working.

## Monitoring the Implementation of the Plan

An annual Meeting with external bodies and interested parties will be organised and hosted by the council to ensure all projects are supported and progressing as scheduled in this plan.

- Gaelic within the Council's Corporate Identity and signage will be monitored and reported on by the Communication and Promotion Team
- Workplace aspects of the plan will be monitored and reported by Human Resources

- Education aspects including Gaelic in the home and adult education will be monitored by the Gaelic Development Officer and 1+2 Languages Officer.
- Social care projects will be monitored by the Equalities Team in collaboration with Social Work, the Disability Advisory Group and Older People's Advisory Group

Monitoring reports will be collated and submitted to Bòrd na Gàidhlig annually on the Bòrd approval date by the Equalities Team.

## CHAPTER 5 – PUBLIC CONSULTATION

A public consultation which was fully accessible online was held on the plan between 30th March and 11th May 2015. The following forms the list of consultees:

- Gilcomstoun Primary School
- Hazlehead Academy
- Aberdeen Gaelic Club
- Aberdeen University
- Aberdeenshire Council
- GMòr Group
- City Voice Blog
- Civic Forum
- Fèisean nan Gàidheal
- Comann nam Pàrant
- Cairngorms National Parks
- Forestry Commission
- Scottish National Heritage,
- Aberdeen Performing Arts,
- North East College
- The Robert Gordon University
- Clì Gàidhlig
- Aberdeen Disability Advisory Group
- Aberdeen Older People's Advisory Group
- Aberdeen Council of Voluntary Organisations ( ACVO)
- Sabhal Mòr Ostaig

There were a total of 5 responses; 4 positive and 1 negative, to the public consultation, with fuller contributions from the Scottish National Heritage and Aberdeen University and certain themes within the plan will be updated and expanded upon as a response to the consultation. The negative response would have preferred to see the focus on developing a common language such as Esperanto.

### **Other contributions follow.**

“It is pleasing to see that the Education Department of Aberdeen City have realised at last that the up-take of Gaelic in the schools offering the subject is unacceptably low. To read about a strategy addressing the matter, is equally pleasing! Education is key to the future of Gaelic (not just in Aberdeen)”

“I was amazed that so few people who work for the Council were aware that there was a Gaelic Medium facility at Gilcomstoun School and Hazlehead Academy. There is obviously an opportunity to promote this and that is addressed in the Strategy

To make the Plan successful in the implementation there would need to be a core number of Gaelic speakers who are willing and able to give their time to "teach" Gaelic at various points throughout the City. This would take meticulous organisation and a lead person who has the ability to persuade people to take part. The reaction I usually have from Gaelic speakers is "my Gaelic is not good enough." Because of a century of neglect in Education, Gaelic speakers don't have a lot of confidence in their written Gaelic skills, as is highlighted in the strategy.

The Strategy seems fine on paper but I would suggest taking it very slowly so that people don't feel they are being "forced" to learn Gaelic or participate in promoting the language as a city-wide project. This could be achieved by highlighting the positives - Gaelic does have a relevance in Aberdeen, it's fun to learn another language, it gives access to a slice of Scottish culture that has been denied to many people including Gaelic speakers themselves. Scotland's language skills as a whole are appalling. My European students will speak at least five languages fluently, and begin to learn other languages at primary school level.

Studies show that by the age of seven, children's tongue muscles will have adapted to the language mostly used. Studies also show that children who are bi-lingual have many advantages over monoglots when it comes to academic performance.”

“Aberdeen University would welcome opportunities to work in partnership and to work together to promote Gaelic activities within the community and trust that we will have further opportunities to discuss commitments where the University is named in due course. “

“Thank you for offering SNH the chance to comment on your draft Gaelic Language Plan. We welcome the identification of SNH within your GLP as a potential partner for collaborative working and have, in our comments below, looked to identify possible opportunities for such joint initiatives.

SNH runs several *Gaelic Awareness* and *Gaelic in the Landscape* courses each year, and we can offer spaces to your staff if places are available. These are usually held at our Perth office. Similarly, we could discuss joint language class provision in future, though currently we do not offer Gaelic language classes at our Aberdeen office (Inverdee House, Baxter Street).

We aim to provide a breadth of opportunities for Gaelic speakers and learners to engage in our natural heritage work, and to raise awareness of Gaelic among a non-Gaelic speaking audience. Leading examples are our *Gaelic in the Landscape* series of place names booklets and our *Gaelic Nature Dictionary* (an online resource). There may be opportunities for raising awareness of these resources among Aberdeen City’s Gaelic speakers and learners.

Finally, you may wish to incorporate nature based content into your proposed *Gaelic in Heritage* (p.50) work, and we would be happy to offer advice on this.

There will be other opportunities for joint working, perhaps particularly within the Cairngorm National Park. “



## CONTACT DETAILS

The senior officer with operational responsibility for overseeing preparation, delivery and monitoring of Aberdeen City Council's Gaelic Language Plan is:

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Office of Chief Executive  
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Queries about the day-to-day operation of the plan should be addressed to:

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showard@aberdeencity.gov.uk

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	17 <sup>th</sup> August 2016
LEAD OFFICER	Chief Executive
TITLE OF REPORT	EU Referendum
REPORT NUMBER	OCE16/030
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

The report provides the Council with an early assessment of possible local implications of the vote to leave the European Union.

### 2. RECOMMENDATION

That the Council:-

- i. notes to detail of the report; and
- ii. note the correspondence received from the Secretary of State for Exiting the European Union;
- iii. Agree that further reports on emerging issues be submitted to the appropriate Council committees as required.

### 3. FINANCIAL IMPLICATIONS

This report does not make recommendations with financial implications. Possible financial implications of the vote to leave the EU are given consideration.

### 4. OTHER IMPLICATIONS

Implications are described throughout the report.

## 5. BACKGROUND/MAIN ISSUES

- 5.1 At their meeting on 29<sup>th</sup> June, 2016, the Council requested a detailed report on the short, medium and long term implications for Aberdeen City Council, its ALEOs and partner organisations of the vote to leave the European Union. The analysis in this report is presented only a short period after the referendum vote and should be considered in the context of high and continuing uncertainty.
- 5.2 Local government is at the delivery end of many policies with a European dimension. Social and environmental protection, health and consumer protection, working time directives, the transfer of undertakings, procurement and state aid, transport policies, and rural and maritime policies.
- 5.3 ***The level of uncertainty around likely outcomes of negotiations to leave the EU make assessing implications difficult.*** It seems likely that the UK will be obliged to comply with many EU directives in order to gain access to European markets. It is unclear which areas will see policy continuities and which areas will be significantly changed.
- 5.4 In the light of this uncertainty, local government, including Aberdeen City Council, must closely monitor the situation and make preparations to, both, respond to developments and feed into new policy and negotiations.
- 5.5 The Council also instructed the Chief Executive to “write to the Prime Minister and the First Minister seeking advice on the proposed timescales for the exit from the EU exploring with both the UK and the Scottish Governments the opportunity for Aberdeen City Council to receive financial help towards any future project that may no longer receive EU funding as a consequence of the UK’s decision to leave the European Union, and asking the UK and/or Scottish Government to act as a guarantor for any current EU funding which may now be at risk.” Having written as instructed, a response has now been received from the Secretary of State for Exiting the European Union (Appendix B). The Secretary of State concludes his letter stating the willingness of officials in his Department to speak to the Council on the issues raised.

## A. Economic Impact

Issues highlighted include post-Brexit trade deals with both the EU and countries outside the EU; potential slowdown in the economy; reduced investment in the UK; the role of economic development without state aid laws; impact on tourism.

The economic headline issues are:-

1. The vote to leave the EU is likely to lead to a significant further slowdown.<sup>1</sup> The main scenario from PWC's UK Economic Forecast in July 2016 projects UK growth to slow to around 1.6% in 2016 and 0.6% in 2017, largely due to the increased political and economic uncertainty following the 'Brexit' vote. A general economic slowdown would have a range of negative impacts;
2. The UK net contribution to the EU is roughly £8.5bn a year. A net contribution of £8.5bn is c.£1 out of every £100 the UK government spends every year, so any savings will be relatively small. The Institute for Fiscal Studies (IFS) and others have pointed out that if leaving the EU implies slower growth, the net saving would be lost through lower tax revenues and higher welfare demand. The IFS estimated that if the economic assessments of Brexit were accurate, leaving the EU would cost UK taxpayers between £20bn and £40bn a year.
3. Future prospects will be dependent upon the nature of the Brexit negotiations around trade and access to the single market as well as freedom of movement. This is particularly the case in Scotland. According to the figures for 2009-2013, Scotland had the highest share of its business economy accounted for by European companies of any UK country or region with nearly one in every six pounds in the Scottish business economy generated by companies based in the rest of Europe.<sup>2</sup>
4. Notwithstanding the uncertainty surrounding Brexit, it is possible to identify potential "winners" and "losers". The following section provides further analysis of this.

## Overall Economy

The local economy in Aberdeen City is likely to be severely challenged in the period leading up to Brexit and beyond. The key sector of the Aberdeen economy is the oil and gas industry, although the service sector now accounts for over 70% of local GDP and employment. Other service industries such as retailing and financial services are also heavily influenced by the North Sea oil and gas industry. The largest individual employers are both public sector (Aberdeen City Council and the NHS). Continuing pressure on public finances could see reduced employment in the public sector.

Mackay Consultants forecast that the local economy will grow by just 4.1% in the three years to 2018, with average annual growth of about +1.3%, their lowest forecast growth for any local authority area in Scotland.

<sup>1</sup> Source: "Economic prospects after Brexit: UK Economic Outlook" – PWC, July 2016

<sup>2</sup> Source: Office for National Statistics, Annual Business Survey

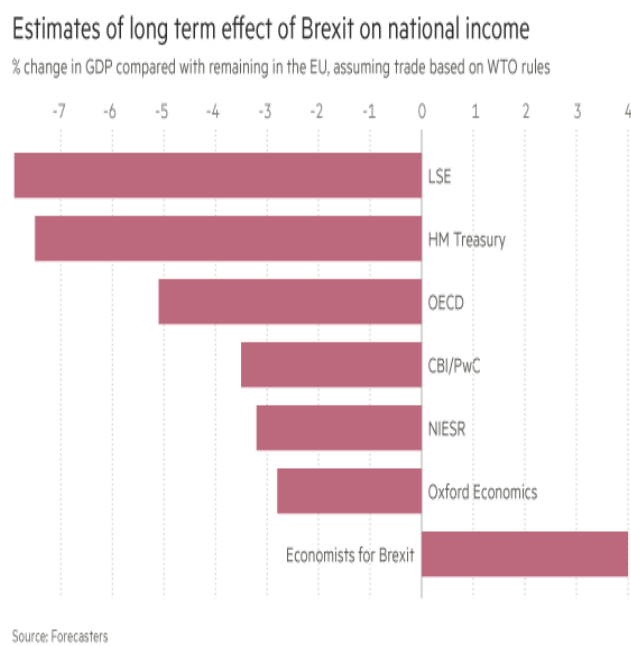
Mackay forecasts that the negative impact on the Scottish economy could be greater than that on the UK on the whole. The reasons for that include:

- greater importance of the EU for Scottish exports;
- importance of EU assistance programmes such as Common Agricultural Policy and European Regional Development Fund;

The two main short term impacts are likely to be:

- lower value of sterling;
- a deterioration in UK Government finances.

In terms of economic prospects in the period following Brexit, the main groups of economists who have published studies in the campaign use different models and different data but speak with more unanimity on this subject than on any other. Erecting trade barriers with the EU would hit prosperity, which is not easily replaced by greater free trade elsewhere. Leaving the bloc will afford the country little additional regulatory freedom and there could be long-term consequences from the short-term upheaval of Brexit. Whilst economists overwhelmingly think leaving the EU is bad for the UK economy one group (economists for Brexit) believes Britain's economy will be stronger if it adopts unilateral free trade, dropping all barriers on imports and letting other countries decide whether to maintain tariffs on British exports. This diverts trade away from the EU, lowers prices and produces gains.



## Trade and Investment

Whilst predictions on the overall economic impact are negative, it is the case that exporters will likely see opportunities expanded in the short term as sterling depreciates against the Euro making exports cheaper. As the terms of Brexit are agreed, however, it may be that exporters to the EU will face future Tariffs (trade barriers) which will counter balance the currency depreciation. Long term opportunities for imports and exports outside of the EU will

depend on how successful the UK is in repositioning itself through bilateral trade deals with growth areas around the world.

Brexit is likely to challenge investment in the UK. 32.9% of all Foreign Direct Investment into Britain is from the EU. In the short term this is likely to be affected by uncertainty as well as the perceptions of a post EU UK. Last year, a survey by Ernst & Young<sup>3</sup> reported that 72% of investors cited access to the European single market as important to Britain's attractiveness. The survey indicated that 31% of investors will either freeze or reduce investment until the outcome is known. As with trade, the success of bilateral agreements with growth areas around the world will impact on future prospects.

## EU Funding

In the short term there is a risk of lower funding for UK research and innovation from the EU as risk of Brexit provides disincentives. Much of EU funding requires countries or regions from three or more member states to be working in partnership. In theory, until the UK leaves, negotiations on funding should continue as normal, however, there is a risk that other member states or regions will be less likely to want to work with regions in the UK as it could create unnecessary risk for them in the event that the UK has to withdraw at some point depending upon Brexit negotiations.

Aberdeen City Council is a direct beneficiary of and / or a bidder for EU funding from a wide range of funding streams, including:-

- Interreg North Sea Region - supports transnational regional development projects in regions from countries by the North Sea;
- Interreg North-West Europe - fosters transnational cooperation to make the Northwestern Europe a key economic player;
- European Structural Funds (ESF) - provide EU Member States with financial assistance to deliver the EU2020 strategy of Smart, Sustainable and Inclusive Growth, increasing economic activity and employment across the EU.;
- Erasmus+ - the European Union programme for education, training, youth and sport;
- Horizon 2020 - the financial instrument implementing the Innovation Union, a Europe 2020 initiative aimed at securing Europe's global competitiveness.;
- European Regional Development Fund (ERDF) - aims to strengthen economic and social cohesion in the European Union by "correcting imbalances" between its regions.

For the Interreg North Sea Region and Interreg North West Europe programmes (under which we are waiting to hear if the applications have been successful or not) the following advice has been given:

*"The UK is still a full member of the European Union with all the associated rights and obligations this entails.*

- *All project contracts are still valid for UK beneficiaries as well as for all other beneficiaries.*

<sup>3</sup> <http://www.ey.com/UK/en/Issues/Business-environment/2015-UK-attractiveness-survey>

- *The approved fact sheets and procedures are all still in place and will remain in place until a new decision is made – a process, which may take years to complete.*
- *The next meeting in the Steering Committee where new projects will be decided on will take place as planned. Decision making at the meeting will be in line with the same criteria and rules as before.”*

The UK referendum will clearly eventually have an impact on our programme, but at this stage it is impossible to say precisely what the impact will be. It will be one of the negotiations which the UK government will need to address in agreeing the exit conditions from the EU. In the meantime, our programme will continue within the current framework and will deliver the programme along the lines agreed in the Cooperation Programme.

For the CIVITAS programme the consortium agreement and grant agreement were signed before the referendum therefore no impact on this project is anticipated. This project will officially begin Sept 2016 for 4 years.

For ERDF and ESF funding we have been advised by Scottish Government that it continues to be ‘business as usual’. The Scottish Government has legally committed European funds to projects until the end of 2018, some cases 2019. As an example, for the 8<sup>th</sup> City Programme the planned closure date is the 31<sup>st</sup> March 2019, so this fits well within this timeframe therefore we don’t expect projects to be impacted. If any changes were to be introduced to the Structural Funds the earliest this would be considered is as part of the mid-Programme review, which won’t take place until 2018.

Looking beyond the Council’s programme, lower funding for UK research and innovation would have a likely negative impact. Between 2007-13 the UK received €6.9bn through the FP7 programme which was the main EU funding for science and research. EU Sources of Research Grants and Contracts to Universities amount to £0.789bn in 2013/14 (2.6% of all UK higher income sources). <https://www.hesa.ac.uk/pr213>

Science/research funding from the EU is substantial and UK universities are significant beneficiaries. EU funding tends to allow broad topic range, whereas national funds may focus on key policy areas. UK innovation in research and science may be affected, which could include activity to diversify the North East economy. For instance, Pharmaceutical firms have raised concerns that Brexit would restrict access to European research funds worth \$1 billion. TxCell, a French biotech company, will, reportedly no longer team up with British researchers for fear of losing EU funding.

## Migration

If severe constraints were imposed on migration this would further challenge the economy nationally and locally. Low and middle level skilled jobs such as construction, health and care and support services may be particularly affected if a points based system were introduced. Another factor may be geographical variations in the levels of available labour causing pinch points in areas with a high cost of living. The need to apply for visas may be an impediment in industries where labour market flexibility is vital to competitiveness.



In the short term it is estimated that up to 0.5m people from the EU could move to the UK before article 50 is instigated.

Universities UK has analysed the impact of EU student in-migration to different regions of the UK; based on figures from 2011-12, it found that EU students have generated £414.1m for the Scottish economy and in doing so created 3,743 jobs.<sup>4</sup> Brexit could significantly reshape recruitment to Scottish universities, which currently do not charge tuition fees to non-UK EU students, but may feel compelled to do so in future. In recent admissions cycles, growing numbers of European applicants have tended to maintain overall recruitment levels to UK universities, with the number of UK-domiciled 18-year-olds stagnating or declining. With fewer EU students coming to Scotland this could have negative implications for the economy overall, for future research, and for skilled employees in Scotland.

### Key Sectors

1. Oil & Gas - In the short term exporters trading in dollars could benefit from sterling's depreciation. Costs for operators would be reduced for operators who pay their costs in £s but sell oil in dollars. Conversely, companies with revenues in sterling could have higher dollar denominated debt.

Post Brexit concern exists over the movement of workers and the ability to attract highly skilled workers from the EU. In addition, the UK has been a net oil importer since 2004 and import dependency is expected to grow by 55% by 2024. A permanently weaker £ could increase the cost of oil imported into the UK, which could feed into the supply chain (input into production) and result in higher overall consumer prices.

2. Tourism - In the short term, Brexit may result in an increase in tourists coming to UK as well as in domestic tourists holidaying at home. A depreciation of sterling will reduce the cost of foreign tourists holidaying in the UK and made the cost of holidaying abroad more expensive. However, if economic forecast are accurate, Brexit is likely to reduce UK GDP in the short run and thus reduce personal disposable incomes.

3. Fishing - Post Brexit UK fishing rights, much of which is based in the North East of Scotland, will not be subject to the Common Fisheries Policy (CFP). However, it is not clear what the outcomes of the negotiations would be for CFP and whether this would mean more Scottish fishing boats and fishermen. Prior to the referendum vote, George Eustice, the Minister for Farms, Food and Fisheries indicated that in the event of Brexit, the UK would respect catch limits set out to preserve stocks, but that fish quotas shared between EU nations could be "tweaked" to Britain's benefit.

Peterhead harbour board have produced a business case for the development of Peterhead harbour, including a £49m bid to the European Maritime and Fisheries Fund (EMFF). It can only go ahead if they are successful in receiving EMFF grant. Call for applications opens late summer. EMFF is delegated to member states to manage so their application will be assessed at UK level and there will be no requirement for partnership working with other regions. If they submit the application then it can be approved in

<sup>4</sup> <http://www.universitiesuk.ac.uk/news/Pages/eu-students-vital-to-regional-economies.aspx>

time for works to begin as soon as the port authority are ready - they expect works to take 18 months - so long as they keep to timescales then there shouldn't be an increased risk to securing funding. Risk will increase if any delays are incurred or if the government invokes article 50 prior to works being started.

4. Agriculture - Local farmers are very dependent on the subsidies from the Common Agricultural Policy (CAP). There is a risk that the UK and/or Scottish governments will be unable or unwilling to continue to provide such a high level of subsidy such that the agricultural industry would suffer from Brexit.
5. House Building - According to Samuel Tombs of Pantheon Macroeconomics, a consultancy, "An index of big house builders fell sharply following the referendum vote. The house-price-to-earnings ratio is over seven to one, well above the long-term average and developers may struggle to find house buyers as consumer confidence dwindles. The collapse in their shares is consistent with a 5% fall in house prices next year, based on historical data of the index"<sup>5</sup>. Construction, therefore, could be hit by some weakening in demand and possible delays or cancellations to infrastructure projects. Any pull on the share values of housing developers could make the UK a less attractive investment option and hence create a lessening of new build schemes and projects.

Brexit has been highlighted as an issue for the Aberdeen City and Shire Strategic Development Plan, as it will have an impact on planning which in turn will impact on housing delivery. The majority of environmental protection law affecting new development arises from the EU.<sup>6</sup> How this is will be repealed or replaced is not known.

Locally, the housing market is already facing challenges from the current economic issues in the North East. An economic slowdown and reduced consumer confidence may inhibit investment in local housing development. Brexit could have a direct impact on housing through a potential reduction in EU migration which, over time, could reduce demand for housing, including "affordable" housing which the Council has identified as a clear priority. However, Savills state that "The housing crisis is a long-term structural issue which is not limited to population growth alone. Even with substantial falls in net migration, we (the UK) will still require around 300,000 new homes a year."<sup>7</sup>

Whilst existing plans are in place locally to mitigate shortages in affordable housing, including those targeted to "key workers", and no direct impact is anticipated, there are broad issues arising from Brexit which should be considered, these include:-

- the availability of labour for construction / maintenance;
- the volume of level of raw materials brought in from the EU and their sensitivity to fluctuation of exchange rates as well as possible tariffs; and

<sup>5</sup> <http://www.economist.com/news/britain/21701547-firms-mull-move-continent-policymakers-options-are-limited-sifting-through>

<sup>6</sup> <http://andersonstrathern.co.uk/news-insight/what-does-brexit-mean-for-planning-environmental-law/>

<sup>7</sup> <http://pdf.euro.savills.co.uk/uk/residential---other/brexit-briefing--the-impact-on-residential-development-21-july-2016.pdf>

- the availability of finance to deliver housing developments.

A reduction in house prices would see potential winners and losers. Some first time buyers may find buying a house more affordable, however, existing home owners would see a fall in the value of their assets.

## **B. Workforce Impact**

Any significant changes to employment laws are likely to be gradual and shaped by Political direction and/or economic necessity. Moreover, much of UK employment law has been generated by the UK Parliament rather than the EU. Brexit would not, of itself, result in changes to the law on, for example, unfair dismissal or the national minimum wage. Equally, where EU law does apply the UK has in many cases opted to provide enhanced worker benefits or protection. Potentially any changes in migration policy may impact on recruitment and the cost of labour.

A number of views are being formulated by employment lawyers and business analysts as to the specific medium to long term implications of Brexit on UK employment. Whilst these opinions are clearly of interest, it is too early for these to be afforded a status other than 'informed speculation'.

## **C. Legal implications**

The EU referendum result has no immediate impact on UK or Scottish legislation: the law remains as it was on 23 June 2016. On withdrawal from the EU, under Article 50 the UK would no longer be formally required to comply with EU law and could repeal or amend domestic laws that give effect to EU law. Any new deal with the EU might involve agreeing to continue to respect EU laws.

As a matter of domestic constitutional law, the Prime Minister is unable to issue a declaration under Article 50 – triggering withdrawal from the European Union without having been first authorised by an Act of the UK Parliament. The sovereignty of Parliament as opposed to the stated intention of the Government or the “will of the people” is required. Although there has been discussion around Royal Prerogative, this is considered VERY improbable given the constitutional importance and politically charged subject matter. (UK Constitutional Law Association).

Triggering Article 50 (following the passage of an Act of Parliament) starts the two year clock. There are only two possible outcomes that both lead to exit from the EU i) negotiating a deal within 2 years or ii) exit upon expiry of 2 years without a deal. Any extension to two years is within the gift of the EU. Notice once properly given cannot be revoked.

The EU bloc cannot negotiate a separate trade deal with one of its own members, hence the Commissioner's insistence that the UK must first leave. This suggests the issue is not that the EU will not negotiate with the UK prior to triggering Article 50...it cannot. It is also contrary to EU law for a member to negotiate its own trade deals with “outsiders” ...there can be talks (about negotiation) but nothing can be concluded until after the UK has actually left the EU

(i.e no negotiation whilst in the process of leaving the EU.)

In terms of specific areas of law, the following is worth noting:

- The law on **State Aid**, governing when public funds and resources can be used to support commercial enterprises, is entirely EU-based. If the UK withdraws from the EU then it will no longer be bound by the EU State Aid regime. The UK may wish to create domestic rules on State Aid and any new deal with the EU may involve agreement by the UK to respect the EU State Aid regime.
- A new EU General **Data Protection** Regulation (GDPR) was finalised in May 2016. The Brexit vote does not mean that preparations for its introduction will stop. The UK is unlikely to leave the EU before the GDPR comes into force on 25 May 2018. The GDPR's terms will still be relevant to the UK. Firstly, the GDPR requires non-EU organisations to comply with the GDPR's terms when processing the personal data of EU citizens for the purposes of offering goods and services (or monitoring activities). Secondly, assuming the UK will want to make it easy for personal data to be transferred from the EU to the UK, the UK will likely need to adopt the GDPR or similar that the EU will recognise as giving adequate protection to personal data.
- Many of the UK's **consumer protection** rules come from the EU, including large parts of the Consumer Rights Act 2015. Subject to any future UK-EU trade deal, a post-Brexit UK will have greater flexibility to modify or repeal national consumer protection legislation. However, change in those areas is not inevitable. There are several areas where the UK has gone further than the minimum requirements of EU law.
- **Workforce and procurement** legislation is dealt with in other sections of this report.

## D. Procurement Regulations and Supply Chain Implications

### a. Pre triggering of Article 50

There should be no change to EU or domestic law including financial thresholds that govern whether a contract is required to be published in the Official Journal of the European Union (OJEU). Although the value of sterling has dropped against the Euro, the exchange rate for procurement purposes is fixed and not due for revision until 1st January 2018. The two year period of negotiations does not begin until Article 50 is formally invoked by the UK giving formal notice. The Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015 and Procurement (Scotland) Regulations 2016 (all statutory guidance; utilities/concession regulations) still apply and are in full force. Contracting authorities must continue to comply with the rules. Bidders can continue to enforce their rights if they believe there has been a breach. This is also the case with counterpart legislation in England and Wales.

### b. In the 2 year period following this

There should be no change to EU or domestic law pertaining to procurement in this period. Contracting authorities need to continue to comply with the rules and bidders can continue to enforce their existing rights. If the UK negotiates membership of the European Free Trade Association (EFTA) and becomes part of the European Economic Area ("EEA"), nothing is likely to change. EEA countries (such as Norway) have very similar procurement

rules including the requirement to advertise opportunities for public contracts.

**c. Beyond actual exit from the EU**

If the UK government does not join the EEA, then the World Trade Organisation's Agreement on Government Procurement is likely to apply by default. The principles within the Public Procurement Regulations are internationally accepted and therefore the procurement regime is unlikely to change substantially. The WTO's Agreement on Government Procurement (GPA) is already compatible with basic treaty principles and sets out many of the basic procurement principles such as the rules on technical specifications and advertisement. Many other jurisdictions which are not part of the WTO have similar rules. WTO rules restrict the circumstances in which countries can discriminate in favour of each other in trade - otherwise, they must apply to each other the tariffs they apply against the rest of the world.

There was procurement legislation before the EU Directives and the UK will still need some form of procurement law – the public sector will still need to purchase supplies, services and works. The UK had considerable input into the existing procurement directives and so it seems likely that future UK legislation will be along the same lines or remain in force exactly as it is. In Scotland, there was enthusiastic cross party support and extensive stakeholder engagement. The domestic legislation now in place needs to be expressly amended or repealed by the same governments that codified it and in many cases “gold plated” it.

Further procurement reform is likely to be a low priority in the broader political and legislative agenda. Rather than de-skilling procurement, this is likely to make procurement more vital and more demanding as European and global trading requirements will have to be absorbed. The principles of equal treatment/non discrimination, transparency and mutual recognition are unlikely to be absent from any new regime to follow.

Economic operators are used to considering whether or not to bring a challenge in the event that they feel unfairly treated in a procurement process. Contracting authorities have become conditioned to a regime that encourages them actively to seek out innovation and social benefit in their procurements. Neither group is likely to support the complete abandonment of the sort of procurement regime we have in place today.

**E. Finance Implications**

The most immediate impact is the market volatility that has been created by the referendum vote and ensuing events. The value of sterling has fallen sharply and the internationally recognised “Big 3” credit agencies have indicated that the sovereign rating has now reduced to a negative outlook. The sovereign credit rating has also been reduced. Share prices dropped initially but have rallied.

**Implications for the Council**

In the immediate term the impact will be insignificant.

With the value of sterling falling sharply exports become cheaper and imports more expensive. The Council is not exposed directly to either of these markets to any great level. However it does impact on our supply chain. For example, suppliers buying goods from Europe which we in turn buy from the supplier. These costs are likely to increase if there is a sustained period of low sterling value in a floating exchange (FX) environment depending on how the suppliers have hedged against sterling in the FX market.

The sovereign credit rating being changed to negative watch could potentially impact on the Council, by making liquidity more difficult to purchase and more costly to access than we have experienced recently. However, the intervention measures that the Bank of England has put in place and the cut in base rate has actually reduced liquidity costs in the short term.

Share prices will not directly impact on the Council, but would potentially impact on the North East of Scotland Pension Fund, which may see a fall in its asset value.

### **Access to Liquidity**

The Council accesses liquidity (cash) from a number of sources to enable us to cash flow our finances through a number of mechanisms. Primarily, we have over recent years strengthened the Balance Sheet and the level of reserves and provisions which provides us with immediate access, and control of, cash.

However, we also rely on the ability to raise capital financing through PWLB and this could be impacted upon by the reduction in the UK's sovereign credit rating. Generally speaking as your credit rating moves down your cost of borrowing, conversely, goes up. This will potentially lead to an increase in the price of borrowing from the UK Government. That said, the measures taken by the Bank of England appear to have stabilised the PWLB borrowing rates and Capita's current forecasts are for slightly lower rates on shorter term money over the next 2 years with a gentle rise in borrowing costs after that.

Potentially this would also have implications for the capital programme. If the cost of borrowing increases the Council may need to consider deferring or stopping capital projects going forward.

### **Demand pressures**

The impact of Brexit on demand for council services is unpredictable and may complicate the management of spending reductions in the coming years. The longer term impact on demand will depend on how well the local economy fares.

### **Medium Term (2 to 5 years)**

Looking at the medium term it becomes more difficult to predict what impact this may have on the Council.

Potentially the vote to leave the EU means that the UK no longer makes contributions to the EU budget, offering choices on the pace of deficit reduction. However, any deal made to continue to trade with EU countries may still involve some contribution to the EU, similar to the Norwegian or Swiss models. The availability of any reduction in contributions to the EU budget to support Local Government funding will be a matter for the UK and Scottish Governments, but the scope will be affected by any impact on the general economy and the level of tax receipts. This will impact the Council directly but the nature of that impact is unknown at this stage.

As outlined elsewhere in this report, leaving the EU could potentially impact on a number of policy areas that have been effected through EU legislation e.g. waste collection and disposal, energy efficiency, trading standards, procurement and state aid. Largely speaking these have also been achieved via EU Legislation and Directives then being transposed directly into UK Law. Whilst it would be possible for the UK Government to then repeal some of these laws this seems unlikely in the short term, although some relaxation of such laws may provide financial benefits to Local Government. However, negotiations over future trade agreements might involve a continuing commitment to maintaining EU laws in these areas.

### **Longer Term**

The impact in the longer term is very difficult to predict and over time the impact of other events affecting the global economy will make it difficult to attribute changes directly to Brexit. The impact on the Council over the longer term will be influenced mostly by the state of the general economy and the impact that has on the level of funding for Local Government and the cost of labour, goods and services.

### **Responding to the uncertainty**

Precipitate action is unlikely to be wise when the levels of uncertainty are so high. To ensure that any action is thought through and proportionate, officers will continue to:

- establish the Council's exposure to the different financial risks identified above and any others that are locally relevant;
- engage with local partners to understand how Brexit affects their risks and any shared risks;
- review risk appetite across the major categories of risk;
- review significant policies relevant to the management of these risks (e.g. investment policy) to ensure they are fit for purpose in the new environment;
- assess any impact of the risk assessment on the assumptions used to generate the medium term financial plan;
- report the emerging picture from this work to the Council and Audit, Risk & Scrutiny Committee on a regular basis; and
- update strategic and operational plans as decisions are made.

## **F. Political**

At the time of writing, the political implications remain fluid. Whilst speculation on an early UK general election has reduced, it does seem likely that a further mandate, or mandates, will be sought on the nature of the UK's relationship with the EU either prior to, during or following negotiations. The UK Government has now given an indication that it will seek to outline a Brexit blueprint later in 2016.

In Scotland, the First Minister announced the Scottish Government's intention to explore all options to retain Scotland's place in the EU and access to the single market. This includes the possibility of holding a second independence referendum. The First Minister has also formed a Standing Council of experts to advise on negotiations to secure an EU deal for Scotland and has gained a mandate from the Scottish Parliament to negotiate directly with EU institutions. Reports indicate that a special "Brexit Committee", featuring ministers from both the UK and Scottish governments is to be created under plans to co-ordinate a "UK approach" to leaving the European Union. Politicians from different parties have raised the possibility that some form of federal, constitutional model could be pursued for Scotland. Some reports have raised the question of the continuation of the Barnett formula, which adjusts the level of funding Scotland receives in line with changes in spending. The continuation of the Barnett formula was part of 'the vow' signed by the then leaders of the Conservatives, Labour and the Liberal Democrats during the final stages of the 2014 independence referendum.

Whilst the 2016 "Programme for Government" has not yet been published, based on the SNP Manifesto for the 2016 Holyrood elections, a full legislative programme should be anticipated with a number of bills and policies having significant implications for the future of local government in Scotland. This includes the implementation of new powers devolved to the Scottish Parliament by the Scotland (2016) Act. In acknowledging the expected volume of business, the First Minister has stated that "the business of government and parliament will go on". Scottish Labour have recently published a "Brexit Action Plan". What affect the referendum vote will have on the Scottish Parliament's work over the coming years will be monitored.



## **G. Service specific assessments**

### Education and Children's Services

#### **Workforce**

Some impact could be felt around possible changes to employment legislation and the impact on being able to recruit from other EU countries. An example would be the recruitment undertaken of teachers from Ireland.

#### **Migration and city population forecasts**

Any changes in migration could have an implication on pupil school roll projections. We may lose a number of children and young people if migrant families decide to return to their EU home countries or they lose the right to remain. A marked decrease in pupil roll forecasts for schools would also have a bearing on our predictions for future requirements for school capacity in some areas of the city.

#### **Library and Information Service**

The Library and Information service runs the European Direct Information Centre co-funded by the EU. An annual programme of events is agreed by the EU and 70% of the funding is received at the start of the year with the residue paid after submission of a final report based on the programme. Library and Information Service receives an annual grant of approximately 25,000 euros to run the service, which includes a part time post. The immediate impact of the EU referendum has resulted in a review of activity planned for this year.

#### **English as an Additional Language**

A decline in inward migration from EU countries may contribute to a reduced demand for the English as an Additional Language Service (EAL).

## 6. IMPACT

### **Improving Customer Experience –**

At this stage, the report is for information, but it demonstrates that active consideration is being given to the implications of a changing environment for delivery of services to our customers.

### **Improving Staff Experience –**

At this stage, the report is for information, but it demonstrates that active consideration is being given to the implications of a changing environment for our staff.

### **Improving our use of Resources –**

At this stage, the report is for information, but it demonstrates that active consideration is being given to the implications of a changing environment for our use of resources.

### **Corporate –**

The implications for the delivery of the Council's strategic priorities will be fully considered.

### **Public –**

There is significant public interest in the possible implications of the vote to leave the EU.

## 7. MANAGEMENT OF RISK

Any significant risks will be identified and managed as appropriate. The Council's Corporate Management Team have considered the nature of this report and risks are, and will continue to be, reflected within strategic and operational risk registers.

## 8. BACKGROUND PAPERS

- “The influence of EU membership on UK public services “*Trouble and Strife*” an uneasy marriage?” - Cipfa
- “Brexit: Q&A” - Brodies
- “UK Economic Outlook” - PWC
- “The implications to Scotland of the UK's decision to leave the European Union” - SPICE
- “Brexit – Negative for London, but not a Disaster” - Oxford Economics
- “First Reactions to EU Referendum Outcome” - Fraser of Allander Business Survey
- “Brexit: The implications for Local Government” - APSE
- “Brexit and local government”, Professor James Mitchell - LGiU Scotland
- “The Impact on Residential Development- Brexit Briefing” - Savills
- “To Boldly Go” - Continuity, Insurance and Risk
- “Brexit: EY impact diagnostics aid” - Ernst & Young

- “UK Unplugged? The Impacts of Brexit on Energy and Climate Policy” -  
Chatham House

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## Appendix A

### External Groups



#### *CPMR – The Conference of Peripheral Maritime Regions*

In its dealings with EU institutions and national governments the CPMR has, since 1973, been targeting its action towards ensuring the needs and interests of its member regions are taken into account in all policies with a high territorial impact. In particular, the CPMR is striving to ensure a strong EU regional policy targeted at all of Europe's regions and is also working towards the delivery of an integrated maritime policy designed to contribute towards Europe's economic growth.



#### *NSC – The North Sea Commission*

The North Sea Commission was founded in 1989 to facilitate and enhance partnerships between regions which manage the challenges and opportunities presented by the North Sea. The NSC also promotes the North Sea Basin as a major economic entity within Europe, by encouraging joint development initiatives and political lobbying at EU level.



#### *Scotland Europa*

Scotland Europa is a membership-based organisation that promotes Scotland's interests across the institutions of the EU and to the representatives of Europe's regions and Member States. Membership comprises a broad range of interests including business, education, local government, trader unions and voluntary sectors. Membership of Scotland Europa provides a direct link to Brussels-based intelligence and early notifications and thematic developments and funding opportunities. Aberdeen City Council is a member through our subscription to ESEC.



#### *ESEC – The East of Scotland European Consortium*

Established in 1991, ESEC is a non statutory joint committee representing the interests of its local authority members in Eastern and North Eastern Scotland. Members collaborate on a shared European agenda centred on knowledge and information on EU funding, developing joint EU funded projects, influencing EU policy change and ensuring policy engagement.



### *Energy Cities Association*

Energy Cities is the European Association of local authorities inventing their energy future. Its main objectives are to strengthen local authorities' role and skills in the field of sustainable energy; to represent their interests and influence the policies and proposals made by EU institutions in the fields of energy, and environmental protection; to develop and promote their initiatives through exchange of experiences and the implementation of joint projects.



### *The Covenant of Mayors*

The Covenant of Mayors is the mainstream European movement involving local and regional authorities, voluntarily committing to increasing energy efficiency and use of renewable energy sources on their territories. By their commitment, Covenant signatories aim to meet and exceed the EU 20% CO2 reduction target by 2020. Covenant signatories undertake to prepare a Baseline Emission inventory and submit a Sustainable energy Action Plan outlining the key actions they are undertaking.



### *Hydrogen Fuel Cell and Electro-Mobility in European Regions*

HyER supports the deployment and commercialisation of hydrogen and fuel cell technologies and electro-mobility in Europe as well as the development of their associate infrastructure in Europe contributing to a low-carbon economy and to a sustainable EU transport and energy system. Electro-mobility, as understood by industry and utilities, comprises battery electric as well as hydrogen/fuel cell powered vehicles and the relevant infrastructure needed for the supply with energy. Both propulsion technologies offer complementary transport solutions but have many elements in common. HyER is therefore actively seeking to support the deployment of the full range of electric transport solutions, battery electric vehicles (BEV) as well as fuel cell vehicles (FCEV), leveraging budgets and links to clean energy networks to ensure sustainable market and infrastructure build-up. Through the active monitoring and collecting of relevant project results and industrial developments and as partner in several EU projects for dissemination and communication, HyER seeks to develop fact-based policy at EU, national and local level to establish robust local deployment channels and a first customer base.

### *KIMO*

KIMO is a confederation of local authorities with an interest in Northern North Sea and North Atlantic to address coastal and marine pollution concerns;

### *POLIS*

Supports European cities and regions improve the quality of life through innovative measures to reduce congestion, enhance safety, lower pollution emissions and offer better access to transport.



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Aberdeen AB10 1FY

Office of  
Aberdeen  
29 JUL 2016

21 July 2016

*Dear Angela*

Thank you for your letter of 6 July to the Prime Minister. I am responding as Secretary of State for Exiting the European Union.

This is a vitally important time in the history of the United Kingdom as we prepare to leave the European Union. As the Prime Minister has made clear, Brexit means Brexit. But this does not mean turning our backs on Europe. Developing a stable and prosperous relationship with the European Union and our European partners is an absolute priority. I will work very closely with the UK's Devolved Administrations, the UK Parliament, other government departments and a wide range of other interested parties. I aim to establish the best possible relationship with the European Union for the United Kingdom.

The Prime Minister has said that we will develop a UK approach and objectives for negotiations and I look forward to building a collaborative and cooperative relationship with Aberdeen City Council in the future.

Officials in my department would be very happy to speak with you in more detail on the issues raised in your letter.

Yours ever,

Rt. Hon. David Davis MP  
Secretary of State

11225

10:11

Your Ref.  
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6<sup>th</sup> July 2016

Rt Hon David Cameron MP  
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Dear Prime Minister

**Result of the EU Referendum**

At its meeting last week Aberdeen City Council considered the following Emergency Motion by Councillors Jenny Laing and Michael Hutchison:

*"Council notes the decision to leave the European Union following a United Kingdom Referendum.*

*Council instructs the Chief Executive to provide a detailed report to the August Council meeting on the short (0-3 years), medium (3-10 years) and long term (10 years plus) implications of this decision for Aberdeen City Council, its ALEOs and its partner organisations.*

*In addition, Council instructs the Chief Executive to write to the Prime Minister and the First Minister seeking advice on the proposed timescales for the exit from the EU exploring with both the UK and the Scottish Governments the opportunity for Aberdeen City Council to receive financial help towards any future project that may no longer receive EU funding as a consequence of the UK's decision to leave the European Union, and asking the UK and or Scottish Government to act as a guarantor for any current EU funding which may now be at risk."*

I therefore now write to seek the advice envisaged in the motion and to seek the opportunity to discuss with appropriate officials the means by which any negative impact on EU-funded projects in Aberdeen, both current and future, might be mitigated through the assistance of UK Government.

ANGELA SCOTT  
CHIEF EXECUTIVE



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I will of course share your response with the members of the Council.

I confirm that as instructed I have also written in similar terms to the First Minister.

Yours sincerely

**Angela Scott**  
Chief Executive



## ABERDEEN CITY COUNCIL

---

COMMITTEE	Council
DATE	17 <sup>th</sup> August 2016
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Scottish Benefits Agency
REPORT NUMBER	OCE/16/034
CHECKLIST COMPLETED	Yes

---

1. PURPOSE OF REPORT

The report brings before the Council the response received from the Scottish Government to the Chief Executive's letter regarding the new Scottish Benefits Agency.

2. RECOMMENDATION

That the Council notes the correspondence received from the Scottish Government.

3. FINANCIAL IMPLICATIONS

This report has no financial implications. Were the Scottish Benefits Agency or any other similar body to be located/relocated in Aberdeen, there would be a benefit to the City's economy.

4. OTHER IMPLICATIONS

This report has no other implications at this point.

5. BACKGROUND/MAIN ISSUES

At its meeting on 29<sup>th</sup> June 2016 the Council considered and agreed a motion by Councillor Laing in the following terms:

*Council the announcement by the Scottish Government indicating its intention to set up a new Scottish Benefits Agency and the letter written by the Council Leader to the First Minister on this matter.*

*Council agrees that Aberdeen City is best placed to host these 300 new jobs and urges the Scottish Government to confirm*

*Aberdeen as its preferred location for this new flagship organisation that will oversee the delivery of benefits in Scotland.*

*Council instructs the Chief Executive to write to the Prime Minister and the First Minister outlining the benefits of locating or relocating any flagship organisation in Aberdeen, providing a copy of her letter to all members, with any replies from the Prime Minister or First Minister going to the August Council meeting for consideration.*

The Chief Executive wrote to both the Prime Minister and the First Minister on this matter on 14<sup>th</sup> July. The correspondence was shared with all members on the same date.

A response from Angela Constance, Cabinet Secretary for Communities, Social Security and Equalities on behalf of the Scottish Government was received on 4<sup>th</sup> August. The letter is attached to this report for interest.

6. IMPACT

The subject matter of the report relates to the Council's inward investment strategy.

7. MANAGEMENT OF RISK

The report deals solely with an exchange of correspondence with the Scottish Government.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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Office of Chief Executive  
Aberdeen City Council

14 AUG 2016

Your ref: AS/CM  
Our ref: 2016/0023221

1 August 2016

*Dear Angela*

Thank you for your letter of 14 July to the First Minister regarding the location of the Scottish social security agency. I am replying as this matter sits within my portfolio.

I welcome Aberdeen City Council's continued interest in the establishment of the new agency. As I previously set out to Councillor Jenny Laing, we are not yet at the stage of making a decision on the location of the agency, and there will be many potential locations to consider the length and breadth of Scotland. However, please be assured that we will continue to engage with stakeholders, including local authorities, as the business case for the new agency is developed.

I also note that you refer to the creation of 300 jobs through the agency. Please be aware that this figure has not come from the Scottish Government. Our work developing a detailed business case for social security will provide accurate staffing figures in due course.

**ANGELA CONSTANCE**

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**ABERDEEN**  
CITY COUNCIL

14<sup>th</sup> July 2016

Rt Hon Nicola Sturgeon MSP  
First Minister  
The Scottish Government

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Dear First Minister

### **Scottish Benefits Agency**

At its meeting last month, Aberdeen City Council considered and agreed a motion in the following terms from Councillor Jenny Laing, the Council Leader:

*"Council notes the announcement by the Scottish Government indicating its intention to set up a new Scottish Benefits Agency and the letter written by the Council Leader to the First Minister on this matter.*

*Council agrees that Aberdeen City is best placed to host these 300 new jobs and urges the Scottish Government to confirm Aberdeen as its preferred location for this new flagship organisation that will oversee the delivery of benefits in Scotland.*

*Council instructs the Chief Executive to write to the Prime Minister and the First Minister outlining the benefits of locating or relocating any flagship organisation in Aberdeen, providing a copy of her letter to all members, with any replies from the Prime Minister or First Minister going to the August Council meeting for consideration."*

The benefits of locating government departments or agencies away from administrative centres such as London, or Edinburgh/Glasgow are well documented.

For Aberdeen, we believe that our overall inward investment proposition would be significantly enhanced in the event of setting up the new Scottish Benefits Agency here or relocating to the City any existing government agency. Its location here would be a major incentive for other potential private sector occupiers to come to Aberdeen.

ANGELA SCOTT  
CHIEF EXECUTIVE



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Inward investment is a key plank in our economic strategy for Aberdeen and the North East of Scotland, and such a development would raise the investment profile of the City against a current backdrop of a downturn in the Oil & Gas sector. It would also enhance our ability to attract much larger investment, to the region and Scotland, if a government location can be achieved.

Existing research also suggests that every 10 jobs in public administration generate up to five more in the wider economy. Our own initial estimates suggests this development could deliver around 100 additional jobs, as well as providing much needed opportunities for existing skilled residents among the 300 direct jobs.

As instructed I have written in similar terms to the Prime Minister and I will share your response with the members of the Council.

Yours sincerely

**Angela Scott**  
Chief Executive

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## ABERDEEN CITY COUNCIL

---

COMMITTEE	<b>Council</b>
DATE	<b>17 August 2016</b>
DIRECTOR	<b>Angela Scott, Chief Executive</b>
TITLE OF REPORT	<b>Draft Aberdeen City Local Outcome Improvement Plan 2016-26 and approach to Locality Planning</b>
REPORT NUMBER	<b>OCE/16/031</b>
CHECKLIST COMPLETED	<b>Yes</b>

---

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

- 1.1 This report asks the Council to endorse the Draft Local Outcome Improvement Plan 2016-26 for Aberdeen City; and provides an update on the proposed locality planning framework and planned community engagement events.

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

- 2.1 It is recommended that the Council:
- i) endorses the Draft Aberdeen City Local Outcome Improvement Plan (LOIP) 2016-26 at Appendix 1;
  - ii) notes that the Draft LOIP will be considered by the Community Planning Partnership on 22 August 16;
  - iii) notes that the planned approach to locality planning set out in section 7 will be considered by the Community Planning Partnership on 22 August 16; and
  - iv) notes the planned community engagement events detailed at para 7.6.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The financial implications arising from the planned community engagement events, discussed at para 7.6, will be funded from existing budgets.

### **4. OTHER IMPLICATIONS**

- 4.1 There are no other implications arising directly from the recommendations within this report.

## 5. BACKGROUND/MAIN ISSUES

- 5.1 For over a decade, Aberdeen City Council has been working closely with public service providers in the area to ensure that our services are aligned to meet the needs of local people and communities. Community Planning was first introduced in Aberdeen at the end of the 1990s and gained traction in early 2000 with the introduction of 'planning for real' which saw the Council working jointly with public agencies and communities to co-design solutions to local problems. This way of working was seen as sector leading in Scotland and over the last 13 years the Scottish Government has done much to spread the practice of community planning across all areas of the Country.
- 5.2 Since early 2000 community planning has continued and steadily developed within Aberdeen, in recognition that tackling complex issues in our communities requires strong and effective partnership working. However, in 2013 Community Planning Aberdeen (CPA) volunteered to be one of the first Community Planning Partnerships (CPP) in Scotland to undergo the new Audit of Community Planning. Audit Scotland found that, whilst partnership working in Aberdeen had increased, there was limited evidence that this was having a significant impact in tackling the sharp inequalities within the City or on redirecting resources towards priorities. The final report concluded that significant changes were required to put the CPP in a position to meet the challenging agenda set out in the joint Scottish Government and COSLA Statement of Ambition for community planning published in 2012.
- 5.3 The aspirations set out within the Statement of Ambition have since become statute as part of the Community Empowerment Act (Scotland) 2015. The Act places a legal duty on the Council and all public service agencies to demonstrate that they are making a significant impact on the achievement of outcomes as a result of partnership working. In doing so, CPA must prepare and publish a Local Outcome Improvement Plan (LOIP) which sets out the priority local outcomes it proposes to improve. The LOIP must be underpinned by Locality Plans for the areas where people experience significantly poorer outcomes than other people across the City and Scotland as a result of socio-economic disadvantage. The draft Community Empowerment Act guidance sets a timescale for these plans to be developed, agreed and signed off locally by October 2017. The Act requires that these plans will be reported on at least annually.
- 5.4 This paper presents the draft Local Outcome Improvement Plan 2016-2026 for Aberdeen City, which replaces the previous Single Outcome Agreement 2013. The priorities identified within the LOIP are based on discussions which have taken place with colleagues across the Community Planning Partnership over the last 18 months and on the findings of the [strategic assessment](#) for Aberdeen City. The strategic assessment was undertaken between June 2015 to March 2016 and provides a comprehensive picture of the supply, demand and need for public services in Aberdeen City. It considers past and present performance, as well as emerging trends which will likely impact on the delivery of better outcomes for communities within Aberdeen City.



- 5.5 A priority setting session was held on 16 March 2016 with members of the CPA Board and Management Group to consider the findings of the strategic assessment in the context of the following themes:

**Economy** – central to ensuring a high quality of life for the people of Aberdeen

**People** – the key life outcomes of the people of Aberdeen

**Place** – how people experience Aberdeen as a place to invest, live and visit

**Technology** – a key enabler of innovative, integrated public services

These findings were presented to the elected members who attended one of the four briefing sessions held in May/ June 2016 and have been shared widely with colleagues across the Council and CPP.

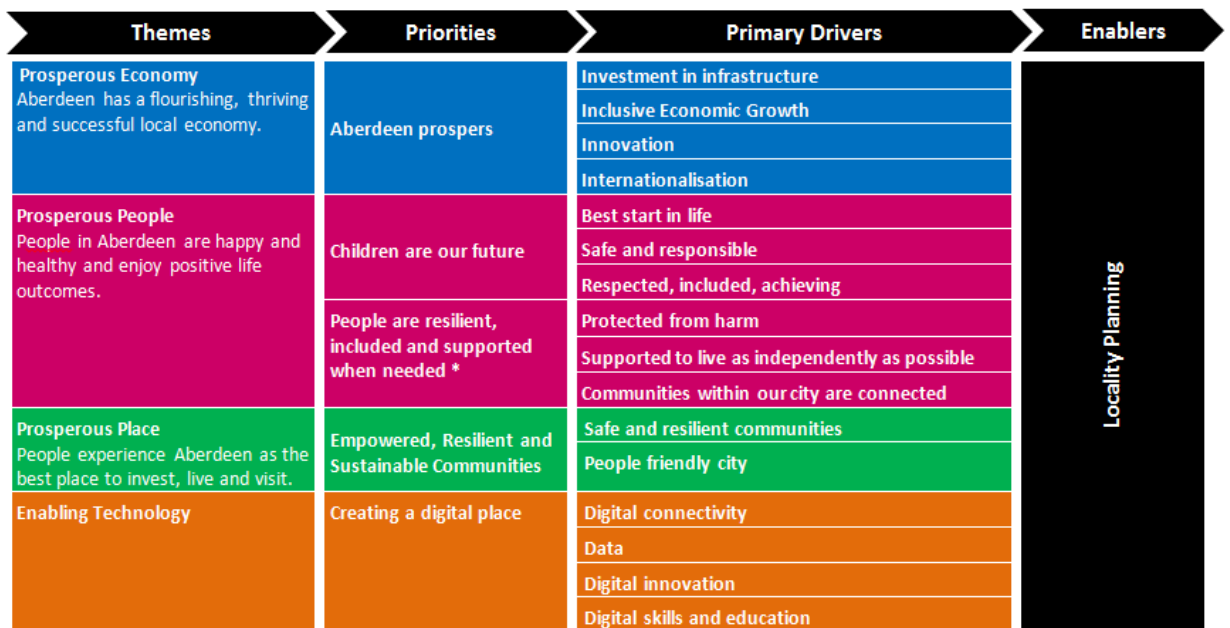
- 5.6 The outcome of discussions to date has been the agreement of five strategic priorities for partnership working in Aberdeen, which form the basis of this Local Outcome Improvement Plan. They will also provide the foundation for the underpinning Locality Plans. The priorities include:

- Aberdeen prospers
- Children are the future
- People are resilient, included and supported
- Empowered, resilient and sustainable communities
- Creating a digital place

## 6. DRAFT ABERDEEN CITY LOCAL OUTCOME IMPROVEMENT PLAN 2016-26

- 6.1 The Draft Local Outcome Improvement Plan 2016-26 for Aberdeen City sets out the transformational change which Community Planning Aberdeen (CPA) is committed to achieving by working together and with communities. It does not encompass all activity taking place across the CPP, but focusses on the priority outcomes that the Partnership will drive improvement in over the next ten years.
- 6.2 The approach taken for the LOIP has been to use driver diagrams to illustrate how CPA will directly affect the outcomes it has prioritised for improvement. Driver diagrams are used as part of the Institute of Health Improvement (IHI) methodology to express the theory of change. By adopting this approach, CPA can demonstrate how it will improve outcomes for Aberdeen City by working together to achieve specific improvement aims over the short, medium and long term. The driver diagrams also identify a number of improvement measures that CPA will monitor to track progress in delivery of outcomes and ensure success.

## Driver Diagram



\*People are resilient, included and supported when needed section with driver diagrams currently in development and will be added in due course.

- 6.3 It is proposed that by adopting the driver diagram approach for the LOIP and also in the development of the Locality Plans, the Council and CPA can be confident that we meet the conditions of the Community Empowerment Act. All partners will reflect the priorities set out in these documents in their own strategic plans to ensure a 'golden thread' flows from the LOIP for Aberdeen City and runs through all partner organisation's delivery plans.
- 6.4 In the spirit of continuous improvement, the LOIP recommended for endorsement by the Council is a living document that will continue to evolve as our approach to improvement develops and matures. It is subject to change as a result of further consultation with Community Planning Partners and consideration of the plan by the Community Planning Aberdeen Board.

## 7. LOCALITY PLANNING

- 7.1 The Community Empowerment Act requires CPA to identify localities where people experience significantly poorer outcomes than other people across the City and Scotland as a result of socio-economic disadvantage. For each of these areas, CPA must publish a locality plan. The proposed Community Planning (Locality Planning) (Scotland) Regulations 2016, if enacted without amendment, will provide that a locality must be either an electoral ward or a geographic area with a population which does not exceed 30,000. In line with the proposed regulations, the following areas have been identified by CPA for the purpose of locality planning: Torry, Tillydrone, Seaton, Woodside, Middlefield, Heathryfold, Mastrick, Cummings Park and Northfield.
- 7.2 These areas are consistent with the Council's recognised eight regeneration priority neighborhoods and those areas identified from the Scottish Index of Multiple Deprivation (SIMD). The SIMD is the Scottish Government's official tool

for identifying small area concentrations of multiple deprivation across Scotland. The most recent publication of SIMD rankings was in 2012 and the next publication of SIMD ranking is imminent. Further evidence in support of prioritising these neighbourhoods has been drawn from Aberdeen’s Community Planning Outcome Profile produced by the Improvement Service in June 2016.

7.3 The areas have been organised into three localities which will each have a locality plan and will be served by a locality partnership.

Locality 1	Locality 2	Locality 3
Torry	Middlefield Mastrick Cummings Park Northfield Heathryfold	Seaton Tillydrone Woodside

7.4 The same type of approach taken to develop the City’s Local Outcome Improvement Plan (LOIP) will be adopted to develop the locality plans. This includes conducting a strategic assessment for each locality and examining the findings against the strategic themes of economy, people, place and technology. This will ensure that there are clear synergies between the strategic vision and priorities for the city and those of individual communities.

7.5 The findings of the locality strategic assessments will be explored with communities as part of three engagement events scheduled to take place as follows:

Locality 1 – 17 September 16, venue to be confirmed

Locality 2 – 3 September 16, venue to be confirmed

Locality 3 – 8 October 16, venue to be confirmed

7.6 The events will bring together the local community, elected members, public bodies, voluntary sector, business and other interested parties to:

- Empower communities to help shape public services to meet their needs
- Tell the story of place – videos will present what the community has already told us, the evidence and highlight significant pieces of work/progress
- Develop the vision for the Locality
- Confirm priorities
- Identify key actions for the plan

7.7 Councillor Laing, Chair of Community Planning Aberdeen and Leader of the Council will host these events. In addition to local elected members, conveners of the Council’s main service committees will also participate. Community planning partners will be requested to ensure participation by appropriately senior officers/members and also people operating at a local level.

7.8 The focus of the events will be on what we are going to do in partnership with communities going forward to address the problems/issues largely identified through previous consultations. The outcome of these events will be three draft locality plans which set out priority outcomes for the local area and detail how

public services will work together with communities to make improvements for local people.

## **8. IMPACT**

### **8.1 Improving Customer Experience**

8.1.1 The recommendations within this report will ensure that the Council is working in Partnership with other public services to meet the needs and aspirations of customers and communities. The recommendations are based on the strategic assessment of Aberdeen City, undertaken during 2015/16, which provides a comprehensive picture of the supply, demand and customer need for public services in Aberdeen City.

### **8.2 Improving Staff Experience**

8.2.1 The recommendations within this report will ensure that staff have a deeper understanding of how they are contributing to improving outcomes for people in Aberdeen through the work that they do for the Council and how this fits with the wider Community Planning Aberdeen agenda.

### **8.3 Improving our use of Resources**

8.3.1 The recommendations within this report will ensure that the Council is working in Partnership with Community Planning Partners to maximise the use of our joint resources to deliver effectively on our shared priorities for Aberdeen City.

### **8.4 Corporate**

8.4.1 The recommendations within this report will ensure that there is a clear alignment between the vision and priorities of Community Planning Aberdeen and the Council's business plan, strategic infrastructure plan and individual service plans.

### **8.5 Public**

8.5.1 The recommendations within this report will ensure that the Council is working with Community Planning Partners to promote and progress equality of opportunity across all public services so that we meet the needs of all our citizens, including those who are most vulnerable and at risk of disadvantage and discrimination. A full EHRIA is therefore not deemed necessary.

## **9. MANAGEMENT OF RISK**

9.1 The Strategic Assessment of Aberdeen City has provided a robust evidence base for the new Local Outcome Improvement Plan for Aberdeen and the locality planning framework. As with any evidence based model, its strength lies in the breadth and depth of the supporting data, and the quality of the analysis. The establishment of a cross Partnership Data Group has helped to mitigate any risk associated with this and quality assurance checks have been

conducted at various stages to ensure the integrity of the information contained within the Strategic Assessment.

## **10. BACKGROUND PAPERS**

10.1 The following background papers were used in the preparation of this report:

Community Empowerment (Scotland) Act 2015:

<http://www.legislation.gov.uk/asp/2015/6/contents/enacted>

Scottish Government consultation on draft guidance and regulations:

<https://consult.scotland.gov.uk/>

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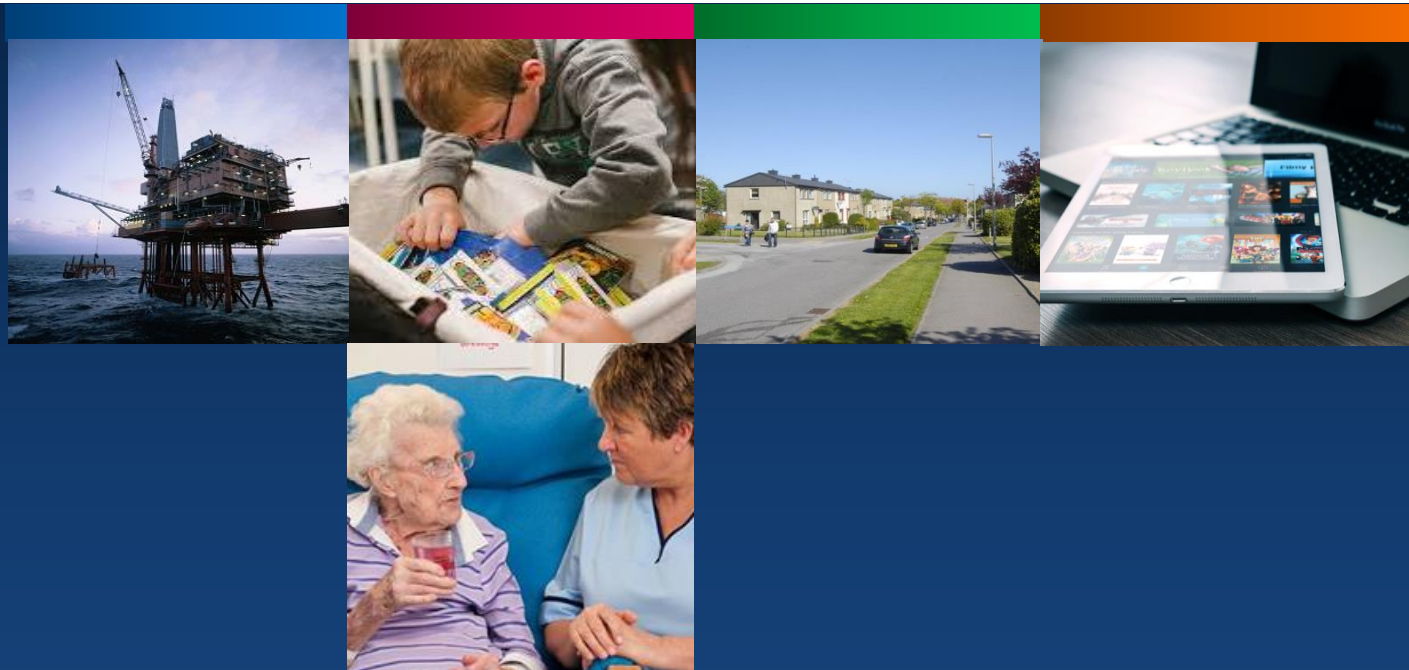
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# Community Planning Aberdeen

## LOCAL OUTCOME IMPROVEMENT PLAN 2016-26



# FOREWORD BY COUNCILLOR JENNY LAING

Aberdeen is like no other place in Scotland. The City has benefited greatly from the prosperity brought by the oil and gas industry and many people and communities have enjoyed positive outcomes as a result. Whilst the rest of Scotland suffered badly during the global financial crisis in 2008, Aberdeen was relatively untouched by the recession. But eight years on, when the rest of the UK economy is recovering, Aberdeen is experiencing a decline of its own due to the drop in the price of oil.

Our dependency on the oil and gas industry has left the City vulnerable to the effects of the economic decline - job losses, falling property prices and loss of custom – the scale of harm created is having a devastating impact on the City and region. Accepting that, despite the past economic vibrancy provided by the oil and gas sector, we have had significant levels of deprivation in the City. For decades some communities have endured the poorest of outcomes, with little opportunity for social and economic mobility.

The current decline is not altogether unexpected. Aberdeen has recovered from previous downturns, but efforts to stabilise the economy have focussed on bolstering the oil and gas sector. Whilst we will continue to do so, it is vital that we take a more sustainable diversified approach by attracting non-oil business. If not, a larger proportion of our population will face the impact of a variety of causes of harm stemming from unemployment.

In light of the scale of this harm, Community Planning Aberdeen is committed to keeping a close eye on the economic performance of the City. The heightened risk of catastrophic consequences has forced the Partnership to seriously reflect on how it has been performing and what difference it is making to Aberdeen. In particular, how we are supporting our most vulnerable people and deprived communities. This comes on the back of the Audit of Community Planning in 2013 which raised questions about the effectiveness of the Partnership in securing positive outcomes for our City.

As the newly appointed Chair of Community Planning Aberdeen, one of my first tasks was to ensure that the Partnership had a common understanding of the big issues facing the City and what role it could play in tackling these. Last year I commissioned a strategic assessment of Aberdeen City to provide a robust evidence base on which the Partnership could make decisions about what really matters for the people and communities of Aberdeen.

The strategic assessment has enabled Community Planning Aberdeen to make an honest appraisal of where Aberdeen is as a City and where the Partnership is in terms of meeting the needs of our communities. It has been critical in identifying the priorities which the Partnership has agreed to focus on going forward, and which are presented in this Local Outcome Improvement Plan (LOIP).



This Local Outcome Improvement Plan (LOIP) replaces our old Single Outcome Agreement for Aberdeen and is different from any previous community plan. It is not a regurgitation of our single system plans, nor is it a mere aspirational statement for the future. It is a genuine plan for improvement, providing a clear blueprint for collaborative action. The LOIP describes the added value of the Partnership in developing and testing its shared theories of change in order to secure better outcomes for our communities.

Unsurprisingly, the LOIP identifies improving the economy as a key priority for Community Planning Aberdeen. But our aspirations go beyond financial success. The word prosperity is used throughout this plan and refers to the ambition of the Partnership to see all people, families, businesses and communities do well, flourish and succeed. This means supporting people to enjoy positive outcomes throughout their life journey, rather than reacting to issues and problems as they arise. By ensuring that all people in Aberdeen have the opportunity to prosper, no matter their social circumstances, we will promote the wellbeing and equity of our citizens and prevent a series of intractable problems for the future. Investing in prevention is a core principle of Community Planning Aberdeen which underpins every decision, action and impact.

The ultimate expression of this is our commitment to investing in our children. It is unacceptable that due to a lack of income, families can be dragged into a cycle of deprivation that is repeated generation after generation. We want Aberdeen to be a place where children and young people have the opportunity to reach their potential and achieve their ambition regardless of their background and circumstances.

There are wide divisions in health and life expectancy between the richest and the poorest communities in our City. People living just a few streets apart in some areas of Aberdeen find themselves with life expectancies more than 16 years apart. People living in the most deprived areas of the City are three times more likely to die prematurely from cancer as people from affluent areas. In tackling these health inequalities, the LOIP reflects our focus on supporting and protecting our most vulnerable people.

But our organisations can only do so much alone. Involving people in the decisions that have an impact on their lives and empowering communities to help themselves is vital. Whilst the LOIP is designed to be city wide, our underpinning locality plans will ensure that decisions about services provided are made at the most local level possible. We will focus on working with the localities where people experience significantly poorer outcomes than other people across the City as a result of socio-economic disadvantage. For each of these areas we will conduct a locality level strategic assessment, drawing on local community profile data, and work with communities to develop a locality plan which sets out the agreed priority outcomes for that locality.

This way of working with communities to improve outcomes is not new to us in Aberdeen. It sees a return to the same founding principles adopted over a decade ago when community planning in the City was considered sector leading in Scotland. We will learn from our past to strengthen our future approach to locality planning and forge ahead with the confidence that we are doing the right things, in partnership with our communities.

There is no doubt that we face challenges, but Community Planning Aberdeen is committed to tackle these head on. The opportunities are great and we are committed to working in new and more integrated ways to tackle the issues which have been stubbornly resistant to improvement in Aberdeen.

It is therefore with great passion and optimism that I present this Local Outcome Improvement Plan (LOIP) 2016-26 on behalf of Community Planning Aberdeen. This LOIP marks a new beginning for how we will work together and in partnership with our communities. It signals our joint commitment, confidence and ambition to achieve our vision of Aberdeen as a place where all people can prosper.



***Councillor Jenny Laing, Chair of  
Community Planning Aberdeen and  
Leader of Aberdeen City Council***

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## ACRONYMS

The following acronyms have been used throughout this plan:

ACC	Aberdeen City Council
ACVO	Aberdeen Council of Voluntary Organisations
CPA	Community Planning Aberdeen
HSCP	Health and Social Care Partnership
LOIP	Local Outcome Improvement Plan
NES	North East Scotland College
N/A	Not applicable
NHSG	National Health Service Grampian
RGU	Robert Gordon University
SDI	Scottish Development International
SDS	Skills Development Scotland
SE	Scottish Enterprise
SFRS	Scottish Fire and Rescue Service
SG	Scottish Government
TBC	To be confirmed
UoA	University of Aberdeen
UKTI	UK Trade and Investment

# INTRODUCTION

Community planning is how public agencies work together with the community to plan and deliver better services which make a difference to people's lives. It was first introduced in Aberdeen at the end of the 1990s and gained traction in early 2000 with the introduction of 'planning for real' which saw the Council, Police, Health and Fire working jointly with other public agencies and communities to co-design solutions to local problems. This way of working was seen as sector leading in Scotland and over the last 13 years the Scottish Government has done much to spread the practice of community planning across all areas of the Country.

Last year community planning became a statutory requirement with the introduction of the Community Empowerment Act (Scotland) 2015. The Act places a legal duty on community planning partners to demonstrate that they are making a significant impact on the achievement of outcomes as a result of partnership working. In doing so, Community Planning Partnerships must prepare and publish a Local Outcome Improvement Plan (LOIP), by October 2017, which sets out the priority local outcomes it proposes to improve.

In advance of the statutory deadline, Community Planning Aberdeen has developed this Local Outcome Improvement Plan. It signals our joint commitment to making change happen and is recognised as critical to accelerating the pace of collaboration and joint working across the Partnership and driving real and lasting improvements for our communities in Aberdeen.

The vision and strategic priorities set out within this document provide a clear focus for Community Planning Aberdeen. They are based on discussions which have taken place with colleagues across the Partnership over the last 18 months and on the findings of the strategic assessment for Aberdeen City conducted during 2015/16. The priorities stated reflect the areas where the Partnership is striving to make maximum impact and drive improved outcomes in face of the key challenges it has identified for the next 10 years. All partners will reflect the priorities set out in this LOIP in their own strategic plans to ensure a 'golden thread' flows from the LOIP for Aberdeen City and runs through all partner organisations.

The design of the LOIP draws on the improvement methodology of the Institute of Health Improvement (IHI) to clearly demonstrate how Community Planning Aberdeen will achieve long term transformational change by taking practical action now. Driver diagrams are used to show this connect and identify the specific improvement aims that the Partnership will monitor to ensure we are on track to deliver significantly better outcomes.

The LOIP is a strategy for the City. To underpin this document, we will develop locality plans which will take the high level direction provided by the LOIP and translate it into meaningful improvement aims for our most disadvantaged communities. The Community Empowerment Act requires us to have locality plans in place by Oct 2017, but again we will work with communities to develop these plans without delay.

Fundamental to our approach is working with people and communities. Our communities are unique and their sense of place defines our work now and in the future. With a focus on improvement, we will continue to listen to communities, understand what is important, recognise and mobilise strengths and work with them to deliver what matters. We are in the process of finalising a Community Empowerment, Engagement and Participation Strategy which will set out in practical terms how we will work with people to help them achieve the aspirations of our communities.

In the spirit of continuous improvement, this LOIP is endorsed by Community Planning Aberdeen as a living document that will continue to evolve as our approach to improvement develops and matures; and as we strengthen our arrangements for working jointly with communities.

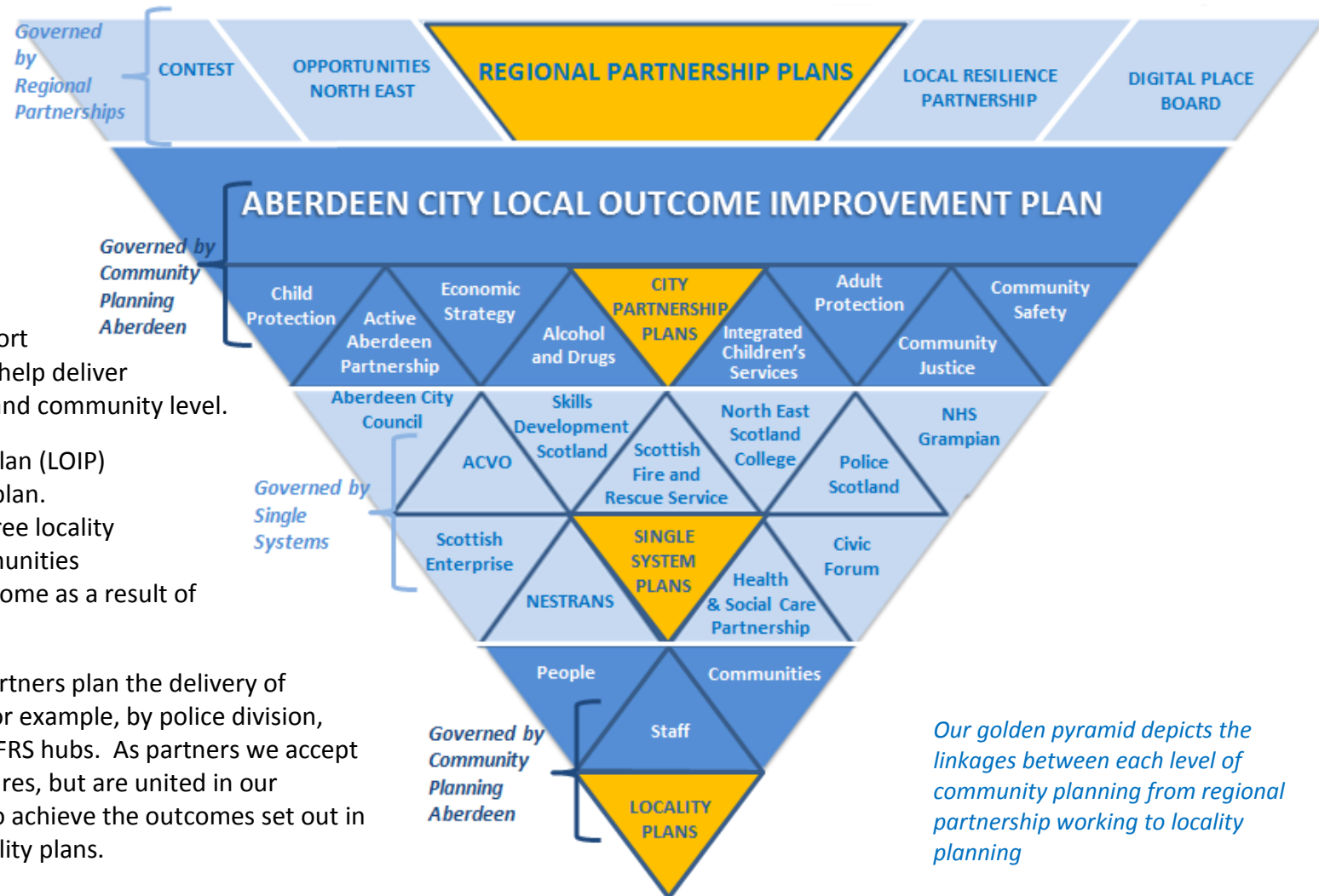
# OUR GOLDEN PYRAMID

A place can be represented at a number of levels. For example, a region, city, community and street are all 'places'.

The Community Planning Partnership has a responsibility to work with communities to plan, resource and deliver integrated public services and support community lead approaches which help deliver local outcomes at a city wide level and community level.

This Local Outcome Improvement Plan (LOIP) therefore represents our city wide plan. The LOIP will be underpinned by three locality plans for specifically targeted communities which experience inequality of outcome as a result of socio economic disadvantage.

Each of the Community Planning Partners plan the delivery of their services in a range of ways. For example, by police division, Council function, NHS Boards and SFRS hubs. As partners we accept these differences in delivery structures, but are united in our commitment to working together to achieve the outcomes set out in this LOIP and the underpinning locality plans.



*Our golden pyramid depicts the linkages between each level of community planning from regional partnership working to locality planning*

# THE ABERDEEN CONTEXT

## Our Economy

Aberdeen is one of the most competitive, innovative and economically productive cities in the UK, and provides Scotland with 15% of its Gross Value Added (GVA). Much of the success of Aberdeen has been built on the traditional oil and gas sector; it also has a successful small business economy. Since the end of 2014, the local economy has suffered as a result of the global oil price decline. Business growth is slowing and, while this downturn is not the first of its kind, it highlights a growing and urgent need to diversify the economy to ensure economic sustainability.

Due to the historical success of the City, workers in Aberdeen benefit from average salaries that are almost **£6,000 higher** than the Scottish average, and unemployment levels are low. Some of the most affluent areas of Scotland are within Aberdeen City, but equally within the City boundaries are some of Scotland's most deprived areas. Overall, levels of deprivation remain low. In 2012, **twenty-two** of the 267 datazones within Aberdeen were considered to be within the 15% most deprived areas in Scotland.

Despite low headline deprivation figures, almost **30%** of households in Aberdeen are in fuel poverty, **18%** of children in Aberdeen are living in poverty. The **majority** of children that are living in poverty are living in a working household.

## Our People

The population of Aberdeen City has risen sharply over the past decade, and in 2014 was estimated at **228,990**. Our population is projected to grow by **28% by 2037** which is the largest growth of all Scottish local authorities. In 2012 there was 103,934 households in the City; it is projected that by 2037 there will be in excess of 140,000 households. Given the current economic climate and recent political developments, these projections may change.

Aberdeen City has a very diverse population, with 15.9% not born in the UK compared to 7% of the population across the country.

Children (0-15) make up **15%** of Aberdeen's population and education is provided to more than **22,000** pupils. Demand for early learning and childcare is high in Aberdeen City and there is a shortage of available funded provision, with **570** children on the waiting list in October 2014. In July 2014 there were **577** looked after children in Aberdeen City, a rate similar to the national rate.

People in Aberdeen are living longer. **The over-65s account for another 15% of the population of Aberdeen**, and projections are that the population will continue to age. An older population brings many benefits and challenges. Older people are more likely to suffer from multiple and complex care needs, and therefore the demand for all services will shift.

## Our Place

Aberdeen has 37 neighbourhoods. The Scottish Index of Multiple Deprivation (SIMD) is the Scottish Government's official tool for identifying small area concentrations of multiple deprivation across Scotland. Eight of Aberdeen's neighbourhoods are recognised as deprived on this basis. The next publication of SIMD ranking is due in August 2016 and it is expected it will reflect these same areas.

- Torry
- Tillydrone
- Seaton
- Woodside
- Middlefield
- Cummings Park
- Northfield
- Mastrick

The City has a healthy expanse of green and open space. Well maintained, attractive and accessible natural spaces bring benefits to the health and wellbeing of people. **Three-quarters** of Aberdeen City's residents live within a 5 minute walk of the nearest greenspace, with a further **15%** within a ten minute walk, and people who live close to local greenspace are likely to visit it.

Continued focus on reducing carbon emissions has reaped rewards – a reduction of **1.8 kt CO2 per capita** has been achieved over the past decade. Despite this improvement, air pollution remains a key environmental concern for the Community Planning Partnership.

Transport is a major contributor to carbon emissions and in Aberdeen there is an exceptionally high level of car ownership and usage. It is a vicious circle – poor air quality and poor road safety discourages people from walking or cycling, yet reducing reliance on private transport is the best way to improve air quality.

As a result of climate change, extreme weather events are becoming more **frequent** and **intense** with warmer, wetter winters and drier, hotter summers. Extreme weather events, such as the flooding in Aberdeen in January 2016, disrupt the daily routine of individuals, communities, and organisations. Aberdeen bears 80% of the flood risk within North East Scotland.

## Our Technology

The range of digital tools and technologies is ever expanding, and these advancements have changed the ways in which individuals, communities, private businesses and the public sector interact. Digital mobile technologies have transformed how we deliver our services, and public service delivery is likely to change beyond all recognition over the next decade.

**83%** of properties in Aberdeen have access to superfast broadband, but download speeds remain among the **lowest** in the country. A more robust digital infrastructure would not only help to attract business to the City, it would also help to address wider social issues such as social isolation and improving health and wellbeing.

The journey to digital public service delivery races on. Online delivery can make public services quicker and more efficient for customers, often at a fraction of the cost of traditional methods.



# OUR VISION FOR ABERDEEN CITY

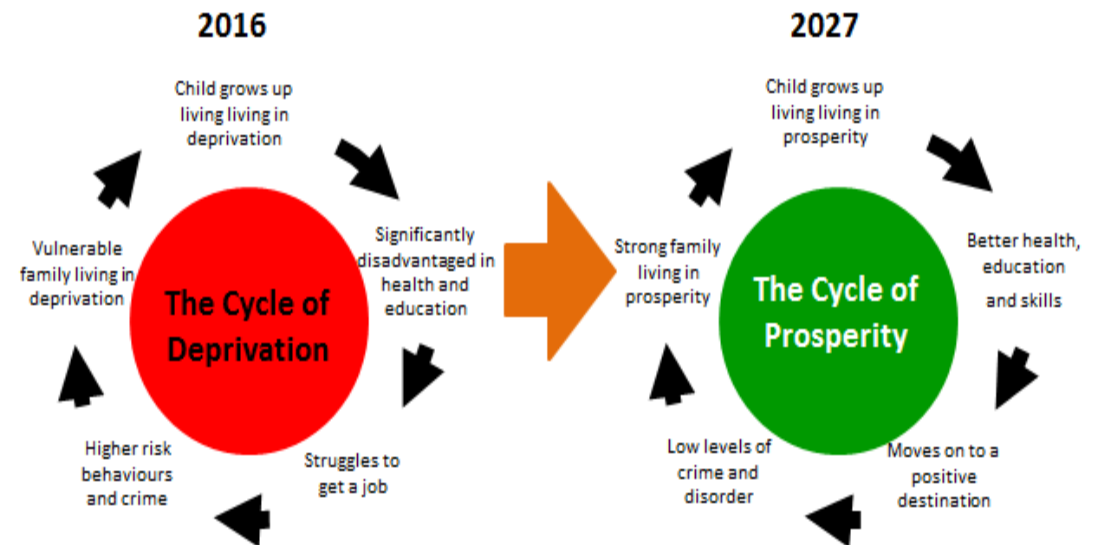
## *'A place where all people can prosper'*

Our vision for Aberdeen City is of a place where all people can prosper. This reflects our desire to help all people, families, businesses and communities to do well, succeed and flourish in every aspect. To achieve this vision we are committed to tackling the issues that exist in our society which prevent equal opportunity for all to lead a happy and fulfilling life.

As individual partner organisations we do our best to serve and protect the public. Added value comes from Community Planning Aberdeen working together as a Partnership to test and do things we haven't done before to deliver real and lasting transformational change for our communities.

There are problems faced by our City which have endured for decades and have been stubbornly resistant to improvement. Our evidence confirms what we already know; that inequalities in health, education and employment opportunities are passed from one generation to another.

We are clear that our focus going forward is on helping disadvantaged families and communities to escape this cycle of deprivation by creating the conditions for prosperity.



# THEMES, PRIORITIES, AND DRIVERS

We will achieve our vision through the delivery of three themes: **Economy** – central to ensuring a high quality of life for the people of Aberdeen; **People** – the key life outcomes of the people of Aberdeen; and **Place** – how people experience Aberdeen as a place to invest, live and visit.

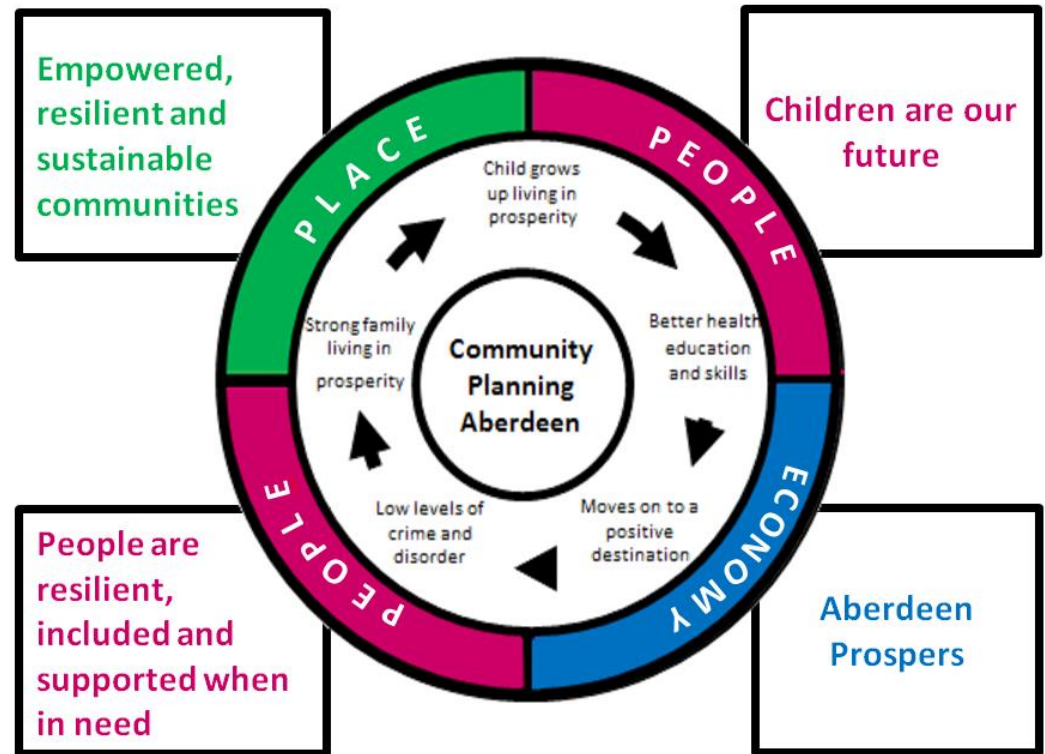
Under these themes, we will focus on four priority areas for strategic partnership working:

- **Aberdeen prospers**
- **Children are our future**
- **People are resilient, included and supported when in need**
- **Empowered, resilient and sustainable communities**

Our focus is to tackle inequality in these areas at the root causes of low income and health inequality to break the cycle of deprivation, inequality, unemployment, crime, violence and poor health that has existed in some families for generations.

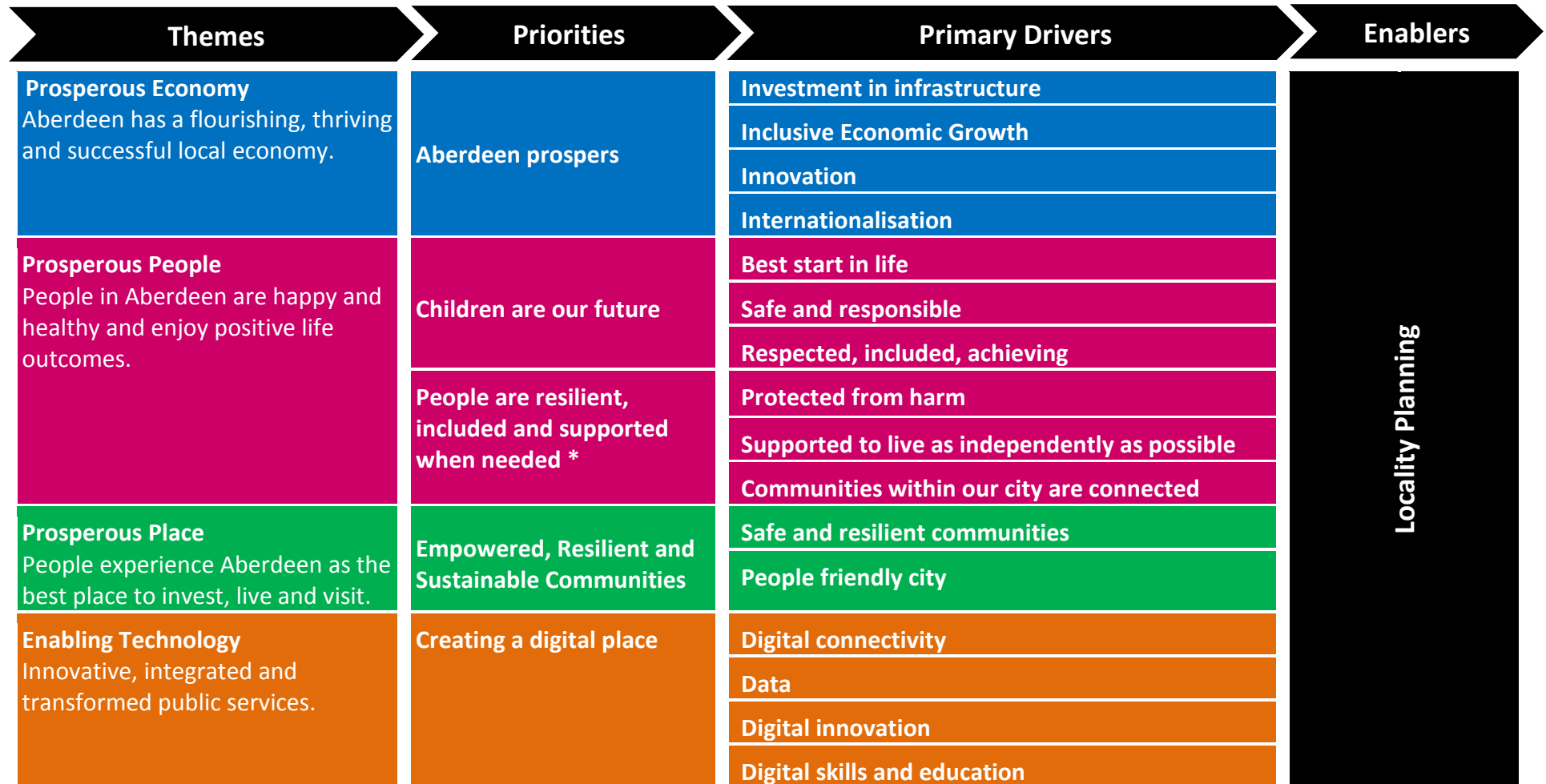
Through the delivery of this Local Outcome Improvement Plan, we will push our joint resource investment toward early intervention and prevention to secure the future of our economy, people and place in all communities.

A fourth theme of **Technology** has also been identified, which cuts across all priority areas as a key enabler of innovative and integrated future public services.



This Local Outcome Improvement Plan identifies the primary drivers which will drive improvement in these priority areas. The following sections of the plan detail the secondary drivers for each priority and the improvement measures we will monitor to ensure we are making the impact intended. Locality Planning is fundamental to our approach to ensure the city wide aspirations outlined in this plan are delivered at a local level to secure better outcomes for communities which historically have experienced poor outcomes due to socio-economic disadvantage.

**DRIVER DIAGRAM**



\* People are resilient, included and supported when needed section with driver diagrams currently in development and will be added in due course.

## PLACE BASED INDICATORS

Each priority section is introduced with the place based indicators that we will maintain a watching brief over to understand the longer term impact of our joint efforts.

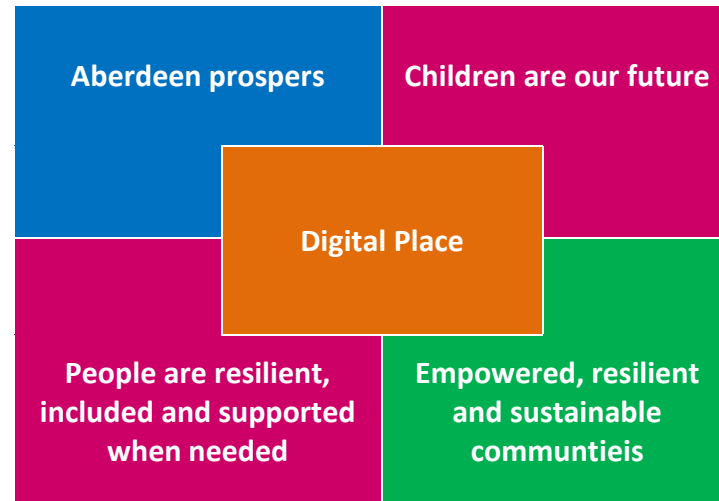
**Place based indicators help us understand the impact we are having on each of our strategic themes**

Prosperous economy	Prosperous people
Prosperous place	Enabling technology

## IMPROVEMENT MEASURES

The improvement measures defined within each priority driver diagram are those which demonstrate the added value of the Partnership and which Community Planning Aberdeen will hold itself to account for performance.

**Improvement measures indicate the effectiveness of the Partnership's performance in delivering improvement in each priority area**



# PROSPEROUS ECONOMY

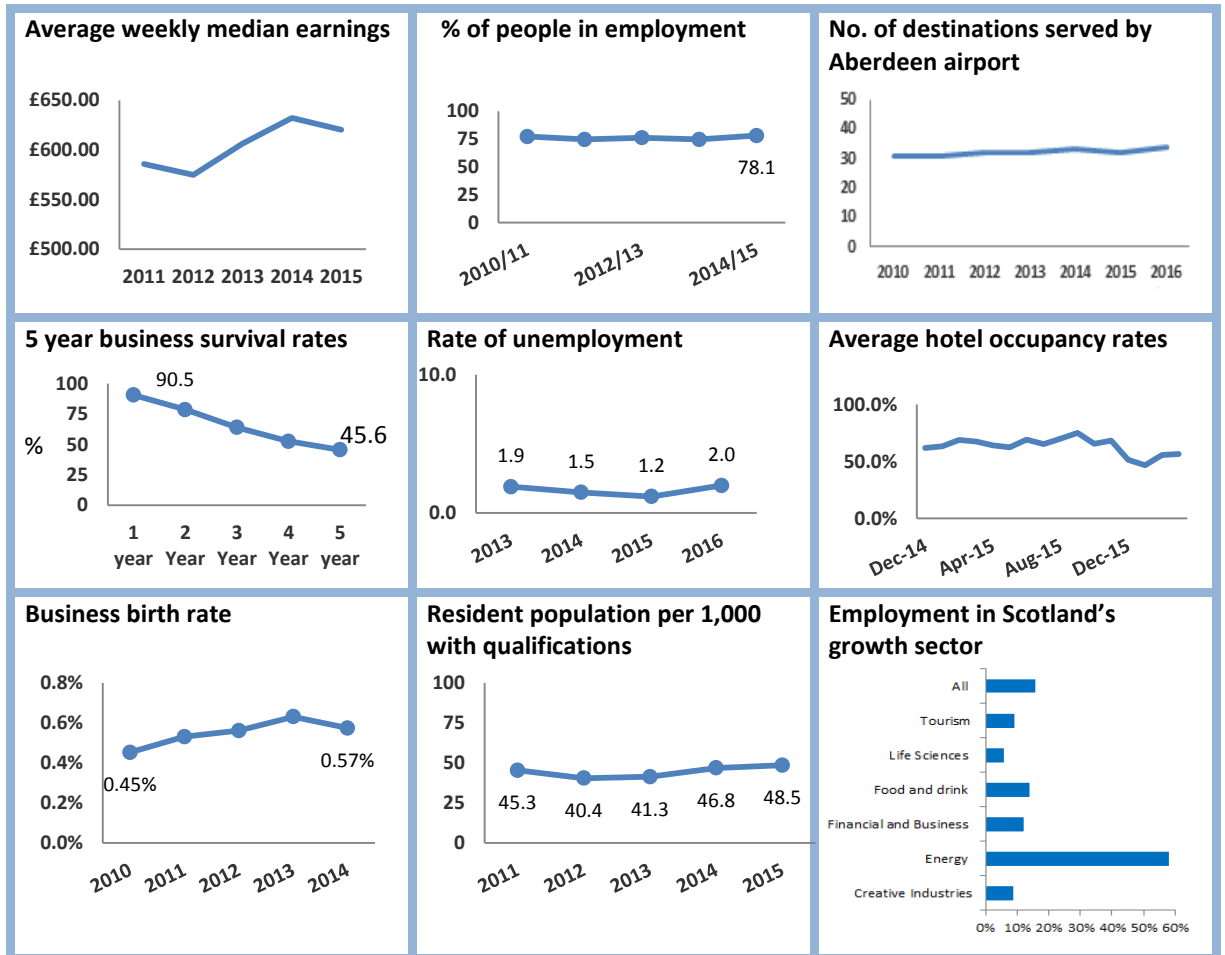
## ABERDEEN PROSPERS

The North East of Scotland is one of the most prosperous regions in the UK. There have been a number of constraints on accommodating this growth historically and in looking at the region's economic development, Aberdeen needs to be at the heart of a city region that competes with international city regions and not just with others in Scotland or the UK.

Economic activity in the North East is high, principally because of the North Sea Oil, and there are significant opportunities to sustain and grow activity in both the short and longer term. The immediate focus is on maximising economic recovery from remaining oil and gas reserves in the UK Continental Shelf while we identify ways to anchor expertise and activity in the North East region.

Key to this transition is the retention of the talent and transferable skills that currently exist within our businesses and educational institutions. In 2014 Aberdeen was ranked second among the UK's 63 largest cities in terms of the number of patents per 1,000 population, testimony to a variety of internationally significant research centres such as the National Subsea Research Institute, the Rowett, the Marine Lab and the James Hutton Institute.

### PLACE BASED INDICATORS OF ECONOMIC PROSPERITY:



It is important that expertise continues to be retained and developed within our schools, College and universities to encourage, grow and attract more world-leading innovation in this region. Two leading research universities are located in Aberdeen and provide a highly skilled workforce in applied sciences, technology and engineering.

If the UK leaves the UK then it will lose access to funds for EU member states. However, prior to any departure, there is also a risk of lower funding for UK research and innovation from the EU as even the risk of Brexit provides disincentives. Much of EU funding requires countries or regions from three or more member states to be working in partnership. The risk is that other member states or regions will be less likely to want to work with regions in the UK as it could create unnecessary risk for them in the event that the UK has to withdraw at some point depending upon Brexit negotiations.

## PRIMARY DRIVERS

In delivering this priority, we will focus our energy and efforts on working together to achieve the following primary drivers. These are the critical driving factors that the Partnership believes need to be addressed to be successful in ensuring Aberdeen prospers.

1. **Investment in infrastructure** - *Aberdeen City is a robust and resilient economy providing a vibrant built environment and attractive place for residents, students, business and tourists*
2. **Innovation** – *Aberdeen City has a reputation for enterprise, innovation and world class solutions*
3. **Inclusive economic growth** - *A skilled workforce for the future that provides opportunities for all our people*
4. **Internationalisation** – *Aberdeen City is a location of choice for investment, high value business activity and skills*

For each of these primary drivers we identify the underpinning primary and secondary drivers that the Partnership will focus on to deliver tangible improvement in these areas. The driver diagrams also identify the key measures that the Partnership will monitor to ensure it is having an impact.



## LEAD PARTNERS:

- Aberdeen City Council
- North East Scotland College
- North East Scotland Regional Transport Partnership (Nestrans)
- Robert Gordon University
- Scottish Enterprise
- Skills Development Scotland
- Scotland's Rural College
- University of Aberdeen

# 1. Investment in infrastructure - Aberdeen City is a robust and resilient economy providing a vibrant built environment and attractive place for residents, students, business and tourists

Infrastructure is critical for the City to remain an internationally competitive business environment and to secure a long term economic future - transport connectivity, information and communications technologies, business land and property and housing are key. We are committed to investing in an infrastructure that caters for the needs of a high performing international city economy – roads with capacity to cope with the demands of business, extensive air and sea links, digital connectivity to develop competitive business, and a competitive and accessible public transport system.

## HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 1a

Primary Drivers	Secondary Drivers	Improvement Outcomes					Lead Partners	
		Improvement measures and aims	Baseline	17/18	20/21	26/27		
We will regenerate our city centre to become a vibrant and attractive place to live, work and invest in	Develop a plan to incentivise bringing underused space above shops and long term empty retail units into residential use	Increase % occupancy in city centre premises	50%	60%	65%	70%	Aberdeen City Council	
We will unlock development potential and connectivity to international markets	Improve access to/ around Aberdeen International Airport	Increase number of destinations served by Aberdeen airport	32	34	36	42	Aberdeen Airport	
		Increase number of passengers using Aberdeen airport	3.5m	3.6m	>4m	>4.5m		
We will develop infrastructure for commuter, visitor and freight transportation	Submit a City Region Deal to the UK and Scottish Governments to fast track development of infrastructure	Number of vessels arriving at Aberdeen harbour	7,428	7,600	8,000	8,500	Aberdeen City Council Private Sector Nestrans Scottish Enterprise	
		Improve travel times Aberdeen to: Peterhead Fraserburgh	60mins 90 mins	- -	- -	45mns 60mns		
We will improve deployment of low carbon transport in the city and urban areas, through active travel networks	Work with European and National Funding programmes to improve renewable energy infrastructure	Reduce per capita local carbon emissions	6.8tonnes	6.5	6	5	Aberdeen City Council Nestrans	
		Number of hydrogen buses	10	10	15	20		
	Secure significant improvements in the city's green/active travel (walking, cycling) network	Increase the % of people cycling as main mode of travel	Increase the % of people cycling as main mode of travel	0.3%	0.4%	1%	2.5%	Private Sector Scottish Enterprise Sport Aberdeen
			Increase in satisfaction levels with city's green spaces	TBC	50%	70%	100%	

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
We will modernise our utilities infrastructure to support the economic growth ambitions	Regeneration of a 2Ha in East Tullos exploring delivery of a potential £150m energy from waste facility in 2021 to support low carbon power targets and development of new industries	Reduce per capita local carbon emissions (tonnes)	6.8	6.5	6	5	Aberdeen City Council Private Sector Scottish Enterprise
		% of household waste that is recycled	38.2%	39%	42%	50%	
We will provide business and public sector organisations with a level playing field in current and next generation information and communications technology	Develop an Inward Investment Plan that looks at how alternative financial models which can be used to invest in/deliver regional priorities of housing, broadband, etc.	Take up of commercial office space (square feet)	0.4m	0.5m	1m	1.4m	Aberdeen City Council Scottish Enterprise Scottish Development International UK Trade and Investment
		Increase in % of premises in receipt of superfast broadband	83	90	95	97	
		Increase in average download speeds (M/Bts)	19.5	25	35	50	
		Build at least 415 affordable houses a year	415 (target)	415	415	415	
We will ensure availability of land and premises to support business growth	Ensure that there is land and infrastructure available to support and grow decommissioning	Decrease in supply of derelict land (hectares)	24h	24h	22h	20h	Aberdeen City Council Scottish Enterprise Landowners
	Ensure businesses have access to a variety of immediately available and affordable premises and new use of existing brownfield	Decrease in supply of vacant land (hectares)	22h	22h	20h	18h	
We will enable Aberdeen to realise the development opportunities in the City Centre Masterplan and beyond	Prioritise development of those transport and other intervention areas in the Aberdeen City Centre Masterplan that deliver the biggest economic impact	Footfall in Aberdeen's Business Improvement District	TBC	+1%	+5%	+10%	Aberdeen City Council City Centre Masterplan stakeholders Nestrans
		Increase % of people accessing city centre using travel other than car.	TBC	+1%	+5%	+10%	

## LOCAL SUPPORTING STRATEGIES

[Economic Strategy 2015-2025](#)

[City Region Deal 2014-2025](#)

[City Centre Masterplan 2015](#)

[Local Development Plan 2016](#)

[Local Housing Strategy 2012 - 2017](#)

[Nestrans Regional Transport Strategy 2013-2035](#)

[Strategy for an Active Aberdeen 2016-2020](#)



## 2. Innovation - Aberdeen City has a reputation for enterprise, innovation and world class solutions

Building on our expertise in energy technology, a significant opportunity exists for Aberdeen to become a leading European City in the early deployment of hydrogen fuel cell vehicles, as well as becoming the hub for hydrogen technologies in Scotland. Today the city boasts Europe’s largest fuel cell bus fleet and Scotland’s first facility for hydrogen production and has developed a regional strategy to support these activities, in line with national low carbon economy. The availability of people with advanced skills that support innovation is an important asset from which to pursue our economic priorities – the two universities and North East of Scotland College will support the innovation agenda through the continuing development, of courses and programmes that strengthen the capacity for high value research and development.

### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 1b

Primary Drivers	Secondary Drivers	Improvement Outcomes					Lead Partners
		Improvement measures and aims	Baseline	17/18	20/21	26/27	
We will provide research and design infrastructure to support development of advanced technologies and innovation in other sectors	Strengthen the interaction between research and business by developing an Oil and Gas Energy and Learning Teaching Centre of Expertise	Maintain Aberdeen’s high position in number of patents per head of population	Top 4 in UK	Top 4	Top 4	Top 4	Aberdeen City Council Private Sector Scottish Enterprise Skills Development Scotland Universities
We will accelerate the transition to a more balanced economy by maximising new technologies and growing clusters within oil and gas, the wider energy sector, and also food, drink, agriculture, health and life sciences	Develop the existing Biopharmaceutical Hub that would provide R&D infrastructure for creation and commercialisation of products	Improve employment in growth sectors of life sciences	700	700	800	1000	Aberdeen City Council Private Sector Scottish Enterprise Scottish Rural College Skills Development Scotland
	Develop an Agri Food and Innovation Hub that provides R&D infrastructure and expertise for regional primary producers, processors and manufacturers	Improve employment in growth sectors of food, drink and agriculture in City and Region	16,600	17,000	18,000	20,000	
We will maximise the potential of hydrogen, energy from waste and other renewables	Reduce emissions and promote alternative energy technologies through regional collaboration with and across all sectors	% of household waste that is recycled	38.2%	39%	42%	50%	Aberdeen City Council Private Sector Scottish Enterprise

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
technologies to develop a medium-long term demand for the transferable skills in the oil and gas sector	Vehicle replacement programme						Skills Development Scotland
	Deliver the supply chain development activities in the Renewables/Hydrogen Action Plan and its focus on developing these emerging fuel cell technologies	Increase energy production from other renewable technologies	TBC	+1%	+5%	+10%	
We will provide business and innovation support to entrepreneurs/ business start-ups and increase the diversity of funding options through an increase in accessibility of international investment	Provide access to finance through the SE Innovation Support, Business Angel Venture Capital and/ or Scottish Local Authorities Loan Fund in Aberdeen City	Increase business gateway start up numbers	1163	+2%	+5%	+10%	Aberdeen City Council Private Sector Scottish Enterprise Skills Development Scotland
		Business gateway “Growth companies” accepted into Scottish Enterprise’s Growth Pipeline	41%	43%	45%	50%	
		Number of FDI projects as measured by Ernst and Young	9	10	12	15	

## LOCAL SUPPORTING STRATEGIES

[Economic Strategy 2015-2025](#)

[City Region Deal 2014-2025](#)

[North East Scotland College Outcome Agreement 2015-16](#)

[North East Scotland College Curriculum Strategy 2015-16](#)

[Scottish Enterprise Business Plan 2015-2018](#)

### 3. Inclusive economic growth - A skilled workforce for the future that provides opportunities for all our people

Aberdeen has consistently performed above Scottish and UK levels of economic growth, working-age population growth and wages. It has the greatest projected growth of Scotland’s strategic development plan areas with a forecast 35% increase in households to 2035. While the high wages and salaries on offer in the oil and gas sector have attracted people into the region, this has caused recruitment challenges in other sectors, while a lack of affordable housing and income inequalities has led to people living away from key employment centres in the city.

#### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 1c

Primary Drivers	Secondary Drivers	Improvement Outcomes				Lead Partners	
		Improvement measures and aims	Baseline	17/18	20/21		26/27
We will develop the people and skills necessary to deliver economic development and, as a result, support diversification of businesses and economy	Delivery of Business Gateway to provide business start-up and development support, that is available to all businesses	Increase business gateway start up numbers	1163	+2%	+5%	+10%	Aberdeen City Council ACVO NES College Scottish Enterprise Scottish Rural College Skills Development Scotland Universities
		Business gateway “Growth companies” accepted into Scottish Enterprise’s Growth Pipeline	41%	43%	45%	50%	
	Increase the take up of SE support to businesses	Improve number of SE managed businesses	TBC	+2%	+5%	+10%	
	Construct an Economic Footprint for the CPP and develop an action plan based on Key findings and recommendations	% of Economic Footprint improvement recommendations implemented	TBC	30%	60%	100%	
	Support implementation of key actions from the emerging/ existing industry-led sector strategies for oil and gas, food and drink, tourism and life sciences	Improve employment in growth sectors of life sciences	700	700	800	1000	
		Improve employment in growth sectors of food, drink and agriculture in City and Region	16,600	17,000	18,000	20,000	
We will ensure that the North East of Scotland is a great place to be – as a visitor, worker, entrepreneur or resident	Develop iconic tourism attractions to capitalise on non-business tourism and leisure markets and stimulate diverse culture and creative offerings	Improve hotel occupancy rates	56.6%	60%	65%	70%	Aberdeen City Council Visit Aberdeenshire
		Increase tourists to Aberdeen	1.5m	+5%	+15%	+30%	
		Increase tourist expenditure in Aberdeen	£400m	+5%	+15%	+30%	

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
We will significantly improve the city through regeneration of our communities and ensuring a vibrant economy	Develop and implement Locality Plans for those communities experiencing socio economic disadvantage	Improve neighbourhood local statistics on employment, educational outcomes and health in Aberdeen City areas	TBC	+1%	+3%	+5%	Aberdeen City Council ACVO Health and Social Care Partnership NHS Grampian Police Scotland Scottish Fire and Rescue Service
		Reduce the gap between these areas and the rest of Aberdeen	TBC	-1%	-2%	-3%	
		Increase take up of Employment related services in these areas.	TBC	+1%	+3%	+5%	
		Increase no of employers paying the Living Wage	TBC	+5%	+25%	+50%	
		Reduce no of low-skilled, low-paid people in insecure employment	TBC	-	-5%	-10%	
		Reduce % of children in living in poverty	TBC	-	-5%	-10%	
We will invest in our workforce, particularly young people, develop our future workforce and ensure all benefit from economic activity	Implement Developing the Young Workforce to strengthen vocational skills attainment levels and encourage apprenticeships	Increase the % of those achieving a modern apprenticeship of all those leaving an MA	70%	71%	72%	75%	Aberdeen City Council NES College Skills Development Scotland Sport Aberdeen
	Delivering high attainment levels and positive destinations for our young people and providing a future supply of skills for employers, inward investors and future entrepreneurs	Increase educational attainment at NVQ4 and above of resident population	47%	50%	55%	60%	
		Increase proportion of young people achieving successful destinations post-school	92%	+1%	+2%	+3%	
We will ensure there is access for all employers to qualified labour	Address skills shortages in key sectors including public services and health sectors as identified in the Regional Skills Strategy	Reduce proportion of employers reporting skills shortages by occupation	24%	23%	20%	15%	Aberdeen City Council Skills Development Scotland
	Working with the Employers Training Forum, embed the use of targeted recruitment and training clauses in our procurement strategies to ensure those areas with higher levels of economic inactivity can access skills/ training	Increase proportion of businesses that report investing in on-the-job training, technical or job-specific training	TBC	+2%	+5%	+10%	

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
	opportunities from public sector investments						
	Deliver £2.2m ESF Employability Pipeline Project to increase economic activity through training and work experience	Monitor success of ESF Employability Pipeline to increase economic activity	TBC	Target to be set when project is approved			
We will ensure housing that is affordable, across markets, is widely available, and in particular to support vital key workers in the education, care and health sectors	Consider viability of expanding Places for People, a joint venture model to deliver 'private rented sector' homes regionally	Build at least 415 affordable houses a year	415	415	415	415	Aberdeen City Council Private Sector
		Build 1094 houses a year	1094	1094	1094	1094	

## LOCAL SUPPORTING STRATEGIES

[Economic Strategy 2015-2025](#)

[City Region Deal 2014-2025](#)

[Local Housing Strategy 2012 - 2017](#)

[North East Scotland College Outcome Agreement 2015-16](#)

[North East Scotland College External Engagement Strategy 2014](#)

[North East Scotland College Curriculum Strategy 2015-16](#)

[Nestrans Regional Transport Strategy 2013-2035](#)

[Scottish Enterprise Business Plan 2015-2018](#)

## 4. Internationalisation - Aberdeen City is a location of choice for investment, high value business activity and skills

Internationalisation supports growth, innovation and productivity and is a key characteristic of successful regional economies. Internationalisation is already at the heart of the Aberdeen City Region, and is actually a driving force for the internationalisation strategy for the whole of Scotland. It has a long and successful history of exporting goods, expertise and talented people as well as being the home for large scale and sustained investment in sectors such as food and drink and oil and gas and energy. We want to build on our track record as one of the most international regions in the UK.

### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 1d

Primary Drivers	Secondary Drivers	Improvement Outcomes				Lead Partners	
		Improvement measures and aims	Baseline	17/18	20/21		26/27
We will improve the attractiveness for international trade and investment	Support the development of our harbour	Increase number of new jobs created from completed inward investment projects	TBC	+2%	+5%	+10%	Aberdeen City Council Visit Aberdeenshire
	Support the promotion and marketing of the place with Visit Aberdeenshire	Work with Visit Aberdeenshire to develop metrics to monitor and improve promotion and marketing of Aberdeen	TBC				
	Develop the £330m new Aberdeen Exhibition and Conference Centre to anchor existing international events and compete for new events	Number of FDI projects as measured by Ernst and Young	9	10	12	15	
We will improve multi-modal access to Aberdeen	Work with Aberdeen International Airport in supporting its development plans	Improve times to and from Aberdeen airport by: Road Rail Bus	TBC TBC TBC				Aberdeen City Council Scottish Development International UK Trade and Investment Nestrans
		Increase number of rail passengers arriving at Aberdeen station	3.75m	+2%	+5%	+15%	
		Increase amount of freight arriving at Aberdeen harbour	4.2m tonnes	+2%	+5%	+10%	

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
We will support companies in all key sectors to identify market opportunities and develop products and services to grow sales in international markets	Provide internationalisation support to businesses in existing priority and new markets linking existing innovation and R&D capability, in both the private sector and academia	Increase number of inward trade delegations supported by ACC	30	32	34	38	Aberdeen City Council Scottish Enterprise
We will collaborate with UK and Scottish agencies and business in prioritising international business support ensuring that businesses benefit from international trade and investment opportunities	Promote the 'investor readiness' of the region to international institutional investors/sovereign wealth funds	Improve attitudes of businesses from Aberdeen, and of those wishing to do business here, on readiness to do business in Aberdeen	TBC	+2%	+5%	+10%	Aberdeen City Council Scottish Enterprise
We will attract the best possible range of incoming exhibitions and events and showcase the city's internationally recognised sports, arts and culture offer	Deliver a £30m refurbishment of Aberdeen Art Gallery in 2017	Increase footfall at Aberdeen tourist attractions	TBC	+2%	+5%	+10%	Aberdeen City Council Sport Aberdeen
		Improve number of national and international events at AECC by 10%	TBC	+2%	+5%	+10%	Visit Aberdeenshire

## LOCAL SUPPORTING STRATEGIES

[Economic Strategy 2015-2025](#)

[City Centre Masterplan 2015](#)

[City Region Deal 2014-2025](#)

[Tourism Partnership Strategy](#)

# PROSPEROUS PEOPLE

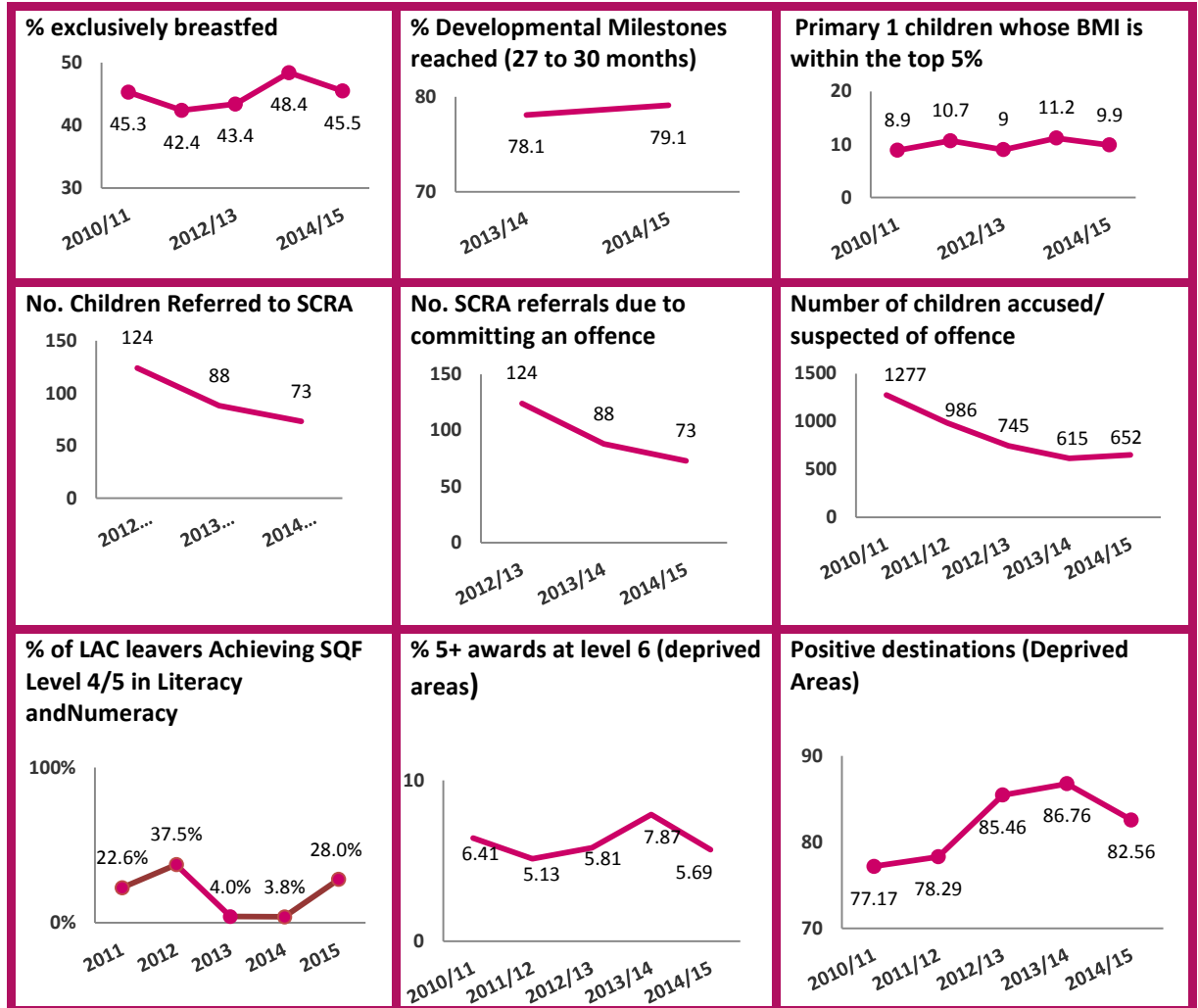
## CHILDREN ARE THE FUTURE

Our ambition is to support every child, irrespective of their circumstances, to grow, develop and reach their full potential. We want Aberdeen to be a city where there is equality of outcomes and opportunities for all our children. Our priorities reflect the importance we place on supporting equity of access to education, supporting families to provide the best care they can for their children. We will also invest in the health, including mental health, of our children and young people.

Investment in children is increasingly seen as one of the best and most valuable long-term investments we can make. Investing shared resources to target prevention and early intervention for children and young people is central to tackling inequality and improving life chances. Living in deprivation, often can contribute to poorer outcomes for children and young people. Research has shown that children who live in persistent deprivation are: less likely to achieve academically; meet developmental milestones; experience poor health and are at higher risk of behavioural problems.

Throughout our strategic and multi-agency approaches, we will work to ensure the seamless delivery of children's services at all stages of child development and growth. The foundation of an individual's health and wellbeing is laid in

### PLACE BASED INDICATORS OF PROSPEROUS PEOPLE:





early childhood. The period from conception to 2 years of age is of critical importance in a child's development. Positive development during pregnancy and in the critical months post birth is essential for ensuring the best possible start. By reducing teenage pregnancies, maternal smoking and increasing breastfeeding rates, we will help ensure that children have the best opportunity to reach their developmental milestones.

Aberdeen City offers rich opportunities for all children and young people to achieve and become responsible, confident and contributing adults. Through implementing future focused engagement and participation strategies across Aberdeen City, we will continue to ensure that children and young people are respected and included citizens in their city.

## PRIMARY DRIVERS

In delivering this priority, we will focus our energy and efforts on working together to achieve the following primary drivers. These are the critical driving factors that our Integrated Children's Services Partnership believes need to be addressed to be successful in ensuring children are the future.

1. ***Children have the best start in life*** – children in Aberdeen City are healthy, happy and safe, and enjoy the best possible childhood
2. ***Children are safe and responsible*** – children and young people are safe from all forms of harm
3. ***Children are respected, included and achieving*** – children and young people are listened to, respected, valued and involved in the decision-making process

For each of these primary drivers we identify the underpinning primary and secondary drivers that the Partnership will focus on to deliver tangible improvement in these areas. The driver diagrams also identify the key measures that the Partnership will monitor to ensure it is having an impact.



### LEAD PARTNERS:

- Aberdeen City Council
- NHS Grampian
- ACVO
- Police Scotland
- Scottish Fire and Rescue Service

# 1. Children have the best start in life - children in Aberdeen City are healthy, happy and safe, and enjoy the best possible childhood

The period from conception through to age two is the most critical period in a child’s life. To ensure that children have the best start in life, their mother needs to be in good physical and mental health before and during pregnancy. During infancy and early childhood, children are flooded with new experiences that impact on their brain development, and there is an opportunity for us to support children to grow and to ensure that healthy and positive habits are formed from a young age.

## HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 2a

Primary Drivers	Secondary Drivers	Improvement Outcomes					Lead Partners
		Improvement measures and aims	Baseline	17/18	20/21	26/27	
We will expand and improve access to affordable childcare across the city	The expansion of early learning and child care; and out of school care	Increase number of available early learning and childcare places: City wide (aim to meet 100% of demand by 2020/21)	4402	5000	100%	100%	Aberdeen City Council NHS Grampian
	Ensuring continued quality of childcare provision	Aim to maintain % of Early Learning and Childcare Inspections at 100%	100%	100%	100%	100%	
		Increase Proportion of Positive inspection Outcomes (Quality Indicators)	91.4%	93.4%	100%	100%	
		Increased satisfaction of parents with ELCC services( proportion of parents surveyed indicating that they are ‘happy’ with the service)	90.1%	93.1%	100%	100%	
	Workforce development and expansion within early learning and childcare services	Improve Recruitment [Increase in number of staff entering early learning and childcare sector] Data based on a Training Needs analysis	1200	-	2400	-	
		Increase in number of staff undertaking qualifications to improve quality and meet SSSC					

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
		requirements: Support workers Practitioners Lead practitioners Managers	50% 86% 25% 19%	70% 90% 50% 50%	85% 95% 75% 75%	90% 95% 90% 90%	
We will expand supports for young Looked After Children and their families	Expansion of Me2 programme to support Looked After Children 2 year olds	Increase the no. of places available with a view to meeting 100% of demand	110	220	100%	100%	Aberdeen City Council NHS Grampian Sport Aberdeen
We will improve health supports and outcomes for families, children and young people	Alignment of policy and planning developments in line with the Healthfit 2020; ChildHealth 2020; and Health and Wellbeing local delivery plans.	Increase in % of babies exclusively breastfed at 6-8 week review	36.1%	-	46%	-	Aberdeen City Council NHS Grampian Sport Aberdeen
		Decrease in smoking during pregnancy (3 year rolling average)	14.1%	-	7%	-	
		Improvement in child dental health [% of P1 children receiving a 'low risk' letter from basic inspection]	67.2%	69.5% (Current Scottish rate)	77%	-	

## LOCAL SUPPORTING STRATEGIES

[Aberdeen City Council Parent Involvement Strategy 2014-2017](#)

[Aberdeen City Strategy for Autism 2014-2024](#)

[Aberdeen Community Learning and Development Plan 2015 - 2018](#)

[Aberdeen City Council Strategic Business Plan Refresh 2016/17](#)

[Integrated Children's Services Plan 2011-2015](#)

[Parenting Strategy 2012](#)

[NHS Grampian Local Delivery Plan 2015-2016](#)

## 2. Children are safe and responsible - children and young people are safe from all forms of harm

Everyone has a responsibility to keep children and young people safe from harm, and no single agency can do this alone. Children need to be kept safe from harm in order to thrive and reach important developmental milestones, and to ultimately become responsible and contributing citizens. Keeping children safe means more than ensuring their physical safety; looking after their emotional and mental well-being is equally important.

### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 2b

Primary Drivers	Secondary Drivers	Improvement Outcomes					Lead Partners
		Improvement measures and aims	Baseline	17/18	20/21	26/27	
We will ensure that children and young people are safe at home	Implementation of the Reclaiming Social Work	Reduce the number of young people in out of Authority Places (Definition of out of authority currently under review so please regard baseline as an estimate)	42	-10%	-25%	-90%	Aberdeen City Council Active Aberdeen Partners Police Scotland Scottish Fire and Rescue Service
		Ensure CP re-registration rates will be in line with the national average (rate per 1000 pop aged 0-16)	Ab: 3.3 Scot:2.9	-	-	-	
We will improve multi agency support for vulnerable children and young people	Implementation of Getting it Right For Every Child in line with the requirements of the Children and Young People (Scotland) Act 2014 including but not limited to GIRFEC Operational Guidance and training for the 3 <sup>rd</sup> sector	Increase in % of children's plans assessed as good (Currently in development)	TBC	-	100%	100%	Aberdeen City Council Active Aberdeen Partners NHS Grampian Police Scotland
		Monthly Reviews of Children's Plans	TBC	100%	100%	100%	
We will ensure all children and young people are supported to be responsible and contributing citizens	Improvements in early intervention supports for offenders/victims and parents	Reduce no. young people suspected/accused of multiple crimes	190	170	150	100	Aberdeen City Council AFC Community Trust Police Scotland Scottish Fire and Rescue Service Sport Aberdeen StreetSport Transition Extreme
		Reduce youth crime (No. of children accused/ suspected of offence)	652	587	457	326	
		Reduce exclusion rates (per 1000 pupils)	40	35	25	10	
		Increase no. young people engaged in diversionary activity programmes	TBC	+2%	+5%	+10%	

## **LOCAL SUPPORTING STRATEGIES**

[Aberdeen City Council Parent Involvement Strategy 2014-2017](#)

[Integrated Children's Services Plan 2011-2015](#)

[Parenting Strategy 2012](#)

[NHS Grampian Local Delivery Plan 2015-2016](#)

[National Guidance for Child Protection in Scotland 2014](#)

### 3. Children are respected, included and achieving - children and young people are listened to, valued, respected and involved in the decision-making processes in Aberdeen

Every child has a right to be treated with respect and dignity at all times, regardless of their age, gender, ethnicity or background. They all reserve the right to express their views on matters that directly affect them and to have those views listened to and considered. A child or young person who feels respected and included is one who is more likely to succeed in life. It is also important for children to feel that they are part of a supportive community that helps them to achieve their potential.

#### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 2c

Primary Drivers	Secondary Drivers	Improvement Outcomes				Lead Partners	
		Improvement measures and aims	Baseline	17/18	20/21		26/27
We will implement a city wide strategy to promote participation of children and young people and children's rights, in partnership with other services within and beyond the council, including Unicef UK	Implement relevant aspects of the Children and Young People's Rights and Participation Strategy	Number of School S&Q, VSE HMle reports identifying pupil participation as a key area of strength	TBC Dec 17	+10%	+20%	+50%	Aberdeen City Council ACVO (3 <sup>rd</sup> Sector)
	Promote Youth Democracy and Political Literacy, in accordance with ICS Participation Strategy	Increase no. of established forums whereby young people can participate in youth democracy	TBC Dec 17	+10%	+20%	+50%	
We will ensure that all children are supported to live and be educated in their local community	All young people with Additional Support Needs are educated in their local community in line with 'Aberdeen City Inclusion Review' recommendations	Percentage of pupils identified as having an additional support need educated in their local community.	80%	85%	95% or >	95% or >	Aberdeen City Council ACVO (3 <sup>rd</sup> Sector) NHS Scotland Police Scotland
		Reduction in Number of young People with ASN being transported	559	500	400	250	
		Decrease no. of LAC educated out with the local authority (snapshot June 16, subject to variances in total LAC population size)	232	200	100	50	
We will close the outcome gap for all children and young people	Partnership working to evaluate and deliver targeted support to schools and their local communities	Improve Proportion of Positive School Inspection Outcomes (Quality Indicators/ Primary and Secondary School Combined)	90%	93%	100%	100%	Aberdeen City Council NES College Police Scotland

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
		Reduce Attainment Gap between highest and lowest achieving 20% (Tariff Scores)	1752	1700	1600	1450	Universities
		Increased LAC Attainment (% of LAC achieving Literacy and Numbers at SQF Level 4 or above	28%	33%	50%	60%	
		% of teachers improving awareness of equality and diversity through CPD (Survey to be developed	Dec 2017	+10%	+10%	+10	
We will maximise the employment, education and training opportunities for all school leavers	Engage partners to expand and improve provision of post school learning and employment opportunities for young people	Increase in the proportion of young people entering positive destinations upon leaving school (follow up SLDR survey)	91.1%	93.1%	95%	97% >	Aberdeen City Council NES College Skills Development Scotland Universities
		Increase in the proportion of young people from deprived areas entering positive destinations upon leaving school (follow up SLDR survey)	82.6%	83.6%	85%	90%	
		Increase in % of young people progressing into a positive destination on completion of an Activity Agreement	77%	79%	82%	85%	
		Increase in the proportion of 16-19 year olds recorded as participating in education employment or training	91.0%	92.0%	94%	97% >	
		Increase in number of young people completing formal and informal Achievement Awards:					
		Formal (SQA Accredited)	365	401	587	800+	
		Informal (Non -Accredited)	713	784	1048	1500	

## **LOCAL SUPPORTING STRATEGIES**

[Aberdeen City Council Parent Involvement Strategy 2014-2017](#)

[Aberdeen City Strategy for Autism 2014-2024](#)

[Aberdeen Learning Strategy](#)

[Integrated Children's Services Plan 2011-2015](#)

[Parenting Strategy 2012](#)

[NHS Grampian Local Delivery Plan 2015-2016](#)

[Aberdeen City Council Strategic Business Plan Refresh 2016/17](#)

[Aberdeen Community Learning and Development Plan 2015 - 2018](#)



# PROSPEROUS PLACE

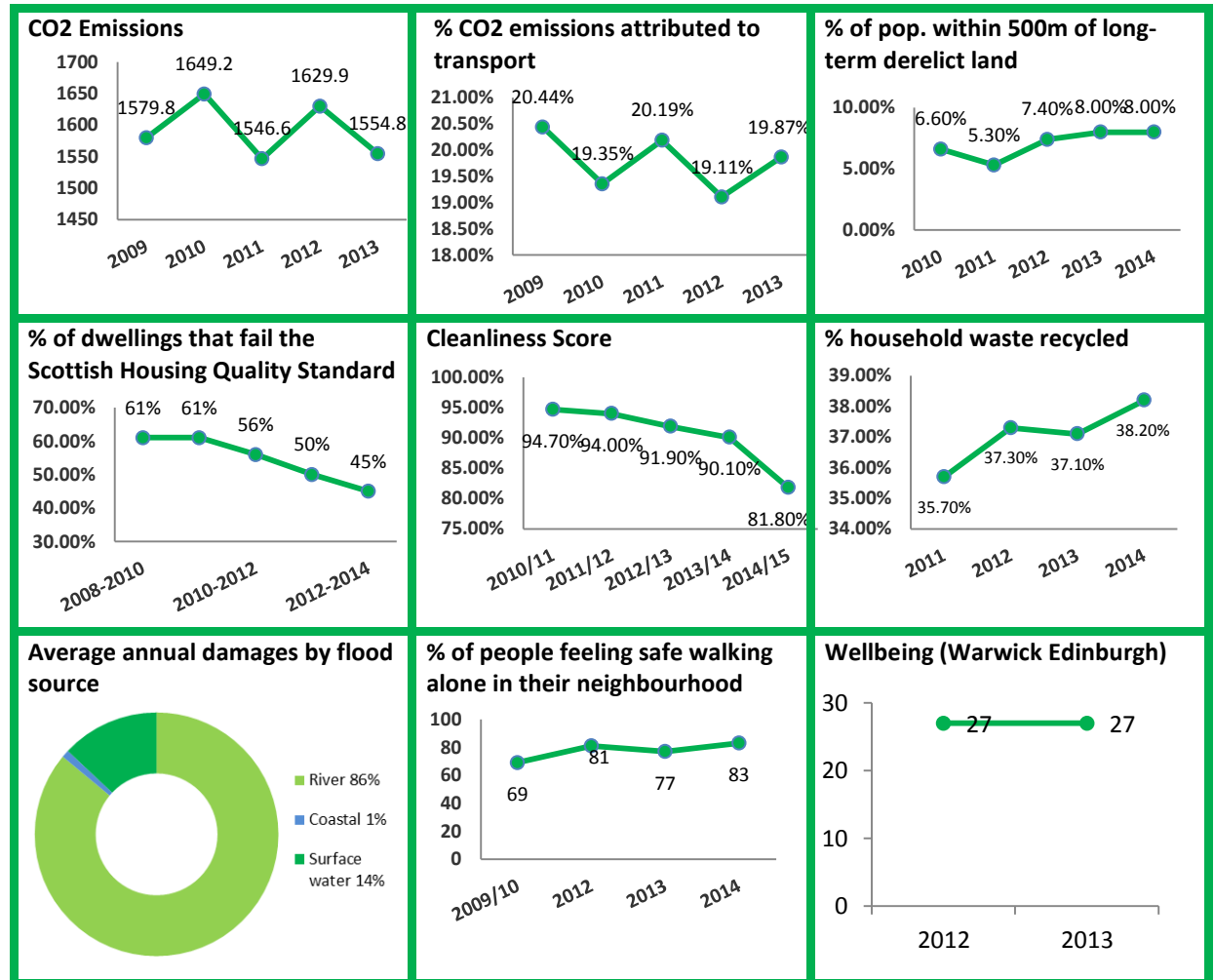
## EMPOWERED, RESILIENT AND SUSTAINABLE COMMUNITIES

The quality and design of a place can significantly influence the ability of individuals and communities to live in healthy, sustainable ways. Issues such as wellbeing and quality of life, physical and mental health, social and cultural life, the provision of quality sport and leisure facilities and open space, carbon emission and energy use are all influenced by the quality of the environment. Involving communities in the shaping of Aberdeen City will inspire people to collectively reimagine and reinvent the city as a place that contributes to their health, happiness, and wellbeing.

Embracing the opportunities presented by community empowerment legislation will enable communities to have a greater influence on their built environment and greenspace, and on the services delivered in their neighbourhood.

Everybody wants to live in a place where they feel safe. But safety is not just about being protected from crime and risk of accident. Aberdeen City holds approximately 80% of the flood risk within the North East of Scotland.

### PLACE BASED INDICATORS OF PROSPEROUS PLACE:



There are 5 areas within Aberdeen City that have been classified by the National Flood Risk Assessment as being potentially vulnerable to flooding. The main areas at high flood risk in Aberdeen are along the large watercourses, including the River Dee, River Don, the Denburn, and the coast and harbour-side area. The environment is integral to the quality of life enjoyed in Aberdeen City and is vital in encouraging the wellbeing of citizens. Aberdeen has an established green heritage and is held in high regard across the UK as an “in-bloom” destination. Good quality, attractive green spaces and air quality promote exercise and improve people’s health and overall quality of life.

Aberdeen’s booming economy in recent years has placed the city’s infrastructure below and above the ground under significant pressure and that infrastructure is now struggling to keep pace. Significant investment is required to improve infrastructure to ensure that the city remains an attractive and connected place to invest, live and visit and to maintain the region’s competitive advantage in the Future Cities era.

### PRIMARY DRIVERS

In delivering this priority, we will focus our energy and efforts on working together to achieve the following primary drivers. These are the critical driving factors that the Partnership believes need to be addressed to be successful in delivering a prosperous place.

1. *Safe and resilient communities - Aberdeen is a place where people are safe from harm*
2. *People friendly city - a city where people to choose to invest, live and visit*

For each of these primary drivers we identify the underpinning primary and secondary drivers that the Partnership will focus on to deliver tangible improvement in these areas. The driver diagrams also identify the key measures that the Partnership will monitor to ensure it is having an impact.



### LEAD PARTNERS:

- Aberdeen City Council
- ACVO
- Civic Forum
- NHS Grampian
- Police Scotland
- Scottish Fire and Rescue Service
- Sport Aberdeen

# 1. Safe and resilient communities - Aberdeen is a place where people are safe from harm

A fundamental sense of safety and wellbeing has the greatest impact on people’s lives and builds community empowerment and resilience. Preventing crime and antisocial behaviour continues to be a priority for partnership working, but climate change and extreme weather events also pose a significant risk of harm to our communities. Flooding is the most common issue facing Aberdeen, which bears 80% of the flood risk of the North East. Our joint approach to prevention, rescue and recovery is critical to minimise the risk of harm.

## HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 4a

Primary Drivers	Secondary Drivers	Improvement Outcomes					Lead Partners
		Improvement measures and aims	Baseline	17/18	20/21	26/27	
We will develop community and business resilience awareness as well as enhancing ability to respond	Raise awareness of Community Resilience across a range of community groups	Number of community groups that include Community Resilience within their local plans	TBC 2017	25%	50%	100%	Aberdeen City Council Police Scotland Scottish Fire and Rescue Service Scottish Water Scottish Environmental Protection Agency
	Assist Communities and Businesses to develop and maintain effective Resilience Plans	Increase no. of communities with Resilience plans in place	1	15	100%	100%	
		Assess effectiveness of community resilience arrangements through testing and exercising	1	15	100%	100%	
We will maintain resilient and effective Category 1 and Category 2 Responders (as defined by Civil Contingencies Act 2004)	Maintain resilience within and between Category 1 responders through partnership working and continuous assessment	Development of resilience self-assessment toolkit	Feb 2017				Aberdeen City Council Police Scotland Scottish Fire and Rescue Service Scottish Water Scottish Environmental Protection Agency
		Self-assessment and identification of recommendations for improvement	Apr 2017				
	Develop and maintain single and multi agency emergency plans and arrangements based on national, regional and local risk assessments	Maintain participation of all partners in Local Resilience Partnership groups and plans	100%	100%	100%	100%	

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
	Coordinated multi-sector response to adverse weather conditions through Community Action Days	No. of public sector organisations actively participating in Community Action Days	TBC	1	5	12	Aberdeen City Council ACVO Health and Social Care Partnership NHS Grampian Police Scotland Scottish Fire and Rescue Service
		Increase the no. of crises averted as a result of the visiting schedule picking up an immediate problem (no heating, electricity, water etc)	TBC	+10%	+30%	+70%	
We will prevent and reduce the incidence of crime, disorder and antisocial behaviour and tackle the underlying causes of such behaviour to ensure that Aberdeen is a place where people are, and feel, safe	Proactively investigate youth annoyance and antisocial behaviour	Reduce the number youth annoyance and antisocial behaviour incidents reported to: Council – Anti-social behaviour	3372	-1%	-5%	-10%	AFC Community Trust Aberdeen City Council Police Scotland Sport Aberdeen StreetSport Transition Extreme
		Police Scotland – Youth Annoyance	2213	-1%	-5%	-5%	
		Reduce number of persistent offenders involved in incidences of youth annoyance and anti-social behaviour:					
		Council – Anti social behaviour	74	-1%	-5%	-10%	
	Police Scotland – Youth Annoyance	60	-1%	-5%	-10%		
	Increase the no. of young people engaged in diversionary activity programmes who take on a coaching or volunteering role within their communities.	TBC	+2%	+5%	+10%		
	Educating Young People involved in youth annoyance to actively reduce the number of wilful fires in Aberdeen City	Reduce incidences of wilful raising through fire safety themed education and awareness sessions being delivered to schools in localities where respective incidents show greater prevalence	290	-1%	-5%	-10%	Scottish Fire and Rescue Service
	Promote fire safety in the home amongst the elderly and young alike	Increase partner referrals for home and fire safety visits around higher risk cases	529	+1%	+5%	+10%	Aberdeen City Council ACVO

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
		Maintain /Increase levels of home and fire safety education across primary schools (Absafe)	944	+1%	+5%	+10%	Health and Social Care Partnership NHS Grampian Police Scotland Scottish Fire and Rescue Service
		Maintain home fire safety visits including care and repair / home-check	2769	+1%	+5%	+10%	
	Develop a safe culture around alcohol consumption and its effect on the City and residents	Work in partnership to reduce the % of violent crimes* (Violent Crime* = All Assaults, Serious Assaults, Attempted Murder, Murder, Robbery and Assault with intent to rob. (inc. Emergency Service / Police Assaults)	24644	-1%	-10%	-7%	Aberdeen City Council ACVO Health and Social Care Partnership NHS Grampian Police Scotland Scottish Fire and Rescue Service
		Increase no. of participants in Best Bar None and Unight to promote responsible drinking: Best Bar None Unight	42 17				
	Raise public awareness around the issue and impact of Domestic Abuse to affect an increase in reporting and a reduction in incidences	Increase no. Awareness raising events tackling Domestic Abuse across Aberdeen City.	6	12	18	24	Aberdeen City Council ACVO Health and Social Care Partnership NHS Grampian Police Scotland Scottish Fire and Rescue Service
		Increase the number of referrals made through the Disclosure Scotland Domestic Abuse Scheme (DSDAS)	112	+1%	+5%	+10%	
		Monitor and reduce the number of domestic abuse incidents	2535	-	-2%	-5%	
	Develop enhanced partnership working to prevent and reduce crime of all types and the subsequent fear/perception of crime across Aberdeen City	Work in partnership to reduce all crime across Aberdeen City (Crime = All Group 1 (Violence), Group 2 (Sexual Offences), Group 3 (Crimes of Dishonesty), Group 5 (Other Crimes), Group 6	24644	-1%	-5%	-10%	Aberdeen City Council ACVO Health and Social Care Partnership NHS Grampian

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
		(Miscellaneous Crimes and Offences), Group 7 (Road Traffic Offences)					Police Scotland Scottish Fire and Rescue Service
		Increase % of people who feel safe in Aberdeen City (City Voice respondents)	83%	+1%	+4%	+7%	

### LOCAL SUPPORTING STRATEGIES

[Aberdeen City Waste Strategy 2014-2025](#)

[Aberdeen Local Development Plan 2016](#)

[ADP Alcohol Strategy 2009-19](#)

[ADP Drug Strategy 2011-21](#)

[Climate Change Study 2011](#)

[Local Housing Strategy 2012 - 2017](#)

[Local Transport Strategy 2016 - 2021](#)

[Nestrans Regional Transport Strategy 2013-2035](#)

[North East Flood Risk Management Strategy](#)

[Strategic Development Plan 2014](#)

[Strategic Housing Investment Plan 2015-2020](#)

[Sustainable Energy Action Plan](#)

## 2. People friendly city – a city where people to choose to invest, live and visit

As our population continues to grow and diversify, it is imperative that our city is built so it benefits people, the environment and the economy. This means building a city where all have the opportunity to enjoy the natural environment that can improve health, reduce stress and increase life expectancy. Preservation and enhancement of our environment is therefore vital to maintain social and economic wellbeing, as well as providing health, recreation and employment benefits to our communities.

### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 4b

Primary Drivers	Secondary Drivers	Improvement Outcomes				Lead Partners		
		Improvement measures and aims	Baseline	17/18	20/21		26/27	
We will be a city whose built environment is fit for keeping an ageing population safe and healthy and puts the child at the centre of design	Streets are designed with older people in mind to ensure 'walkability' of local neighbourhoods, particularly with regards to the provision of seating facilities to break up the pedestrian journey	Achieve Older people friend status using the Design of Streets with Older People in Mind Toolkit	TBC	60%	80%	100%	Aberdeen City Council ACVO Health and Social Care Partnership NHS Grampian Police Scotland Scottish Fire and Rescue Service Sport Aberdeen	
	Build a child friendly city to ensure that the best interests of the child is a primary consideration	Achieve UNICEF Child Friendly City status (pilot project, criteria to be confirmed)	TBC	60%	80%	100%		
		Increase % schools recognised by UNICEF as Rights Respecting School	TBC	+5%	+10%	+20%		
	Ensure that all areas of the City and everyone in our communities have access to opportunities to participate in a range of health and fitness activities	Reduce the % of inactive:	Adults	20%	20%	17%		15%
			children	TBC	15%	12%		8%
		Increase % uptake of recreational walking	62%	64%	66%	708%		
		Ensure all public swimming pools and fitness gyms are accessible for people with a disability	TBC	60%	70%	100%		
Sustainable food provision in Aberdeen, tackling food poverty, developing community food skills	Increase provision of meals provided during school holidays to children entitled to free school	TBC	25%	50%	75%	Aberdeen City Council ACVO		

Primary Drivers	Secondary Drivers	Improvement measures and aims	Baseline	17/18	20/21	26/27	Lead Partner
	and knowledge and delivering sustainable food provision	meals					Health and Social Care Partnership NHS Grampian Police Scotland Scottish Fire and Rescue Service
		Reduce no. of people affected by Household Food Insecurity	TBC	-10%	-25%	-60%	
		Increase provision of allotments and community food growing spaces	468	+1%	+10%	+25%	
We will create an attractive, welcoming environment in partnership with our communities	Creating a new place based community on a 3000 unit housing development, which includes a Learning Hub to deliver education, social and health, sports and leisure facilities for all ages	Improvement measures emergent – place shaping and planning by public partners is developing in a very different way from the past					Aberdeen City Council Health and Social Care Partnership NHS Grampian Police Scotland Scottish Fire and Rescue Service Sport Aberdeen
	Encourage communities to get involved in improving their local environment through friends of parks groups and environmental walkabouts	Increase in no. of people involved in friends of parks groups	TBC	+ 20%	+ 100%	+ 200%	Aberdeen City Council
		Increase in no. of people involved in environmental walkabouts	TBC	+ 20%	+ 100%	+ 200%	
		Increase in number of asset transfer requests	TBC	1	2	3	
		Maintain level of Britain in Bloom or Beautiful Scotland awards achieved	Gold	Gold	Gold	Gold	
		Increase number of 'It's your neighbourhood' awards achieved'	5	5	7	12	
		Increase in volunteers involved in Britain in bloom and other environmental opportunities	TBC	+ 20%	+ 100%	+ 200%	



## LOCAL SUPPORTING STRATEGIES

[Accelerate Aberdeen: Super-connected Cities Programme](#)

[Local Transport Strategy 2016 - 2021](#)

[Strategic Development Plan 2014](#)

[City Centre Masterplan 2015](#)

[Local Development Plan 2016](#)

[Local Housing Strategy 2012 - 2017](#)

[Nestrans Regional Transport Strategy 2013-2035](#)

[Strategy for an Active Aberdeen 2016-2020](#)

# ENABLING TECHNOLOGY

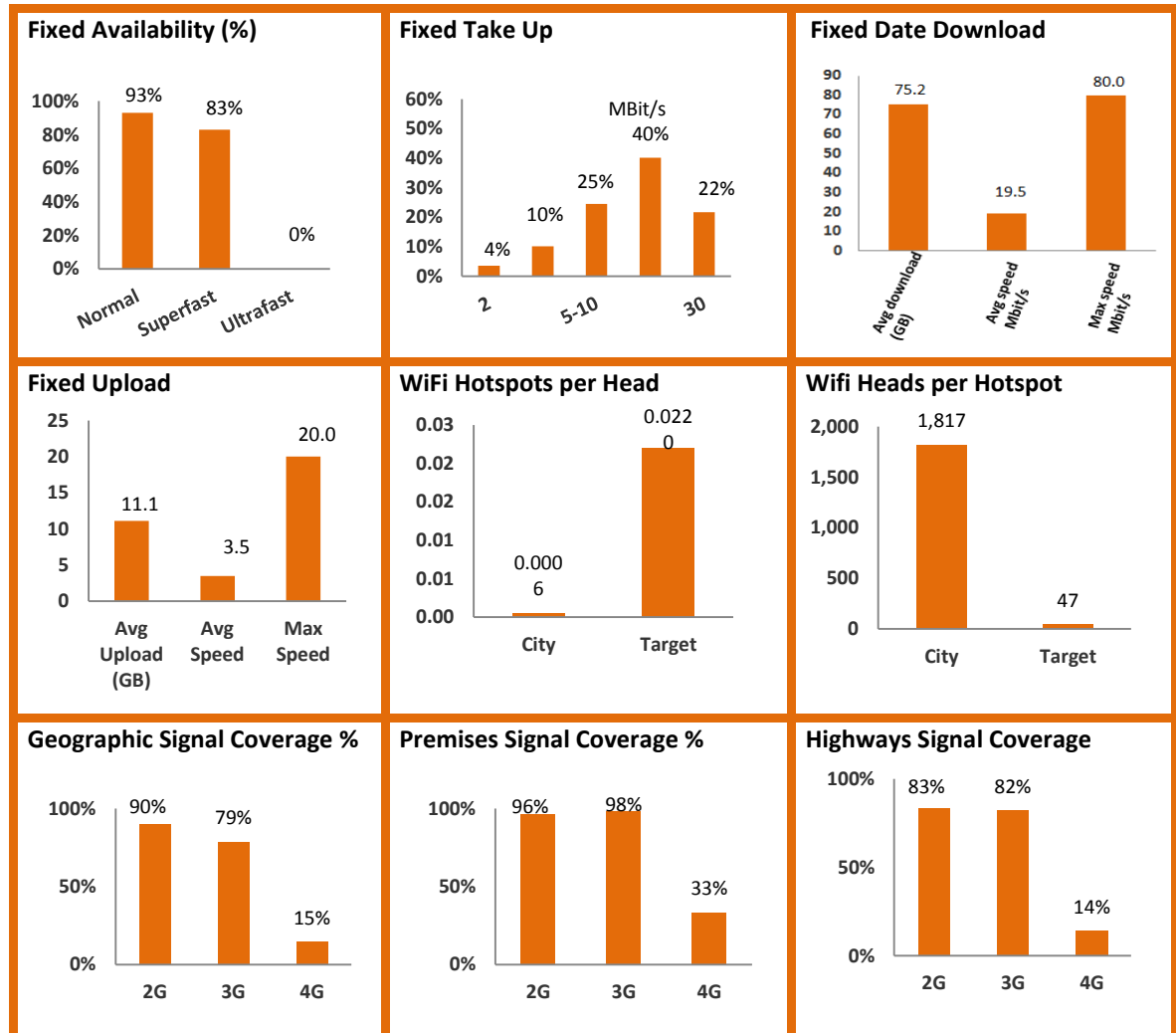
## CREATING A DIGITAL PLACE

Digital technologies are part of daily life for the significant majority of people and businesses. We pay for shopping and do our banking online; communicate and share with family, friends and business associates using video or social networks; and book cinema tickets from our mobile devices while sitting in cafes.

Digital technologies are transforming how we deliver public services, allowing communities to engage in different ways and providing more opportunities for businesses.

A key to this is world class connectivity. As the indicators opposite show Aberdeen is behind the best connected regions for most indicators. Through this plan we will address this shortfall. We will also exploit the use for data, stimulate innovation and ensure that our people have digital skills.

### PLACE BASED INDICATORS OF THE SMART CITY REGION:



## PRIMARY DRIVERS

In delivering this priority we will focus on the following primary drivers. These are the factors that the Partnership believes will create a truly digital place.

1. **Digital Connectivity** – *Provide the first-class, fixed and mobile digital connectivity necessary for the economy to grow, communities to prosper, and for government and citizens to interact.*
2. **Data** - *Work collectively to develop and implement a common, data-driven approach to decision-making that will both protect communities and enable prosperity.*
3. **Digital Innovation** – *Aberdeen City is the location of choice for businesses to develop in digital innovation, supported by academic and public sector activity.*
4. **Digital Skills and Education** – *Aberdeen City invests in education in cutting edge digital skills and knowledge, from primary school to post-graduate research, and supports citizens and our workforce to apply this to daily life.*

For each of these primary drivers we identify the underpinning primary and secondary drivers that the Partnership will focus on to deliver tangible improvement in these areas. The driver diagrams also identify the key measures that the Partnership will monitor to ensure it is having an impact.



### LEAD PARTNERS:

- Aberdeen City Council
- Aberdeenshire Council
- Aberdeen University
- ACVO
- Moray Council
- Robert Gordon University
- NHS Grampian
- Nestrans
- Police Scotland
- Scottish Government
- Scottish Futures Trust
- Scottish Fire and Rescue Service
- Transport Scotland
- Visit Scotland

## 1. Digital Connectivity – providing the first-class, fixed and mobile digital connectivity necessary for the economy to grow, communities to prosper, and for government and citizens to interact

High speed, ubiquitous connectivity is at the heart of building a smart city and supporting communities. Ensuring that communities and businesses can access ultrafast fibre and world class wireless is critical to prosperity and protection in the city.

### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 5a

Primary Drivers	Secondary Drivers	Improvement Outcomes				Lead Partners	
		Improvement measures and aims	Baseline	17/18	20/21		26/27
We will ensure businesses, citizens, the public and third sectors have access to the ultrafast fibre broadband	Provide citizens and visitors with the opportunity to connect easily from their homes or other locations	% of households have superfast broadband.	83%	95%	100%	100%	Aberdeen City Council Scottish Government UK Government
		% Businesses have access to ultrafast broadband.	0%	20%	100%	100%	
	Ensure that businesses can prosper through better connectivity	Attract public and private sector investment in digital infrastructure	0%	£10m	£15	£35m	
We will ensure businesses, citizens, the public and third sectors have access to quality Wi-Fi and wireless connections	Citizens and visitors need good connections to enhance their experience of city	% of free Wifi across the city	0%	20%	100%	100%	Aberdeen City Council
	Businesses and public sector providers rely on wireless connections to provide services.	% coverage of boosted 4G coverage and 5G capability across the city.	33%	60%	100%	100%	
	Public sector needs a means to capture data to deliver high quality services and protect its citizens	% of city with sensor network to capture data and run CCTV	0%	20%	100%	100%	

## 2. Data – work collectively to develop and implement a common, data-driven approach to decision-making that will both protect communities and enable prosperity

Public sector partners do not use data consistently well to understand service delivery, develop policy, and drive operational efficiencies. We all need to improve our data quality, apply standards for its collection, recording and storage, and implement the means to share data securely. We can then apply data science techniques so that we can understand complex inter-connectedness of service provision, predict demand and impact, and rationalise how we collaborate for outcomes, and develop policy, at a city regional level.

### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 5b

Primary Drivers	Secondary Drivers	Improvement Outcomes				Lead Partners	
		Improvement measures and aims	Baseline	17/18	20/21		26/27
We will share data across public sector partners in order to deliver services and protect citizens	Ensure that there are common standards across public sectors organisation	Secure internationally recognised standards accreditation		Dec 17			Aberdeen City Council NHS Grampian Police Scotland Aberdeenshire Council
	Provide a secure shared data platform for use by all partners and businesses	Deliver a regional data platform		Dec 17			
We will use data to enable evidence based business and policy decisions of Community Planning Aberdeen	Build data analytics capability within the community planning partnership to exploit city data platform	Number of employees across the CPP with a high level of analytical skills	0	10	20	30	Aberdeen City Council Aberdeen University Robert Gordon's University

### 3. Digital Innovation – Aberdeen City is the location of choice for businesses to develop in digital innovation, supported by academic and public sector activity

Aberdeen will develop as a city which is known for excellence in digital innovation. This will build on existing skills and capacities, and will involve all actors in the city. This programme will have an ambitious span: from designing the urban environment to developing solutions to address the challenges of tele-medicine for an aging population, from involving citizens in the co-design of digital services based on open data, to harnessing opportunities presented by Internet of Everything (IoE), to creating living labs which test solutions to complex interconnected issues over longer timespans.

#### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 5c

Primary Drivers	Secondary Drivers	Improvement Outcomes				Lead Partners	
		Improvement measures and aims	Baseline	17/18	20/21		26/27
Grow a digital economy to support both public sector challenges and private enterprise.	Grow a substantive digital economy within the city	Number of digital start ups	42	50	70	100	Aberdeen City Council Open Data Institute Aberdeen
	Establish the right environment to exploit digital opportunities	Number of living labs across the city	1	3	10	20	
Support community capacity building through the use of technology	Enable citizens to be supported in their own homes through telecare	% increase in citizens receiving care in the home.	5%	10%	30%	70%	Aberdeen City Council NHS Grampian Scottish Centre for Telehealth and Telecare Scottish Fire and Rescue Service
	Develop a state of the art dashboard to provide community with information on assets, alerts, groups and networks	Dashboard fully operational		Dec 17			
	Develop applications that can be used to help those most in need	Number of community applications released each year	0	5	10	20	

## 4. Digital Skills and Education – Aberdeen City invests in education in cutting edge digital skills and knowledge, from primary school to post-graduate research, and supports citizens and our workforce to apply this to daily life.

It is essential to the city’s future that our citizens, workforce and decision makers have the skills and confidence to exploit digital technologies, make intelligent decisions, and interact using modern tools and platforms.

### HOW WILL WE DRIVE THIS FORWARD?

Driver Diagram 5d

Primary Drivers	Secondary Drivers	Improvement Aims				Lead Partners	
		Improvement measures and aims	Baseline	17/18	20/21		26/27
All employees, managers, elected officials, and management boards of our organisations will have the skills	Need to ensure that all public sector employees have the right skills to work in a modern business environment	% of public sector employees with a standards level of digital skills	5%	10%	30%	90%	Aberdeen City Council Aberdeenshire Council NHS Grampian
Students and school leavers are provided with access to digital skills, and the means to raise their digital literacy	All public sector partners will develop opportunities for placement for students in ICT, Data Science and related disciplines and encourage skills transfer	% of school leavers and students who have high levels digital skills	TBC	40%	80%	100%	Aberdeen City Council NESCOL The Robert Gordon University Aberdeen University Data Lab
Our citizens will have access to learning opportunities to develop their digital skills, digital literacy, and data literacy	We will work with the 3 <sup>rd</sup> sector to plan a comprehensive range of adult training	% of citizens who feel comfortable using digital tools	TBC	15%	50%	90%	Aberdeen City Council Silver Surfers ACVO NES College

# HOW WE WILL DO OUR BUSINESS

## **Community engagement and building our asset base**

Our ambition is to support the achievement of better outcomes for all. Improvement is about people – their lives, aspirations, skills and talents – and we recognise people as our most valuable asset. In different communities across Aberdeen, assets range from skills and knowledge to local clubs, groups and informal community networks. Effective engagement with people and communities about how local services are planned and delivered is integral to how we will deliver this plan. We will finalise our Community Empowerment, Engagement and Participation Strategy to ensure the Partnership is united in its approach to working with people to help them achieve their aspirations for our communities.

## **Evaluation and performance management**

Ultimately, improving outcomes will be the test of our success. We have included a carefully chosen list of performance measures within this document. However in some areas, for example the early years work, the results may take up to five years to demonstrate success in achieving longer term significant outcomes. It is therefore critical that we use evidence based self-evaluation to ensure we are measuring the impact and outcomes we are having in taking forward this plan. As part of our performance management arrangements we will produce an annual performance report detailing progress against this plan.

## **Sharing and using data**

Joining up public sector data is critical to making service delivery more efficient, more cost-effective and to help serve our customers better. It will enable us to design and deliver new services, realign and reform how we deliver existing services and cease providing services that are no longer fit for purpose. When data is used effectively, everyone benefits.

We are committed to making data more openly available to others. By allowing others to access 'our' data, we will have a better understanding of the impact of our joint interventions and the collective difference we are making to achieving better outcomes for our people and communities.

## **Joint resourcing**

CPA is the only strategic forum where partners in Aberdeen are able to jointly plan how to deploy collective resources to achieve the agreed priorities set out in the Local Outcome Improvement Plan (LOIP). CPA will develop its approach to joint resourcing to ensure the LOIP is the focal point for the planning and deployment of resources locally and share budget, investment and resource planning information through the CPP. However, the CPP does not replace or override the formal governance and accountability arrangements of partner bodies.

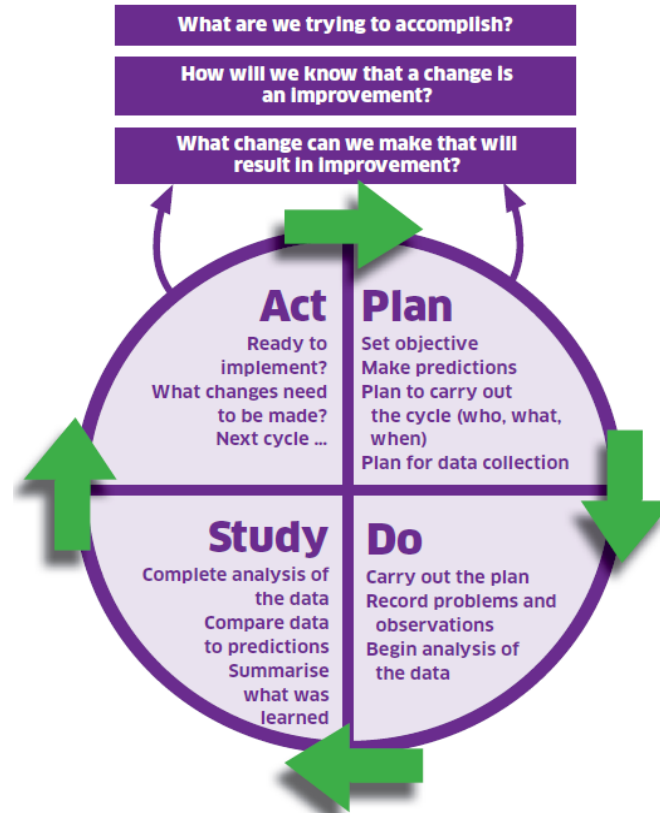


### Improvement and innovation

It is proposed that CPA will adopt the Model for Improvement for driving improvement activity across the Partnership. It is a structured approach to improvement which can be used for any area of business and is designed to break down change into manageable chunks. Each small part is then tested to make sure that the things we are aiming to improve are actually improving. Adapted by the Institute of Health Improvement (IHI) for the Scottish Government, it has been widely used to deliver improvements in the NHS and is currently being rolled out across local government; specifically in the area of Early Years. Aberdeen’s Integrated Children’s Services Partnership has a number of improvement projects underway using this methodology.

### Equality

A central theme of this Local Outcome Improvement Plan is a commitment to tackling the inequalities that exist within our society as a result of socio-economic disadvantage. People can also face barriers because of their race, gender, age, disability, sexual orientation or religion or belief. In delivering this plan, the Partnership will seek to tackle inequality in the city in whatever form it manifests itself, through clear and coordinated approaches.



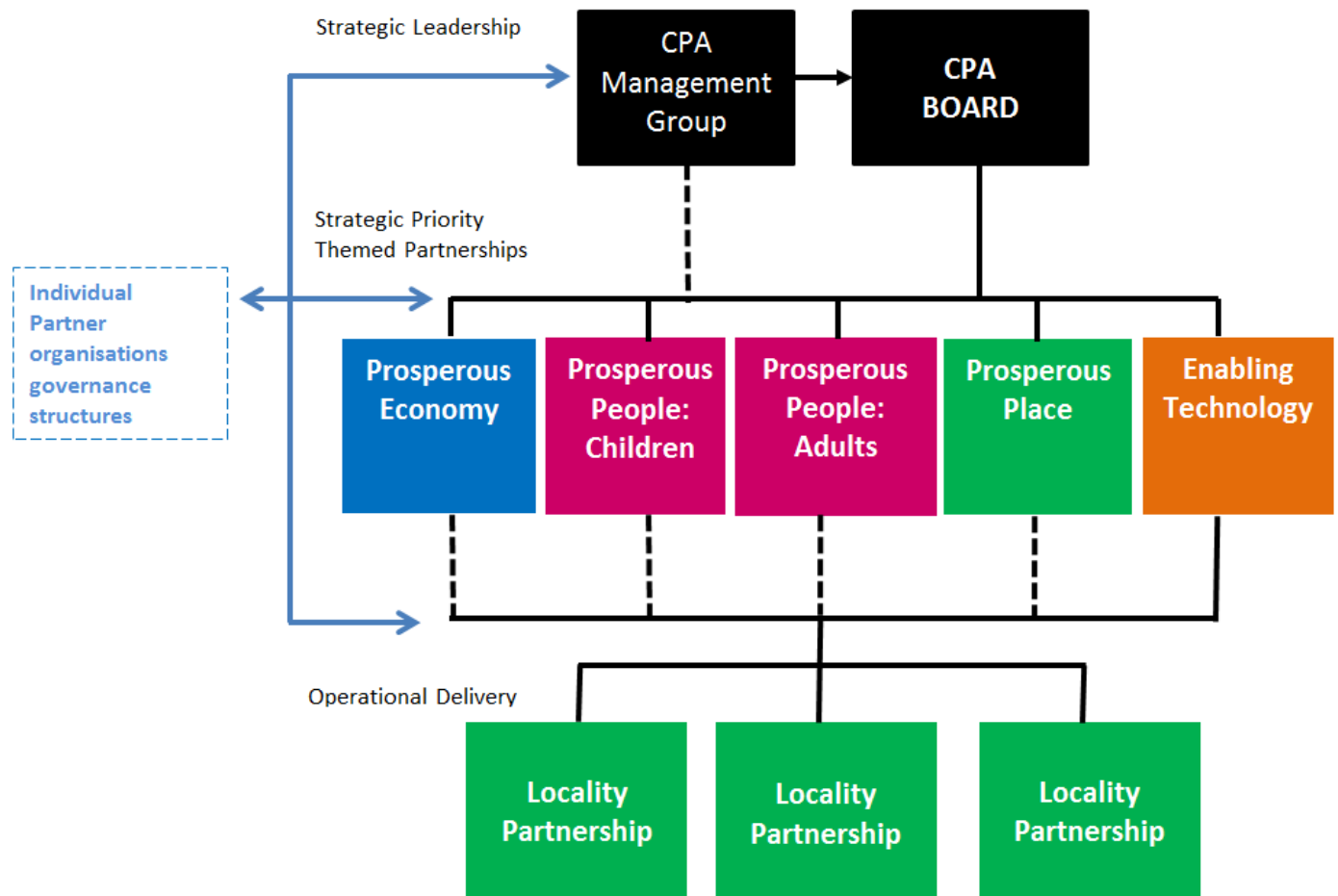
# GOVERNANCE AND ACCOUNTABILITY

Community Planning Aberdeen is at a turning point in terms of structural change and is undertaking a comprehensive review of how we are organised to deliver.

Strong leadership will continue to be provided by the Community Planning Aberdeen Board and Management Group.

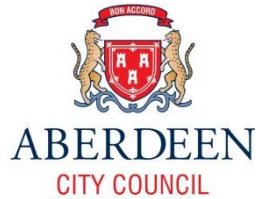
The diagram to the right illustrates the Partnership's intention to create five strategic level partnerships which will support and be accountable to the Board and Management Group for delivery of the priorities identified within this plan.

Locality Partnerships will also be established to ensure that critical outcomes are being achieved for our most disadvantaged communities in Aberdeen.



# ENDORSEMENTS

This document is endorsed by the following Community Planning Partners:



FOR FURTHER INFORMATION CONTACT:

Community Planning Team

Email [communityplanning@aberdeencity.gov.uk](mailto:communityplanning@aberdeencity.gov.uk)  
Visit [communityplanningaberdeen.org.uk](http://communityplanningaberdeen.org.uk)  
Phone Michelle Cochlan, Community Planning Manager  
01224 522791

## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	17 August 2016
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Governance Review – Bridge of Don Trust and Other Trust Reorganisations.
REPORT NUMBER	CG/16/095
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

The purpose of this report is to put forward proposals for the reorganisation of the Bridge of Don Trust (SCO18551) managed by the Council within a charitable trust, propose a grant from this trust towards Thomas Glover House and to provide information on the ongoing charity reorganisation. The aim is to:-

- a) Maximise the funds available for expenditure on charitable purposes;
- b) Comply with the requirements of the Office of the Scottish Charities Regulator (OSCR) ; and
- c) Advise on any areas management action.

### 2. RECOMMENDATION(S)

It is recommended that the Council :-

- a) Adopt the constitution shown at Appendix A for the future operation of the Bridge of Don Trust.
- b) As trustee of The Bridge of Don Trust agree to make a grant of £150,000 from Trust funds to Thomas Glover House.
- c) Confirm the appointment of the Head of Finance as treasurer and the Head of Legal and Democratic Services as secretary to the Bridge of Don Trust.
- d) Instruct that officers continue to work with the Office of the Scottish Charity Regulator (OSCR) on the reorganisation of the charitable trusts.

### 3. FINANCIAL IMPLICATIONS

The Bridge of Don Trust has accumulated surplus cash. This report recommends that £150k of these trust funds be used for a grant towards the renovation and redevelopment of Thomas Glover House in line with the new charitable purpose of the advancement of heritage.

Draft 2015-16 accounts for all charities which have Aberdeen City Council as the sole trustee were reported to the Audit, Risk and Scrutiny Committee of 27 June 2016.

### 4. OTHER IMPLICATIONS

4.1 Every charity has to be managed within existing charity legislation to maximize funds available for expenditure on charitable purposes. This report is part of that management framework and has been produced to provide an overview of the current and planned position of creating a governance environment that will maximize funds available for charitable purposes.

4.2 Council will be aware that a wider Governance Review is underway to assess our arrangements against CIPFA's 7 principles of good governance. A review of trusts supported by the Council is included in the review, which will be supported by CIPFA. Further reports will be brought to Council as this stream of work develops.

### 5. BACKGROUND/MAIN ISSUES

5.1 The Bridge of Don Trust was established in the 16th century to fund and maintain a bridge across the River Don. When this trust was established the maintenance of bridges was a charitable purpose. The Charities and Trustee Investment (Scotland) Act 2005 (the "2005 Act") does not recognise bridge maintenance as a charitable purpose. Under the Roads (Scotland) Act 1984 the maintenance of bridges is the duty of the local council or in the case of bridges forming part of trunk roads, Transport Scotland has that duty.

5.2 OSCR have taken the view that within the 2005 Act, the advancement of heritage best reflects the original trust purposes of the Bridge of Don Fund given the passage of time that the trust has existed and the changes to charity legislation. OSCR have agreed that the advancement of heritage can be applied to the whole City of Aberdeen as the Bridge of Don was for the benefit of the entire city.

5.3 The Bridge of Don Trust does not currently have a governing document that both reflects recent charity legislation and the modern charitable purpose of the advancement of heritage. OSCR has given approval to the draft constitution shown in Appendix A.

- 5.4 Thomas Glover House in Bridge of Don was the family home of the Glover family. Thomas Glover is recognized as a major influence on the industrialisation of Japan. Glover House is currently managed by the Grampian Japan Trust and the trust plans to renovate and redevelop the house which will include a heritage centre focusing on the history of Thomas Glover and his links with Japan.
- 5.5 Work is ongoing with the charity re-organisation. The Bridge of Dee Trust will be subject to the next re-organisation application to OSCR requesting that the trusts fund be transferred to the Bridge of Don Trust to be used for the same charitable purpose – the advancement of heritage. Work is ongoing on drafting a revised constitution for the Guildry and the Educational Endowment Investment Fund.
6. IMPACT

**Improving Customer Experience –**

Active management of the Council’s trusts will maximise funds available for expenditure on trust purposes.

**Improving Staff Experience –**

Management initiatives, such as trust reorganisation, have been successful in minimising the administrative burden of the charitable trusts.

**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. Trust funds must be spent on specific purposes and the ongoing trust reorganisation aims to maximise available funds to be expended on trust purposes.

**Corporate -**

Aberdeen the Smarter City:

*Smarter Governance (Participation)*

The ongoing charity reorganisation contributes to the process of Smarter Governance.

*Smarter Living (Quality of Life)*

Trust fund expenditure contributes towards the 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

None.

8. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

James Hashmi  
Reporting & Monitoring Manager  
[jhashmi@aberdeencity.gov.uk](mailto:jhashmi@aberdeencity.gov.uk)  
01224 346400



Aberdeen City Council, the Local Authority for Aberdeen in terms of the Local Government, etc. (Scotland) Act 1994, and having its principal office at Marischal College, Broad Street, Aberdeen AB10 1AB is the trustee of the Bridge of Don Fund (the "Trust").

The Trust (constituted and defined by a Charter of Mortification (an endowment) in 1605 by Sir Alexander Hay of Whitburgh and amended by an Act of Parliament passed in 1825) is registered with OSCR with charity reference number SC018551.

This Trust Deed is a replacement and restatement deed, in order that the trust be reorganised in line with Section 39 of the Charities and Trustee Investment (Scotland) Act 2005, by an application to OSCR for a variation to the constitution.

(One) appoint as trustee ourselves (who and whose successors are referred to as "the Trustee")

### **Trust purposes**

- 1 The Trustee shall hold and apply any such funds and assets as may from time to time be comprised in the Trust Property, in trust to advance heritage.
2. The expenses of creating and administering the Trust, and any tax payable in relation to the Trust, shall be met in priority to all other payments and transfers of assets out of the Trust Property.

### **Powers**

3. In the administration of the Trust, the Trustee shall, in addition to the powers and rights which are conferred by law upon trustees who are acting without remuneration, have the fullest powers with regard to investment, sale, administration and management of the Trust Property as if it was owner; in particular (but without limiting the scope of the powers which it may exercise under the preceding provision), the Trustee shall have the following powers:-
  - (a) To expend the whole assets of the Trust for the Trust Purposes.
  - (b) To carry on any other activities which further any of the Trust Purposes.
  - (c) To take such steps as may be deemed appropriate for the purpose of raising funds.
  - (d) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
  - (e) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the Trust's Purposes.
  - (f) To purchase, take on lease, hire, or otherwise acquire, any property or rights.
  - (g) To improve, manage, develop, or otherwise deal with, all or any part of the Trust Property.

- (h) To sell, let, hire out, license, or otherwise dispose of, all or any part of the Trust Property.
- (i) To borrow money, and to give security in support of any such borrowings by the Trust.
- (j) To employ such staff as are considered appropriate for the proper administration of the Trust or for the proper conduct of the Trust's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants.
- (k) To engage such consultants and advisers as are considered appropriate from time to time.
- (l) To effect insurance of all kinds (which may include officers' liability insurance).
- (m) To invest any funds which are not immediately required for the administration of the Trust or for the Trust's activities, in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
- (n) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the Trust Purposes.
- (o) To form any company which is a charity with objects which are similar (wholly or in part) to those of the Trust, and, if considered appropriate, to transfer to any such company (without any payment being required from the company) the whole or any part of the Trust Property.
- (p) To retain any property comprised in the Trust Property for such time as the Trustee thinks proper.
- (q) To have any part of the Trust Property registered in the name of a nominee and to pay reasonable fees to such nominee.
- (r) To compromise or settle by arbitration all disputed claims by or against the Trust or the Trust Property.
- (s) To appoint solicitors to the Trust or agent for the Trustee in any other capacity, and to pay to such solicitors or other agent his/her/their usual charges.
- (t) To reimburse the Trustee out of the Trust Property, in relation to all expenses reasonably incurred by him/her in the administration of the Trust.
- (u) To wind up the Trust.
- (v) To do anything which may be incidental or conducive to the furtherance of any of the Trust Purposes.

#### **Procedure at Trustee's meetings**

4. Subject to the provisions of the following paragraphs, the Trustee may regulate the proceedings as it thinks fit.

## **Delegation**

5. The Trustee may delegate any of its powers to any committee consisting of one or more representatives of the Trustee; any such delegation of powers may be made subject to such conditions as the Trustee may impose, and may be revoked or altered.

## **Remuneration**

6. No Trustee may serve as an employee (full-time or part-time) of the Trust, and the Trustee shall not be given any remuneration by the Trust for carrying out its duties as a trustee.

## **Secretary**

7. The Trustee shall appoint a secretary to the Trust for such term, at such remuneration (if any), and on such conditions, as the Trustee may think fit; and any secretary so appointed may be removed by them.
8. The Trustee shall ensure that the secretary:
  - (a) keeps proper minutes of all proceedings at any meetings of the Trustee (and at meetings of committees of the Trustee) including the names of the committee members present at each such meeting
  - (b) keeps proper records and documents in relation to all other matters connected with the administration and management of the Trust.

## **Accounts**

9. The Trustee shall appoint a treasurer to the Trust for such term, at such remuneration (if any), and on such conditions, as the Trustee may think fit; and any treasurer so appointed may be removed by them.
10. The Trustee shall ensure that the treasurer:
  - (a) maintains proper accounting records, in accordance with all applicable statutory requirements.
  - (b) shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if the Trustee otherwise think fit, the treasurer shall ensure that an audit of such accounts is carried out by a qualified auditor.
11. An accountant engaged in an audit of the Trust's accounts shall be entitled to have access to all accounting records and other documents relating to the Trust.

## **Operation of bank accounts**

12. The signature of a Signatory is required in relation to all cheques issued by the Trust and all other operations (excluding lodgement of funds) on the bank and building society accounts held by the Trust.

## **Payments to charities etc**

13. The receipt of the treasurer or other appropriate officer for any funds or other assets paid or transferred by the Trustee to any charity shall represent sufficient discharge to the Trustee.

#### **Limitations on liability**

14. The Trustee shall not be liable for loss or depreciation of the value of investments retained or made by it, nor for omissions, nor for neglect in management, nor for insolvency of debtors, nor for the acts, omissions, neglect or default of one another or of any banker, solicitor, factor or other agent employed by them.

#### **Conduct of Trustee**

15. The Trustee shall, in exercising its functions as a trustee of the Trust, act in the interests of the Trust; and, in particular, must
  - (a) seek, in good faith, to ensure that the Trust acts in a manner which is in accordance with its objects (as set out in this Trust Deed)
  - (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person
  - (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the Trust and any other party
    - (i) put the interests of the Trust before that of the other party, in taking decisions as a Trustee
    - (ii) where any other duty prevents it from doing so, disclose the conflicting interest to the Trust and refrain from participating in any discussions or decisions involving any other Trustees with regard to the matter in question
  - (d) ensure that the Trust complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

#### **Amendment of Trust Deed/winding-up**

16. If in the opinion of the Trustee any change in circumstances or alteration in the law has made or is likely to make execution of the Trust Purposes impossible or impracticable, or if in the opinion of the Trustee the administration of the Trust could be improved, or the Trust Purposes be advanced in a more appropriate manner, or the Trust purposes have been fulfilled, the Trustee may (subject to clauses 17 and 19) in their discretion,
  - (a) supplement or amend the provisions of this Trust Deed or any deed supplemental to this trust deed provided always that such supplement or amendment to the purposes is consistent with the spirit of Trust Deed ; or
  - (b) wind up the Trust and (if applicable) transfer the Trust Property (after settlement of all debts and liabilities) to some other charity or charities having similar objects to those of the Trust.
17. In no circumstances is the Trust Property to be held or applied for any purpose which is not an exclusively charitable purpose.

## Interpretation

### 18. In this Trust Deed

“charity” shall mean a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts;

“charitable purpose” shall mean a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts” ;

“Signatory” means an employee of the Finance department of the Trustee authorised to sign on behalf of the Trustee by the Treasurer of his delegate;

“Treasurer” means the Head of Finance of the Trustee;

“the Trust Deed” means this trust deed (including any supplementation or amendment effected in accordance with the provisions of clauses 30 and 31);

“the Trust Property” means any such funds and assets as may from time to time be received by the Trustee as trustee under the Trust Deed (from us or any other person), and the assets in which any funds so received may from time to time be invested.

“the Trust Purposes” means the purposes specified in clause 1.

19. Any reference in this Trust Deed to a provision of any legislation shall include any statutory modification or re-enactment of that provision in force from time to time.

We declare that the Trust shall be irrevocable.

This Trust Deed, consisting of this and the 5 preceding pages, is executed as follows:-

SIGNED by the said Aberdeen City Council

At Aberdeen on

in the presence of

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## ABERDEEN CITY COUNCIL

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COMMITTEE	<b>Council</b>
DATE	<b>17 August 2016</b>
DIRECTOR	<b>Gayle Gorman</b>
TITLE OF REPORT	<b>Corporate Parenting: Annual Update 2015 - 16</b>
REPORT NUMBER:	<b>ECS/16/034</b>
CHECKLIST RECEIVED	<b>Yes</b>

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

- 1.1 The purpose of the report is to provide an annual update to Elected Members on the progress of the implementation of the corporate parenting responsibility, for the benefit of looked after children and care leavers within Aberdeen.
- 1.2 Implementation of corporate parenting is also reported through both the Achieving and Respected & Included Outcome Groups to the Integrated Children's Services Board and the Community Planning Partnership.

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

- 2.1 It is recommended that Council:
  - (i) Note the Action Plan for the development of the Champions Board.
  - (ii) Instruct officers to report back on the further implementation of the corporate parenting responsibility to Council in 2017.
  - (iii) Continue to be proactive in promoting the corporate parenting agenda in Council business.
  - (iv) Continue to support and invest in the Council's Family Firm opportunities.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications for the revenue or capital budget at this time.
- 3.2 However, with regard to developing opportunities for care experienced young people through the associated Family Firm policy, a business proposal was approved at Education & Children's Services SMT in February 2015 to allow funding from within existing budgets for 40 care experienced young people to participate in the Keen4Work 12 week work experience opportunities. As described below, this funding supports the

Keen4Work project in partnership with Action for Children to provide intensive support for those participating in Keen4Work. This initiative is jointly funded with contributions from Inspire Scotland and the EU.

- 3.3 With regard to developing Aberdeen City's corporate parenting Champion's Board a proposal was submitted to attain funding from the Life Changes Trust. As highlighted below, £219,117 funding has been granted to allow for the development of the Champions Board over three years.
- 3.4 Corporate parenting duties included in Part 9 of the Children & Young People (Scotland) Act 2014 Act came into force on 1<sup>st</sup> April 2015. These duties are designed to ensure that the attention and resources of various publicly funded organisations are explicitly focused on the task of safeguarding and promoting the wellbeing of looked after children, young people and care leavers. This Part extends the duties of corporate parents and the reporting responsibilities of local authorities. Aberdeen City Council now has a duty to report to Ministers every three years on how it is meeting its corporate parenting responsibilities detailed in the Act.
- 3.5 In November 2015, guidance<sup>1</sup> was published by CELCIS (Centre for Excellence for Looked After Children in Scotland) to assist the implementation and enactment of the duties included in Part 9. CELCIS are providing ongoing support to local authorities to deliver on their increased responsibilities. The CELCIS guidance supports corporate parents through a six-step process to ensure successful implementation of Part 9. No additional costs were identified in relation to the delivery of corporate parenting reports.

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

- 4.1 There are no legal, resource, personnel, property, equipment, sustainability and environmental, health and safety and/or policy implications and risks relating to this update.

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

- 5.1 Corporate parenting refers to the collective responsibility of the Council, its community partners and other public bodies to provide good parenting for our looked after children and care experienced young people. By ensuring that the needs of our looked after children and care experienced young people are being met they will achieve positive outcomes irrespective of their care experience.
- 5.2 The term *looked after children* (LAC) is the legal term used in the legislation to describe children and young people who have experience of

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<sup>1</sup> [https://www.celcis.org/files/8014/4829/6138/Corporate\\_Parenting-Enabling\\_implementation\\_Part\\_9.pdf](https://www.celcis.org/files/8014/4829/6138/Corporate_Parenting-Enabling_implementation_Part_9.pdf); further implementation notes can be found at <https://www.celcis.org/knowledge-bank/spotlight/implementing-corporate-parenting-duties/>



being in care. In recent years, the term *care experienced young people* (CEYP) is increasingly being used nationally to describe looked after children and young people as well as care leavers.

- 5.3 We currently have 569 looked after children between the ages of zero to eighteen years old. The number of looked after children in Aberdeen City has gradually decreased over the past year. Following the Children & Young People (Scotland) Act 2014 Act research was undertaken on how many children would be potentially eligible for support under Section 9. On the 1<sup>st</sup> April 15 there were 881 young people aged between 16 – 21 years with carer experience<sup>2</sup>. Of these, 29 were currently looked after. They included 148 sixteen year olds; 150 seventeen year olds and 579 eighteen to twenty-one year olds. Of the 881 young people, Children's Social Work were actively working with 135, with 75 having allocated social workers. Please see Appendix 1 for further details of Aberdeen City's looked after and care experienced population.
- 5.4 With the new legislation, Aberdeen City Council, like other local authorities throughout Scotland, has a duty to provide support, advice and guidance to children who are looked after and specified young people leaving care, up to their 26<sup>th</sup> birthday. The increase in numbers of those young people and care leavers entitled to support from the local authority over the next few years, highlights the need to have meaningful intervention, change and opportunities to ensure that they have positive outcomes and are supported to be successful learners, confident individuals, responsible citizens and effective contributors. The Act also extends the range of public bodies required to act as corporate parents as well as introducing new responsibilities on corporate parents to plan and collaborate to promote the wellbeing of care experienced young people. The Act requires local authorities to develop a corporate parenting plan detailing how it intends to deliver on its responsibilities. The action plan for the development of the Champions Board and associated areas provides the basis for Aberdeen City Council's initial corporate parenting plan.
- 5.5 In advance of the introduction of the recent legislative responsibilities, the Aberdeen City Council corporate parenting policy 2012 - 15 provided a clear framework for identifying specific actions and interventions to close the outcome gap between looked after children and care leavers, and their peers. The focus of the policy was to improve their educational attainment and achievement; enable them to take up and sustain positive post-school destinations in education, employment and training; reduce their involvement in the criminal justice system; reduce levels of homelessness for care leavers; and to help them live full and healthy lives.
- 5.6 Part of the corporate parenting policy included the introduction of the Family Firm policy that underlined the Council's commitment to creating and developing training, work experience and employment opportunities for care experienced young people.

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<sup>2</sup> This number includes every child we have ever looked after for a minimum of two years. Not all of these young people will meet the eligibility criteria or wish to take up a service.

5.7 Following the expiry of the previous policy this report highlights our corporate parenting achievements over the last twelve months and details next steps and actions that will be undertaken over the forthcoming year.

## **5.8 Life Changes Trust Funding**

5.8.1 In 2015 Aberdeen City participated in a competitive three stage application process to receive funding from the Life Changes Trust to help further develop our Champions Board and associated activities. The Life Changes Trust is an independent Scottish charity established with a Big Lottery Fund with endowment of £50 million to improve the lives of two key groups in Scotland: care experienced young people and people affected by dementia.

5.8.2 The application process included a self-assessment as well as an intensive residential that helped to inform the final bid for the funding and was led by Children's Social Work in collaboration with partner agencies.. It also helped us produce an ambitious action plan for both developing the Champions Board and consolidating corporate parenting duties over the next three years<sup>3</sup>.

5.8.3 We are delighted to advise that in April, this year, it was announced that Aberdeen City Council was being awarded funding from the Trust. Aberdeen is one of eight local authority areas receiving funding to support or establish a Champions Board. A total of £2 million has been awarded to Aberdeen, East Lothian, East Renfrewshire, Renfrewshire, Dundee, Falkirk, Highland and Dumfries and Galloway. Aberdeen will receive £219,117 contribution from the Life Changes Trust over three years which will be further boosted by contributions from partners.

## **5.9 Champions Board**

5.9.1 Aberdeen City's corporate parenting Champions Board was established in 2013 and held its inaugural meeting in January 2014. It was based on what has become known as the 'Dundee model'. Champions Boards are relatively new in Scotland but are proving to be an extremely effective opportunity for young people to articulate the challenges that being in care can bring and how these challenges can be faced and overcome with the right support.

5.9.2 In 2015 the Board was under review whilst the application was submitted to the Life Changes Trust. Following the announcement in April this year the Champions Board has regrouped and work has begun to develop the future direction of the Champions Board and the roles and responsibilities of each Champion.

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<sup>3</sup> Please see the *Champions Board Action Plan 2016 – 2018*, available in the Member's Library.

- 5.9.3 The three year Champions Board action plan details the strategy for our local corporate parents to build on young people's participation and to ensure that it is making a meaningful contribution to improving outcomes for individual young people. Future plans include the appointment of an Advocacy & Participation Worker in partnership with Who Cares? Scotland; the development of a participation group; the appointment of care experienced Development Assistants; the introduction of individual grants for young people; and the development of a website for all looked after children and care experienced young people.
- 5.9.4 The Champions Board is scheduled to meet quarterly. It is currently comprised of looked after young people, elected members and Chief Officers from Aberdeen City Council, Police Scotland, NHS Grampian and the Third Sector. The membership includes new organisations and following the announcement of funding from the Trust there is a renewed enthusiasm to take forward the Champions Board work. Members fully understand that by their authority they can make effective and meaningful change to the services that affect our looked after children and young people. The membership will need to be expanded to include representatives of those groups to which the corporate parenting duty was extended in the 2014 legislation, for example higher education and the Scottish Fire and Rescue Service.
- 5.9.5 The Champions Board is next scheduled to meet once the Advocacy & Participation Worker who will be employed by Who Cares? Scotland has been appointed. Previously sustaining participation from young people at Champions Board meetings had been a challenge and it is hoped that the new Advocacy & Participation Worker will help empower and enable those who are looked after or had experience of care to share their views and issues with the Board. The Advocacy & Participation Worker will hopefully support the establishment of a consistent cohort of young people to help lead the Champions Board.
- 5.9.6 The format of the Champions Board meetings will be reviewed with a focus on removing the barriers faced by young people taking part. Future areas of focus will be determined by the young people, supported by the Advocacy & Participation Worker.

## **5.10 Young People's Participation**

- 5.10.1 The former YPPG (Young People's Participation Group) was established at the same time as the Champions Board with the aim that young people, supported by the Council's Children's Rights Officer, would identify and present areas for service development, review or redesign. It proved difficult to establish a consistent group of young people to attend Champions Board meetings and as a result it has proved difficult for a balanced and aggregated view to emerge.
- 5.10.2 Alternative activity approaches to encourage participation were trialled. Building on from the enthusiastic response from the October 2014 events a summer programme of events was arranged for July 2015. These events were relatively well attended and provided views to inform service development but were unfortunately not any more successful in

consolidating a group of young people. The experience from these will also help inform the 2016 Cromdale first annual residential detailed below.

- 5.10.3 As stated above the Advocacy & Participation Worker will hopefully support the establishment of a consistent cohort of young people. By spending more time building relationships with young people and in supporting them to attend and join in the Champions Board's activities, our aim is that young people will over time have the confidence to engage with and lead the Board in its direction. It is proposed that there will be two groups one for under 12s and the other for over 12s. The young people will provide their views on issues that matter to them; this will also include their ideas on how to progress areas of change.
- 5.10.4 The recent changes in Children's Social Work as part of the implementation of Reclaiming Social Work has seen two full-time Children's Rights Officers being appointed. This increase from one part-time worker previously provides for more looked after children and young people to have their needs met and views heard. Children's Rights Officers continue to attend resident's meetings in Aberdeen City Children's Homes to ascertain the views of looked after young people. Along with this, they advocate for and represent children and young people accommodated across the whole of the country, in placements varying from secure accommodation and residential schools to foster and kinship placements. The Children's Rights Officers are also involved with their colleagues from various parts of Children's Services in implementing positive change such as the review of the Secure Procedure policy.
- 5.10.5 The Children's Rights Officers are also working closely with young people and our partners to develop a website specifically for Looked After Children, again funded through the Life Changes Trust. This website is being developed with SHMU (Station House Music Unit) and includes input from the Virtual School Head Teacher and the LAC Teacher as well as from residential services and the Youth Team. The website is scheduled to be launched in autumn of 2016.
- 5.10.6 As part of the Action Plan the Children's Rights Officers are supporting the development of individual grants for care experienced young people together with ACVO, the Third Sector Interface for Aberdeen City, who will be actually managing the grants. Individual grants will be awarded on a case by case basis and will look to actively involve young people setting the criteria and making the decisions.
- 5.10.7 The Children's Rights Officers are also taking forward the implementation of the Development Assistant posts and will retain line management responsibilities for the care experienced young people who will be recruited to these posts. From the experience of developing the Life Changes Trust application we want to keep the momentum going and encourage more young people to be involved in the Champions Board. We recognise the importance of continued evaluation so that the Champions Board is meeting the young people's ongoing needs. As part of this Development Assistants would speak to other young people to gather their views on an ongoing basis. Development Assistants will be employed in part-time opportunities and it is hoped that they will be approachable and easy to speak to so that they can talk with other care

experienced young people and provide peer support and mentoring.

- 5.10.8 Included in the action plan, and building on from the previous experience of activities and the residential which was part of the Life Changes bid process, is a week-long residential that is being organised with Adventure Aberdeen and will be held at Cromdale in the autumn. This first annual residential will look to prepare young people to engage with the Champions Board and move the focus away from individual experiences. The residential will look to promote leadership skills; build relationships; develop confidence; increase communication; encourage team work and build the young people's understanding of the Champions Board. It will be attended by Development Assistants and hopefully by members from the newly developed participation group and the Champions Board itself.
- 5.10.9 Following the previous involvement of a group of young people in the recruitment of Children's Right's Officers and the Head of Children's Social Work position another cohort of young people helped with the recruitment of the two full-time Children's Rights Officers earlier this year. The young people provided their own questions and had the opportunity to interview the candidates and their feedback contributed to the final decision on which candidates were appointed.
- 5.10.10 For the academic year 2016-17 the members of the LAC group at Northfield Academy have returned to their mainstream educational classes focussing on gaining qualifications at National 4 and 5. One member of the LAC group has become the Aberdeen's Young Ambassador for Inclusion; young people who face barriers to education are given a voice at a national level to help make a significant impact in raising awareness of the issues around additional support needs and inclusive education.
- 5.10.11 The Aberdeen's Young Ambassador for Inclusion group are working together to share views and experiences of inclusive education and act as a 'voice' at a national level. As a member of the group, each Ambassador participates in national meetings and shares the work of the group in their school and local authority area, and work to take forward the outcomes of national meetings. The Ambassador from the LAC group is keen to find out the views on inclusion of P7 - S3 pupils in Aberdeen City. In order to help with this task, they have produced a video clip explaining what is needed. There was also a link to a survey monkey questionnaire available. The Ambassador has recently applied for and secured a role in school as a Prefect and has been nominated for the Inspirational Young Person Award at the Aberdeen Children and Young People Service Awards which will take place later in 2016.
- 5.10.12 In addition to this work and in partnership with the City Council's Youth Work in schools team there is currently a care experienced young person taking part in a Keen4Work work experience placement. Given the low number of potential participants in the LAC group there are no plans to deliver a group in the coming academic year, although this will be reviewed as and when the need arises.

## **5.11 Raising Awareness**

- 5.11.1 The corporate parenting agenda is both a Council and public authority wide commitment and inspires enthusiasm from all directorates. However, corporate parenting training sessions continue to be provided internally to specific teams or individuals.
- 5.11.2 The continued support that corporate parenting receives from the Council leadership has contributed to the momentum that, for example, continues to create work experience placements as part of our Family Firm policy. The Family Firm policy has helped raise awareness of the corporate parenting responsibilities amongst staff who would not otherwise be aware of them.
- 5.11.3 Aberdeen City Council continues to work closely with a range of partners to raise awareness of corporate parenting. Whether this be sharing corporate parenting action plans and strategies; participation in multi-agency meetings and events; or sharing resources for the benefit of care experienced young people.
- 5.11.4 Aberdeen City Council and its partners send practitioners to attend networking and information sessions hosted by the Scottish Government or national organisations about corporate parenting. Aberdeen City Council works closely with other local authorities and its partners to improve the lives of our looked after young people. For example, work experience programmes for looked after young people; new psychoactive substances (NPS) training; and cultivating better relationships with uniformed services such as the police in order to create more positive perceptions of our looked after young people.
- 5.11.5 A draft corporate parenting online interactive learning (OIL) course had been developed in 2015 and was due to be launched in the autumn 2015. However, due to the change of staff, the OIL course is now being reviewed and further developed by Bon Accord Care. The aim is to re-launch this in the autumn at the same time as the Keen4Work re-launch. The OIL course will be mandatory for all Council staff and ways are being sought to make the course available to its partners who have corporate parenting duties.
- 5.11.6 Practice Improvement Sessions held within Children's Social Work in late 2015 and may 2016 have also helped raise awareness of new throughcare as well as corporate parenting responsibilities, including information on the Dolly Parton's Imagination Library, detailed below, and Kinship Care.

## **5.12 Positive Destinations /Children'**

- 5.12.1 Aberdeen Guarantees continues to aid the work being done to prevent vulnerable young people falling into negative destinations. Aberdeen Guarantees is the commitment of Aberdeen City Council and its partners to provide education, training or employment to all those aged 14 - 25 years within the city. It represents the collective efforts of the public,

private and third sector in assisting and enabling young people to progress towards employment.

- 5.12.2 Aberdeen Guarantees is a significant resource used by the professionals working with care experienced young people in getting them into positive destinations.
- 5.12.3 Activity Agreements continue to be vital in developing the skills of some of our care experienced young people. The Activity Agreements team provides support for children and young people in their transition journey from school to employment. There were 90 young people supported in Activity Agreements in 2015/16 with 74% achieving positive progressions into either employment; training; or education. This is higher than the national average of 74%. Looked after children and care experienced young people represented 31% of their cohort. The Activity Agreement team will refer suitable care experienced young people to the Keen4Work programme.
- 5.12.4 The work experience unit that deals with all school work experience placements continues to offer extended work experience as part of the City Campus initiative. These are open to all children who are at risk of negative destinations and are tailored around the needs of the child.
- 5.12.5 The latest data set for 2014/15<sup>4</sup> is continuing to show improvement in looked after children's attainment, leaver destinations, attendance and a decline in exclusions. The data shows that 69% of looked after children achieved positive destinations compared with 40% in 2009/10 and exclusions are down to 218 per 1000 looked after pupils compared with 360 in 2009/10. Although, the outcomes for looked after children are showing gradual improvement, work continues to reduce the number of exclusions and minimise the attainment gap for this vulnerable group. It is encouraging that the Children and Young People (Scotland) Act 2014 has enabled a wider range of corporate parents to become involved in supporting looked after and care experienced young people on their journeys to adulthood.
- 5.12.6 The development of the Virtual School is intended to help address the educational needs of looked after children. The Virtual School Head Teacher was appointed in November 2015. The core purpose of the role is to support improvements in the educational progress and attainment / achievement of all children looked after by the authority, including those that have been placed in schools in other authorities. The role will evolve as we establish and evidence what makes a difference to our children in Aberdeen City.
- 5.12.7 Children who are part of the Virtual School remain the responsibility of the school at which they are enrolled. The Virtual School is a term time provision and an organisational tool which has been created for the effective co-ordination of support for this vulnerable group at a strategic and operational level. The key responsibilities are:
- To ensure that there are systems at school and authority level to rigorously track and monitor the attainment of children who are

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<sup>4</sup> Education Outcomes for Looked After Children 2014/15, <http://www.gov.scot/Publications/2016/06/7455/0>

looked after.

- To support multi-agency working to ensure that effective plans are in place that support access to appropriate and timely support for children who are looked after and that are in line with the Children and Young People's Act 2014.
- To champion the educational needs of looked after children across the authority and those placed out-of-authority (linking with schools, partnership working within the authority and across authorities as well as links with parents / carers).
- To provide support and advice to schools and services and to be an advocate for children and young people who are looked after.

5.12.8 The LAC Teacher continues to work closely with our care experienced young people, their social workers and carers to improve their educational attainment and attendance. The LAC Teacher also advises other education or social work staff about the additional support that young people may require to succeed in education or in a work experience opportunity. Training about looked after children and their education continues to be delivered to class teachers, designated managers for looked after children, adoptive parents and foster carers, trainee teachers and pre-school workers.

5.12.9 Educational psychology and the LAC Teacher have been involved in the Permanence & Care Excellence (PACE) project, detailed below. This involvement has meant that these children's educational needs are assessed at an earlier stage by educational psychology. This early assessment enables effective planning to support their educational needs, to commence sooner if required. An Education Guide for Adoptive Parents and Foster Carers is being developed and will undergo a trial using improvement methodology. Initial feedback from the adoptive parents in the trial indicates that the information was "positively useful". It is envisaged that this information will be made available on the new LAC website.

5.12.10 Another incentive that will contribute to the long term positive outcomes for children is the implementation of the Dolly Parton's Imagination Library. Dolly Parton's Imagination Library is a monthly book gifting for looked after children aged 0 – 5 years. It is supported by the Dollywood Foundation and the Scottish Book Trust. Aberdeen City Council are joining all other Scottish local authorities by offering these books to looked after children under 5 years. The books are a fantastic opportunity for our looked after children and contribute to them having the best start in their early years. The books also help promote sharing of books; the development of speech, language and communication; and positive attachments.

5.12.11 Along with the implementation of the Dolly Parton's Imagination Library Aberdeen City Council have worked closely with the Scottish Book Trust to have Book Bug At Home training delivered to practitioners within Children's Social Work. This attachment based training builds on existing knowledge and offers a variety of tools that practitioners can use in their work with families. The training will help practitioners support families to share books and will contribute to positive attachments between families



as well as increasing the confidence of parents and carers to share books with their children. In addition, there are plans to have “Seekers and Referrers” training for practitioners, delivered by the Adult Learning team. This training will help practitioners identify and signpost those parents and carers presenting with adult literacy concerns to get appropriate support. The first books from the Dolly Parton’s Imagination Library will be received by looked after children in August 16.

5.12.12 Children’s Social Work are leading on the Permanence and Care Excellence (PACE) programme, which began in March 2014 and aims to reduce drift and delay for looked after children in achieving permanence. The PACE programme has been operating in Aberdeen City for the past two years. This multi-agency programme is supported by the Scottish Government and CELCIS. During this time a number of changes, across all agencies, have been made to the permanence planning process which have individually and collectively contributed to significant improvement in reducing delay and drift experienced by children in their journey to achieving permanence. The improvement work in Aberdeen, has been a flag ship for other local authorities working to reduce drift and delay for looked after children. The Scottish Government produced a short video of Aberdeen’s PACE work that can be viewed via the Scottish Government website<sup>5</sup> - <https://vimeo.com/144868345>

5.12.13 PACE uses the model for improvement; to strengthen and build on existing services and enable us to test, measure, implement and scale up new ways of working. At a national level there is a move to align PACE along with several other children’s improvement programmes, including Early Years Collaborative and Raising Attainment for All. The new national stretch aims will provide a measurable framework and there is a commitment to further promote the ‘all teach/all learn’ approach. This is an opportunity for practitioners from across Scotland to listen, to share, to observe and to gather knowledge from each other to take back to the workplace.

### **5.13 Family Firm**

5.13.1 Over the past year the Family Firm opportunities have focused on the development of Keen4Work. Keen4Work had emerged from a pilot work experience undertaken by two care experienced young people within Building Services, at Kittybrewster in 2014.

5.13.2 In 2015 Aberdeen City Council entered into a joint venture with Action for Children to deliver the Keen4Work programme part funded by Inspire Scotland and the EU. It allows for 40 young people per year to take part in the programmes and will offer intensive support tailored to the needs of the individual young person throughout their employment journey. For example, from pre-programme stage into a sustained economic destination.

5.13.3 The three year service agreement between Aberdeen City Council and

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<sup>5</sup> Information regarding PACE can be found on the Scottish Government website at <http://www.gov.scot/Topics/People/Young-People/protecting/lac/pace>

Action for Children was concluded at the end of 2015 with Action For Children formally starting in 2016<sup>6</sup>. Action for Children currently have one manager and two young people's practitioners for the Keen4Work programme. The young people's practitioners act as mentors to deliver support and co-ordination of the work experience programmes. A third practitioner will take up post in the near future.

- 5.13.4 Keen4Work offers a 12 week (two days per week) supported work experience opportunity alongside an SCQF Employability Award qualification. These placements which are non-employment training opportunities can be matched with the interests of the young person. This allows them to both experience the working environment and to help them to develop transferrable knowledge and skills. Young people are expected to be at stage three on the Employability Pipeline prior to commencing a work experience placement thus ensuring that they are being set to succeed on the programme. Where a young person is not ready, young people's practitioners can work with them to develop the necessary skills and knowledge to progress. Referrals are accepted from care experienced young people aged 16 – 26 years.
- 5.13.5 Keen4Work has three operational strands; referrals; placements; and mentoring/support. Referrals are received and co-ordinated within Children's Services; placements are sought and provided through the Council's work experience unit; whilst the mentoring and support for young people is provided by Action For Children. The young people are supported to be ready for the work experience and can be supported into sustained positive destination. Action For Children also provides support to the staff taking on the young person for work experience.
- 5.13.6 Keen4Work continues to encourage closer working links with our partners. Skills Development Scotland continue to provide support to our young people through job coaches and provide a vital function within the Keen4Work process; especially with regard to informing decisions and forward planning with our young people.
- 5.13.7 Since July 2014 there have been seven intakes on the Keen4Work programme. The spring 2016 cohort saw four young people on placements whilst the summer intake is due to begin in July 2016 with eight young people. A re-launch of Family Firm is planned in the autumn. This will showcase the work that has been done and include young people who have completed the programme. The aim is to have 40 young people annually supported through Keen4Work.
- 5.13.8 The North East Developing the Young Workforce Corporate Strategy<sup>7</sup> published in February 2016, provides a three year strategic strategy for the direction of the Developing the Young Workforce initiative and a strong framework under which to operate. Developing the Young Workforce refers to a seven year programme that aims to better prepare children and young people for the world of work. The initiative was formed following the Wood Commission for Developing Scotland's Young Workforce report that provided 39 recommendations. Recommendation

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<sup>6</sup> Please see the Keen4Work Service Agreement 2016, available in the Member's Library.

<sup>7</sup> Please see the *Developing the Young Workforce, North East Scotland, Corporate Strategy, February 2016*, available in the Member's Library.

37 focuses on care leavers and recommends that “education and employment transition planning for young people in care should start early with sustained support from public and third sector bodies employers available throughout their journey toward and into employment as is deemed necessary.

- 5.13.9 The previous focus of Family Firm was on creating two year internship opportunities for care experienced young people. These were full time positions with the goal of encouraging the young person to gain employability skills whilst furthering their education and/or training. The internship programmes have had mixed success due to a variety of reasons but not limited to, structure; individual skills and knowledge; and interests.
- 5.13.10 In future, the plan is to provide equality of opportunity for a Modern Apprenticeship with the Council, for care experienced young people as part of the Young People’s Employment Strategy<sup>8</sup> being developed by Human Resources, in place of further internships.
- 5.13.11 The Young People’s Employment Strategy was drafted in early 2016 and is currently being considered by Corporate Governance. The drive for the Young People’s Employment Strategy is for the Council to contribute to a development plan to provide opportunities for work experience and employment for minority and disadvantaged young people, such as care experienced young people, young carers, young people with additional support needs and minority ethnic groups. This is an exciting proposal and would firmly consolidate Aberdeen City Council’s commitment to the city’s young people; including the additional provision for care experienced young people.
- 5.13.12 It would be a prerequisite that care experienced young people interested in a Family Firm Modern Apprenticeship will have completed the Keen4Work programme. This will give a good indication that the young person is ready to take up Modern Apprenticeship by demonstrating commitment, ability, skills, and knowledge within a work environment. This will help to address some of the issues that care experienced young people have faced in sustaining these opportunities.
- 5.13.13 Family Firm opportunities are interlinked with the aim of Aberdeen Guarantees in promoting positive destinations to the most vulnerable groups at risk of negative destinations. In developing Family Firm opportunities the links and communication to the Aberdeen Guarantees team has proved vital in getting the right opportunity for the right young person. In addition, Family Firm opportunities are advertised and included on the Aberdeen Guarantees website.

## **5.14 Communities, Housing & Infrastructure**

- 5.14.1 The joint working protocol between the former Social Care and Well-being Directorate and Communities, Housing and Infrastructure

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<sup>8</sup> Please see the *Young People’s Employment Strategy*, Aberdeen City Council, 2016, available in the Members Library

Directorate ensures that young people preparing to leave care receive an effective assessment for the allocation of appropriate housing. This ensures a planned move on for the individual and where possible, avoids the need to resort to homelessness legislation.

- 5.14.2 Data captured since 2012, shows that a total of 27 individuals have moved into a permanent mainstream tenancy and of these 20 remain in the tenancy allocated.
- 5.14.3 Since January 2015 there are nine individuals in supported accommodation provided by the housing support. Of these, one is placed in a long term supported accommodation project (The Foyer) and five have moved from a looked after care placement into their own accommodation without support. The Communities, Housing and Infrastructure Housing Support Service and the Education and Children's Services Youth team meet monthly to review cases and ensure that plans are in place at appropriate times to support individuals to move on and receive support to enable tenancy sustainment.
- 5.14.4 The joint working Housing Options Protocol for young care leavers, which has been in place since late 2011, is currently being reviewed. Part of the review aims to identify improved joint working for individuals who are not classed as 'looked after children' but who are vulnerable young people between 16 and 18 years old and who are still in education.

## **5.15 Wellbeing and Health**

- 5.15.1 A joint working arrangement with NHS Grampian ensures that all looked after children and young people have access to health assessments and a GP. The NHS Grampian Looked After Children team (NHSG LAC team) report that 100% of all children and young people who are looked after and for whom information is forwarded to them continue to be offered an assessment. In 2015, 85% of all children and young people who were looked after and for whom the relevant information and consent was received had health assessments carried out. The team actively contact parents, kinship carers, foster carers and key workers to help facilitate LAC Health assessments being carried out.
- 5.15.2 The NHSG LAC team are currently in discussion with members of the CAMHS team around the assessment of LAC/YP mental health. For example, during 2015, improvement methodology was used to carry out a test of change using strength and difficulties questionnaires (as advised in the Scottish Government's Guidance on Health Assessments for Looked After Children and Young People in Scotland<sup>9</sup>) which suggested that further questions need to be asked. A further test cycle, using the Plan Do Study Act approach will be carried out after the school summer holidays and further discussions will take place with CAMHS professionals.

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<sup>9</sup> *Scottish Government's Guidance on Health Assessments for Looked After Children and Young People in Scotland*, May 2014, <http://www.gov.scot/Resource/0045/00450743.pdf>

## **5.16 Next Steps**

- 5.16.1 The priority is the development of the Champions Board. The action plan identifies specific tasks under five themes; participation; Champions Board; leadership; sustainability; and learning and improvement. Each of the themes have targets that contribute to the main drivers of the theme. Individuals and teams are identified as having responsibility for specific tasks. By working together the tasks included in the action plan will be achieved and contribute to the successful delivery of the Council's corporate parenting responsibilities.
- 5.16.3 The first year of the action plan looks to build capacity. Activities that will help achieve this include, but are not limited to, the appointment of an Advocacy & Participation Worker; the recruitment of Development Workers; expansion of the Family Firm policy; development of volunteering opportunities; commitment from the Champions Board partners to review their own services to better support care experienced young people; provision of a meeting location for care experienced young people; an annual residential; raising the voice of care experienced young people; and the introduction of individual grants.
- 5.16.4 The action plan provides an ambitious framework that will help ensure that we are meeting the needs of our looked after children and care experienced young people under our corporate parenting responsibilities. Taking into consideration the new reporting duties included in the 2014 Act it is important that we can measure the effectiveness of the Champions Board and the corporate parenting policy. A robust monitoring and evaluation process will be developed based on the Aberdeen 21, a tool developed within Children's Social work that is based on the GIRFEC SHANARRI indicators. In addition, the voice of care experienced young people will be crucial in evaluating how well we are doing.
- 5.16.5 The development of the Champions Board will help us to better understand what works to reduce poor experiences and improve outcomes for care experienced young people. Ensuring that Champions Board members have a clear understanding of care experienced young people's needs, will enable them to identify future commitments that lead to sustained change. This will further develop with the extension of corporate parents as a result of the 2014 Act.

## **6. IMPACT**

- 6.1 The programme of work contributes to the Council's commitments set out in the Community Plan and Single Outcome Agreement - Outcome 8 (to improve the life chances of children, young people and families at risk); and 5 Year Corporate Business Plan - SCWB 6 (review of workforce/skills mix) and SCWB 14 (reduce use of Out Of Authority Placements).
- 6.2 An Equalities and Human Right Impact Assessment (EHRIA) has been conducted for the Corporate Policy and Action Plan. This report is an update report that seeks to inform Elected Members on the progress of the corporate parenting programme of work and therefore does not

require an EHRIA to be completed at this time.

## **7. MANAGEMENT OF RISK**

- 7.1 Although, there are no specific risks identified in relation to this report the council has a responsibility to comply with its statutory corporate parenting duties and responsibilities. To ensure our statutory responsibilities are met the council will continue to deliver the services and activities detailed in this report. In addition, the council will continue to monitor and report annually on corporate parenting to ensure that we mitigate any breach of our statutory responsibilities.

## **8. BACKGROUND PAPERS**

- *Champions Board Action Plan 2016 – 2018, Aberdeen City Council*
- *Young People’s Employment Strategy, Aberdeen City Council, 2016*
- *Keen4Work Service Agreement, Aberdeen City Council, 2016*
- *Dolly Parton’s Imagination Library Annual Evaluation Report, 2015*
- *Developing the Young Workforce, North East Scotland, Corporate Strategy, February 2016*

*[Please note that background papers are available in the Member’s Library]*

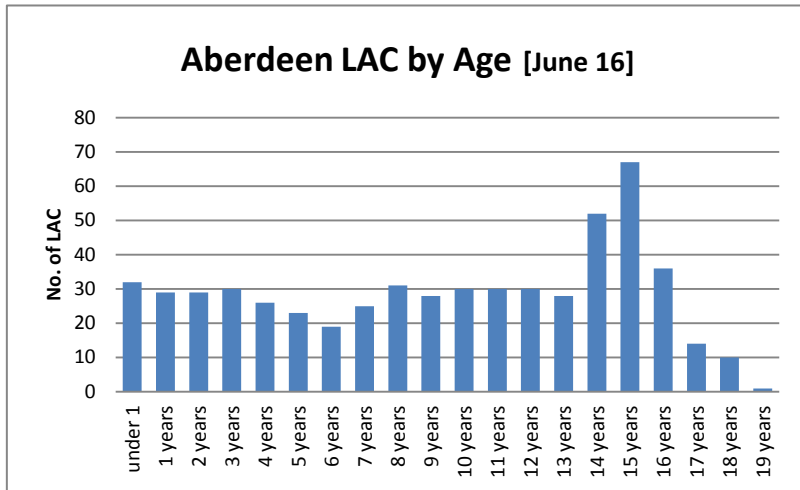
## **9. REPORT AUTHOR DETAILS**

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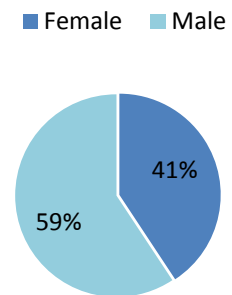
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# Appendix One: Aberdeen's Care Experienced Population – June 2016

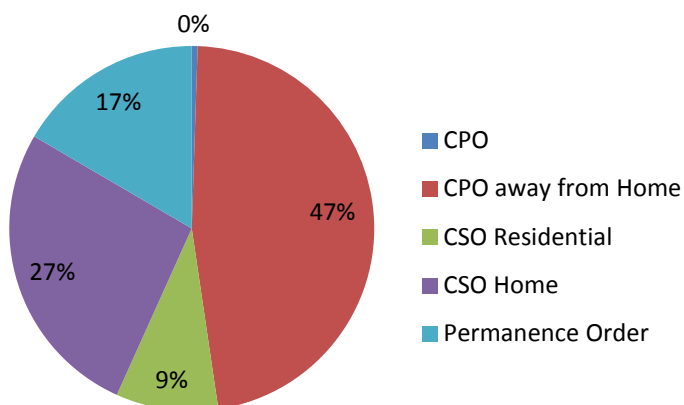
## Aberdeen's Looked After Children 0 – 18 years



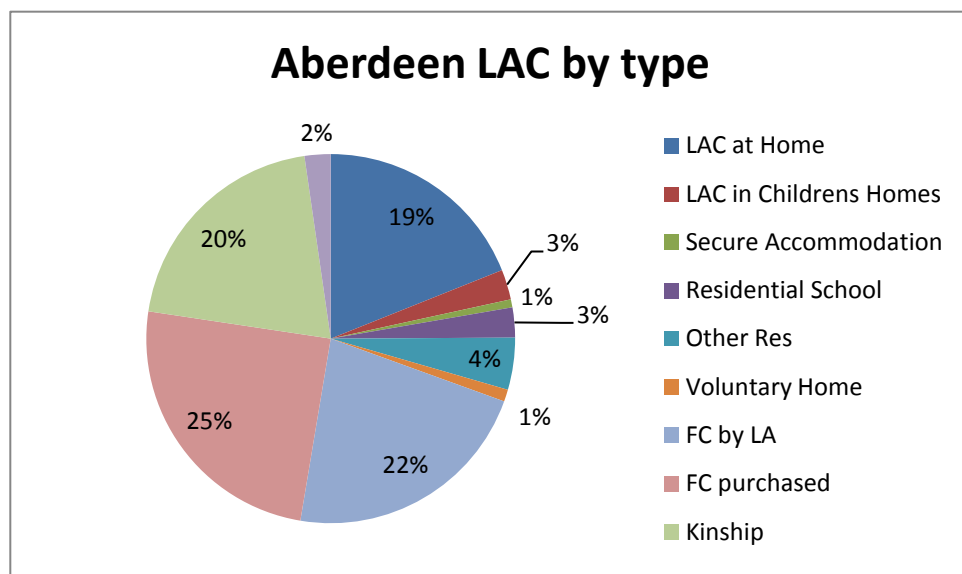
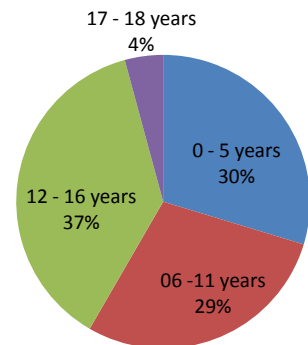
### Aberdeen LAC by gender [June 16]



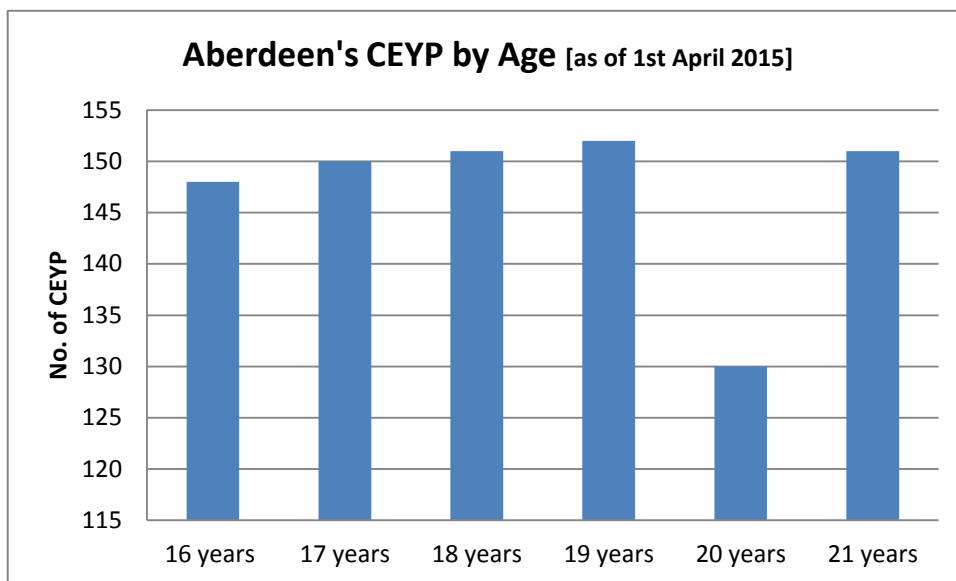
### Aberdeen LAC by legal status



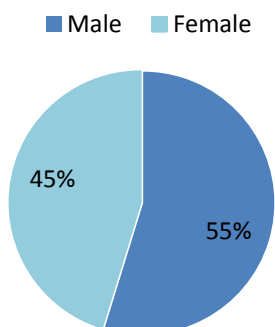
### Aberdeen LAC by Age group [June 16]



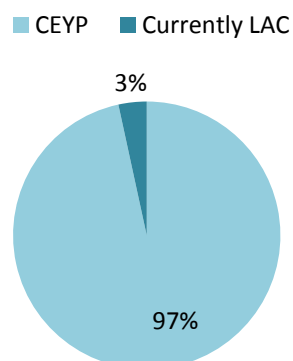
## Aberdeen's Care Experienced Young People over 16 years



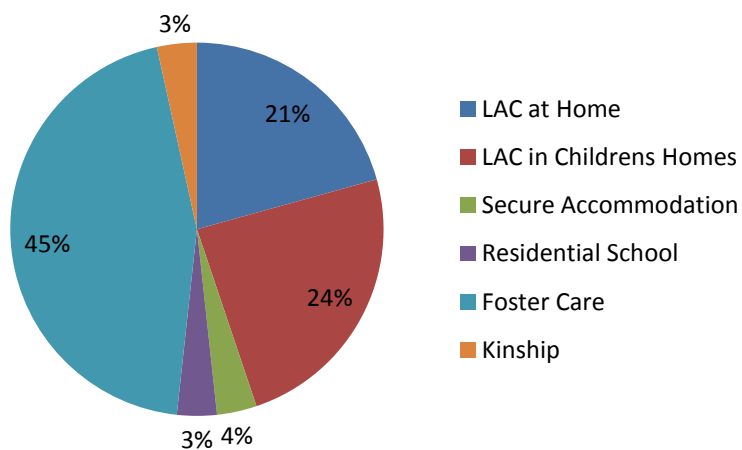
### Aberdeen's CEYP by gender [as of 1st April 2015]



### Aberdeen's CEYP that are currently looked after



### CEYP currently LAC by type





7- EHRIA Summary and Action Planning				
<b>Report Title</b>	Corporate Parenting Annual Update 2015 - 16			
<b>Assessment not required</b>	<b>Evidence</b> As completion of the EHRIA shows that the impact of the Corporate Parenting Policy is designed to have a positive impact on the lives of care experienced children and young people, no risks or actions are identified to remove or reduce adverse outcomes.			
<b>Assessment completed</b>	<b>As a result of completing this assessment, what actions are proposed to remove or reduce any risks of adverse outcomes which were identified.</b>			
<b>Identified Risk and to whom:</b>	<b>Recommended Actions:</b>	<b>Responsible Lead:</b>	<b>Completion Date:</b>	<b>Review Date:</b>
N/A				

8: Sign off	
<b>Completed by (Names and Services) :</b>	<b>Margaret Cruickshank (Principal Planning &amp; Development Officer)</b>
<b>Signed off by (Head of Service) :</b>	
<p>Only sections 7 and 8 will be attached to the committee report</p> <p>The full EHRIA will be published on Aberdeen City Council's website under <a href="http://www.aberdeencity.gov.uk/xeq_EHRIA_Search.asp">http://www.aberdeencity.gov.uk/xeq_EHRIA_Search.asp</a></p> <p>Please send an electronic format of the full EHRIA without signature to <a href="mailto:SHoward@aberdeencity.gov.uk">SHoward@aberdeencity.gov.uk</a></p>	

## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	17 <sup>th</sup> August 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Energy Services Company
REPORT NUMBER	CHI/16/153
CHECKLIST COMPLETED	Yes

---

### 1. PURPOSE OF REPORT

This report sets out a proposal for ACC to establish a strategic Energy Services Company (ESCo), as an arms-length external organisation (ALEO) wholly owned by the Council to manage all energy related activity undertaken by ACC with the option to expand and develop energy related services over time.

This proposal has been the subject of a detailed business case which is attached to this report (Annex 1) and contains an options appraisal, risk assessment and reviews the opportunities and challenges in taking this route.

The establishment of an ESCo will provide a mechanism to deliver the objectives of Powering Aberdeen. It will also establish the skills set to manage the energy generating activity being developed by the Council such as the energy from waste plant and excess heat and power from the energy centre at the AECC. It will also allow future development of a range of energy related services.

### 2. RECOMMENDATION(S)

To instruct the Director of Communities, Housing and Infrastructure to proceed with developing a detailed business plan for a strategic Energy Services Company (ESCo), as an arms-length external organisation (ALEO) wholly owned by the Council to manage all energy related activity undertaken by ACC with the option to expand and develop energy related services over time. This would include proposals for the following:

- A legal structure for the organisation
- A governance structure

- Identify a priority project list
- A staff and management structure and job descriptions
- Initial resource and funding requirements
- An initial business plan for the first three years.

To instruct the Director of Communities, Housing and Infrastructure to establish an interim informal Working Group led by a project manager to take forward the development of a detailed business plan. The Working Group would include relevant internal energy experts as well as elected members and representatives from legal and finance.

### 3. FINANCIAL IMPLICATIONS

There will be costs associated with the development of the business plan as set out above. Some external support will be required in particular around assessing the commercial implications and developing the financial models. These costs are estimated to be in the region of £30,000-£45,000, the Corporate/SIP Group is to advise on the source of funding.

The costs of setting up the ESCo will be detailed in the business plan. As part of developing the business plan Council officers will investigate possible routes for external funding to support the setup of the ESCo. The information in the detailed business plan will provide the information necessary for the Council to make a decision on the best route to fund the establishment of the ESCo.

### 4. OTHER IMPLICATIONS

There are financial, legal, resource and procurement implications in establishing an ESCo. It is proposed that the interim informal Working Group put in place to develop the business plan should include representatives from legal, finance, commercial and procurement and PMO as well as those currently involved in the delivery of energy related services.

### 5. BACKGROUND/MAIN ISSUES

#### **Introduction**

In May 2016 the Aberdeen City Council (ACC or the Council) approved Powering Aberdeen – Aberdeen’s Sustainable Energy Action Plan (SEAP). The plan aims to cut carbon emissions across the city by 31% by 2020 and 50% by 2030. It identifies substantial social, economic and environmental benefits from achieving these targets including the elimination of fuel poverty and potential to diversify the economy in Aberdeen.

The plan proposes actions in the areas of energy efficiency, renewable energy, energy from waste, district heating, alleviation of fuel poverty and sustainable transport. In leading the implementation of the plan the Council needs to be clear and consistent about its priorities, lead by example and foster collaboration with wider stakeholders.

There are already a number of projects underway that are being developed and funded by the Council that support the ambitions of Powering Aberdeen and will make ACC a more significant player in the energy market. These include the development of the Energy from Waste plant at Tullos that will generate heat and power for onward sale as well as the Anaerobic Digestion plant and energy centre being developed at the AECC that will provide the opportunity to generate excess heat and power for sale beyond the AECC site boundary.

To deliver these projects and the activity envisaged within Powering Aberdeen additional skills and resources are required that are not currently available within the Council. These include metering, billing, customer service, energy trading, delivery and implementation skills such as project management, commercial and transactional capability as well as access to wider funding markets. The establishment of an Energy Services Company (ESCO) will provide a vehicle to manage this activity.

### **What is an ESCo**

An ESCo is a descriptive term for an entity which is in some way involved in the provision of energy services. This can be the generation, transmission, distribution and supply of energy but also supporting services such as energy efficiency, energy savings, renewable/sustainable energy and/or emission reductions.

An ESCo could be a public sector organisation, a private sector organisation or a joint venture between two or more organisations. An ESCo can be established as profit or not for profit.

ESCO structures have existed for a number of years and have been established by a number of authorities in England. A number of Scottish authorities are now examining the potential for such entities with some in active consideration or process of establishment. ESCo's have been developed to help tackle the issues of fuel poverty, system resilience, investment in local clean energy while boosting jobs and growth in the local economy.

### **Options Appraisal**

An options appraisal has been undertaken which is detailed in the attached business case (Annex 1) to consider the most appropriate structure for an ESCo for Aberdeen City Council (ACC). The following options were considered:

- *In House* – This option considers retaining the energy related services in house using existing resources with the recruitment of additional resource as necessary.
- *ESCO - Joint Venture* – this option considers setting up the ESCo as a joint venture with a private sector partner to share risks and costs.
- *ESCO-project specific* - this option involves setting up ESCos on a project specific basis, such as to manage the heat and power from the Energy from Waste plant and develop and build the associated heat network.
- *ESCO-Strategic-wholly-owned* – this option considers setting up a strategic ESCo wholly- owned by the Council with a wide-ranging energy efficiency scope. It can therefore develop partnerships and new ventures as it sees fit, subject to approval through a business planning and governance process that will allow the Council to influence it's direction.

The options were then evaluated against key criteria developed in consultation with ACC staff. On the basis of the options appraisal and evaluation it was determined that a strategic wholly owned ESCo was the most suitable vehicle to deliver on the Council's objectives.

### **The proposition**

To establish an ESCo that should not be limited in scope. This will allow it to develop and evolve services and projects in response to customer demand and a rapidly evolving market.

A wholly-owned strategic ESCo could fulfil its role directly and by entering into partnership with investors and communities (perhaps through project specific special purpose entities, joint venture entities or social enterprises) or it might facilitate partnerships between others. Critically, it needs to be entrepreneurial and collaborative in its outlook, quick to respond to opportunities, imaginative with its solutions and commercially astute.

The business case has already identified a range of projects already being undertaken or considered by ACC that could be considered for inclusion in the ESCo. These include for example:

- Sale of heat and power from the Energy from Waste plant and the development and establishment of the associated heat network.
- Provision of domestic energy efficiency services by project management of projects and services currently delivered in-house and by potentially supplying the contracting services.
- Potential to provide a wider range of energy efficiency services for both Council and non-Council buildings possibly through energy performance contracts.

- Growing energy generation capacity through for example a solar PV farm at former Ness landfill

The activity to be undertaken and the potential structure of the ESCo now needs to be the subject of a detailed business plan.

An important element of the business planning process will be to establish the role of AHP which already exists as an ESCo to manage specific energy services associated with developing heat networks. Early discussion has taken place but further more detailed consideration is necessary to determine the most effective way of bringing the ESCo and AHP together to deliver Powering Aberdeen. Options might include evolving AHP to become a wider entity or an activity within the new body.

### **Challenges**

- *Investment required to set up the ESCo*- ACC will need to invest in setting up the ESCo, establishing it as a legal entity, bringing in appropriately skilled resources to manage and run the ESCo and establishing an appropriate governance structure.
- *Attracting the necessary skill base* – the success of the ESCo is dependent on being able to invest in and attract people with the necessary skills. This involves the need to offer competitive salaries and benefits.
- *Finding the right partners* – the success of the ESCo in progressing projects will depend on finding the appropriate partners given the complexity of energy projects. The careful selection of the right partner for a particular project will be an important activity for the future ESCo.
- *Managing commercial risks* – any commercial organisation carries with it commercial risks. This needs to be considered when establishing the entity and developing the various contractual models to deliver specific projects. These risks will be considered in more detail during development of a detailed business plan and appropriate mitigation measures identified to manage them.
- *Retaining influence* – In setting up an ESCo there may be concerns about ACC's ability to retain influence over the services run through the ESCo. There will be a balance to be had between allowing the ESCo the flexibility to be able to respond to market issues while at the same time ensuring it is delivering ACC's objectives. This will be addressed in detail in the business plan and governance structure.

### **Opportunities include:**

- *Initial investment* – although there would be costs in establishing the ESCo, ACC is in a unique position in that it has already

committed investment for the development of energy generation activity that could be assigned to the ESCo.

- *Income generation* - The aim of the ESCo is to be self-sustaining and potentially to generate income for the Council through the energy projects it develops.
- *Offering affordable, competitive heat and power* – through the ESCo Aberdeen will be able to offer heat and power across the city at affordable, sustainable prices to both businesses and residents. The potential to establish a local tariff with appropriate metering and billing mechanisms will be developed as part of the detailed business planning process. An important consideration will be to ensure the Council develops the ability to offer those in fuel poverty heat and power at affordable, sustainable prices.
- *Developing the heat network* – ACC has ambitions to extend the existing heat network into the city centre and beyond. Bringing all activities that produce heat under one body will make strategic planning for expansion of the heat network easier. It will also provide a more viable entity through which to raise capital and funding for this expansion either through partnership or raising capital from third parties.
- *Attracting investment* – the ESCo as a separate body to the Council is likely to be better able to attract project finance either through private sector investment or other finance bodies. The extent to which ACC may be required to underwrite any of these deals will need to be carefully considered as part of the risk assessment to accompany a detailed business plan. Such an underwriting could be through financial support or guaranteeing a level of offtake from generating plant.
- *Opportunity to reinvest* – by establishing the ESCo as a commercial entity any profit can be reinvested in a way deemed suitable by the ESCo, arrangements for management of profits need to be established when the ESCo is formed.
- *Employment opportunities* – the establishment of the ESCo will require the need to employ a number of people with the necessary commercial, financial and business development skills to establish and grow the ESCo. There will then be the opportunity to increase employment opportunities in specific projects as the ESCo grows.
- *Skills development* – the ESCo will provide the opportunity to develop a local skill base for the activity delivered by the ESCo in particular relating to alternative energy and the low carbon economy.



- *Greater energy security* – by establishing a local energy company incorporating local energy generation and distribution ACC will increase energy security for the people and businesses in Aberdeen city and potentially beyond.

### **Improving Customer Experience –**

A local ESCo will present the opportunity to provide the local community and businesses with affordable, sustainable heat and power at competitive prices.

### **Improving Staff Experience –**

The establishment of the ESCo will offer potential opportunities for staff that might wish to relocate to the ESCo which could open up personal development opportunities. The business planning process will identify the potential roles and how the consultation and TUPE transfer process would operate.

### **Improving our use of Resources –**

Bringing all energy related services into one organisation will improve the efficiency with which these activities are delivered. Some of the services currently provided directly by the Council are likely to move into the ESCo if appropriate business cases can be made. This will mean they will be delivered commercially rather than at a public cost. The ESCo will be involved in a promoting energy efficiency as part of its remit which will help improve resource efficiency across the city.

### **Corporate -**

The ESCo will support Aberdeen City Council deliver Powering Aberdeen which seeks to reduce carbon emissions by improving energy efficiency, increasing use of renewable and alternative energy, managing resource more efficiently and moving to more sustainable transport.

The ambitions of Powering Aberdeen are also echoed in:

- Aberdeen-The Smarter City - Smarter Environment, a core theme within this sets high level priorities to increase energy efficiency and introduce carbon reduction measures.
- The Community Plan and Single Outcome Agreement - sets the ambition for Aberdeen to be a socially, economically and environmentally sustainable city.
- The five year business plan 2013-2018-sets sustainable economic growth for the benefit of national outcomes as a key priority.

### **Public –**

This report is likely to be of interest to the citizens and businesses in Aberdeen as the ESCo will, over time increase energy security in the city and open up the opportunity to purchase energy from a local supplier at more affordable, sustainable prices. In particular it will be of interest to the community in Tullos who will benefit directly from

renewable heat generated by the Energy from Waste plant as the ESCo will provide the delivery mechanism to achieve this.

## MANAGEMENT OF RISK

The risks relating to the decision to move to establishing a detailed business plan are summarised in the table below. The wider risks associated with establishing the ESCo will be considered in detail in the business plan.

<b>Risk</b>	<b>Risk Level</b>	<b>Mitigation/Control</b>
Lack of internal expertise to develop the business plan	Low	External expertise as considered necessary will be incorporated into the project team to ensure that financial modelling, risk management and legal issues have the appropriate level of input.
Lack of resource to progress the business plan in a reasonable timescale	Low	A project manager will be assigned to the project who will be supported by an informal Working Group that will have the specific remit to deliver the business plan in line with the agreed timescales.

## 8. BACKGROUND PAPERS

- Aberdeen City Council Business Case: Establishing an ESCo (Annex1)
- Powering Aberdeen: Aberdeen's Sustainable Energy Action Plan

## 9. REPORT AUTHOR DETAILS

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# Annex 1

## Aberdeen City Council Business Case

### Establishing an ESCO

Version: 1.03  
**FINAL**

## Governance Information

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Senior Responsible Owner (SRO):	Pete Leonard
Project Manager(s):	Terri Vogt

**Approvals**

Position	Full Name	Signature	Date
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Corporate Plan and SIP Group	David Leslie		
Head of HR	Ewan Sutherland		
Head of Finance	Steve Whyte		
Head of Legal and Democratic services	Fraser Bell		
Director of Corporate Governance	Richard Ellis		
CMT	Ciaran Monaghan		

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## 2 EXECUTIVE SUMMARY

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### 2.1 PURPOSE

This report sets out a proposal for ACC to establish an Energy Services Company (ESCO), as an arms-length external organisation (ALEO) wholly owned by the Council.

The report provides a detailed business case for doing this which includes an options appraisal, risk assessment and reviews the opportunities and challenges in taking this route. The report recommends the development of a detailed business plan to create an ESCo in line with the recommendations set out in this paper.

The establishment of an ESCo will provide a mechanism to deliver the objectives of Powering Aberdeen. It will also establish the skills set to manage the sale and distribution of energy generated from activities being developed by the Council such as the Energy from Waste plant and excess heat and power from the energy centre at the AECC.

### 2.2 OPTIONS APPRAISAL

An options appraisal has been carried out to consider the most appropriate structure for an ESCo for Aberdeen City Council (ACC). The following options were considered which are based on existing models and have been developed with reference to the Scottish Futures Trust guidance on establishing Energy Services Companies<sup>1</sup>.

- *In House* – This option considers retaining the energy related services in house using existing resources with the recruitment of additional resource as necessary.
- *ESCO - Joint Venture* – this option considers setting up the ESCo as a joint venture with a private sector partner to share risks and costs.
- *ESCO-project specific* - this option involves setting up ESCos on a project specific basis, such as to manage the heat and power from the Energy from Waste plant and develop and build the associated heat network.
- *ESCO-Strategic-wholly-owned* – this option considers setting up a strategic ESCo wholly-owned by the Council with a wide-ranging energy efficiency scope. It can therefore develop partnerships and new ventures as it sees fit, subject to approval through a business planning and governance process that will allow the Council to influence it's direction.

These options were then evaluated against key criteria developed in consultation with ACC staff. On the basis of the options appraisal and evaluation it was determined that a strategic wholly owned ESCo was the most suitable vehicle to deliver on the Council's objectives.

### 2.3 SCOPE

It is proposed that the scope of the ESCO is not limited and that it should be able to become involved in activity relating to the management, generation and distribution of energy including demand management, subject to a robust business plan.

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<sup>1</sup> Scottish Futures Trust: legal guidance on establishing Energy service Companies (ESCos) March 2015



## 2.4 VISION

The establishment of the ESCo will support the delivery of the vision set out in Powering Aberdeen.

*“By 2030 Aberdeen is a vibrant, world class city which is an attractive and sustainable place to live and do business. The economy has diversified and is supported by efficient, low carbon buildings and transport infrastructure. The health and wellbeing of citizens continues to improve and fuel poverty has been eliminated. Carbon emissions have reduced by at least 50%. “*

## 2.5 RECOMMENDATION

It is recommended that ACC further investigate the option to set up a strategic ESCo as an arms-length external organisation (ALEO) wholly owned by the Council to manage all energy related activity undertaken by ACC with the option to expand and develop energy related services over time.

It is recommended that an informal Working Group reporting to the Director of Communities, Housing and Infrastructure and led by a project manager from that department should take forward the development of a detailed business plan. The Working Group would include relevant internal energy experts as well as representatives from legal and finance. Appropriate external support would also be included to facilitate the development of the business plan. The principal role of this group would be to undertake the following:

- Agree a legal structure for the organisation
- Establish a governance structure
- Identify and agree a priority project list
- Develop a staff and management structure and job descriptions
- Develop initial resource and funding requirements
- Develop an initial business plan for the first three years.

It is proposed that this work will be undertaken from August to December 2016 with a view to presenting the business plan to Full Council in December 2016, with the intention that the ESCO be established in early 2017.

## 2.6 RATIONALE FOR THE RECOMMENDATION

Although the establishment of a strategic ESCo appears to be the best route in principle, further work to develop a business plan addressing the issues identified in this paper around structure, projects and establishing an economically viable entity needs to be undertaken. An important element of the business planning process will be to establish the role of AHP which already exists as an ESCo to manage specific energy services associated with developing heat networks. Early discussion has taken place but further more detailed consideration is necessary to determine the most effective way of bringing the ESCo and AHP together to deliver Powering Aberdeen. Options might include evolving AHP to become a wider entity or an activity within the new body.

It is also necessary to undertake more detailed work to address how ACC will manage any risks associated with the establishment of the ESCo and the appropriate governance structure for the

proposed entity. The next phase of the project, putting together a detailed business plan will consider all these issues in more detail.

## 2.7 STRATEGIC FIT

On 11<sup>th</sup> May 2016 Council approved Powering Aberdeen-Aberdeen's Sustainable Energy Action Plan. The ESCo will be an important vehicle in delivering the ambitions of Powering Aberdeen which is a city wide strategy to reduce emissions and whose delivery will involve a wide range of partners and stakeholders. Powering Aberdeen will enable the city to achieve its objectives in relation to reducing emission and growing renewable energy generation while at the same time reducing fuel poverty and promoting equality, which in turn will support the delivery of Scottish and UK Government objectives.

The ambitions of Powering Aberdeen are also echoed in key strategic documents including:

- Aberdeen-The Smarter City - Smarter Environment which includes the following core themes.
  - *We will design and construct all new infrastructure to be energy efficient by maximising the use of low carbon technology and materials. We will use recycled materials where appropriate.*
  - *We will increase energy efficiency and introduce carbon reduction measures in our processes and our housing and non-housing assets to reduce our carbon footprint, save money and to bring people out of fuel poverty.*
- The Community Plan and Single Outcome Agreement - sets the ambition for Aberdeen to be a socially, economically and environmentally sustainable city.
- The five year business plan 2013-2018-sets sustainable economic growth for the benefit of national outcomes as a key priority.

By bringing together all energy related activity into one place the city will be better able to deliver local ambitions to provide affordable, sustainable low carbon energy to residents and businesses in the city and to promote improvements in energy efficiency while at the same time supporting the delivery of Scottish and UK Government objectives and increasing energy security.

## 2.8 FINANCIAL AND NON-FINANCIAL BENEFITS

- The ESCo will be a key vehicle to deliver the objectives of Powering Aberdeen as it will provide a vehicle through which to grow energy demand services, increase generation using alternative technology and grow the heat network.
- Overtime the ESCo will have the potential to provide an income stream for the Council. Some of the services currently provided directly by the Council are likely to move into the ESCo if appropriate business cases can be made reducing costs to the Council.
- It will help to reduce emissions, alleviate fuel poverty, create economic and employment opportunities.
- A strategic ESCo will provide a central resource with the necessary skills and expertise to manage energy related services in a strategic way that maximises the benefit of investment and allows skills sharing and resource sharing across energy related services.

- The presence of a strategic ESCo will allow ACC to build a trusted brand for energy related services which will be necessary to expand these services, attract funding and grow the customer base.
- By not limiting the activity of the ESCo it will be able to exploit new market opportunities and have the potential to encourage innovation.
- The ESCo will provide a vehicle to bring together a range of partners to facilitate the delivery of projects and act as an ambassador for energy efficiency measures in the city.

## **2.9 DIS-BENEFITS**

- Investment will be required to establish the ESCo through initial staffing prior to it becoming income generating.
- The Council will need to provide resource to manage the ESCo
- By not limiting the scope of the ESCo this opens the company to potentially higher commercial risks. These need to be managed on a project by project basis.

## **2.10 MEASURES OF SUCCESS**

The success of the ESCo will be measured by tracking the number of energy schemes which it has helped deliver and its achievement of a number of objectives including:

- Increasing the proportion of energy sourced from renewables
- Increasing partnering activity and the number and range of energy efficiency projects.
- Reducing energy consumption
- Reducing carbon emissions
- Reducing energy costs
- Generating income
- Creating jobs through sustainable energy projects.
- Reducing the number of people in fuel poverty.

## **2.11 PROJECT STAGES, PHASES AND TIMELINE**

The project to develop the ESCo has a number of key stages:

- Develop initial business case and get full council approval to progress a detailed business plan – August 2016
- Establish a detailed business plan to include legal structure, governance structure, staff and management structure and job descriptions, initial resource and funding requirements, initial business plan for the first three years.
- Secure Council approval for the business plan – December 2016
- Set up the ESCO as a legal entity and commence recruitment of core staff – January - April 2017
- Start operation – April 2017
- Progress initial project list 2017 onwards

## 3 OVERVIEW

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### 3.1 INTRODUCTION

This paper sets out the proposal to establish an ESCo, the reasons why, the proposed scope as well as an options appraisal. It seeks approval to develop a detailed business plan to create an ESCo in line with recommendations set out in this paper.

In May 2016 Aberdeen City Council (ACC or the Council) approved Powering Aberdeen – Aberdeen’s Sustainable Energy Action Plan (SEAP). The plan aims to cut carbon emissions across the city by 31% by 2020 and 50% by 2030. It identifies substantial social, economic and environmental benefits from achieving these targets including the elimination of fuel poverty and potential to diversify the economy in Aberdeen.

The plan proposes actions in the areas of energy efficiency, renewable energy, energy from waste, district heating, alleviation of fuel poverty and sustainable transport. In leading the implementation of the plan the Council needs to be clear and consistent about its priorities, lead by example and foster collaboration with wider stakeholders.

There are already a number of projects underway that are being developed and funded by the Council that support the ambitions of Powering Aberdeen and will make ACC a more significant player in the energy market. These include the development of the Energy from Waste plant at Tullos that will generate heat and power for onward sale as well as the Anaerobic Digestion plant and energy centre being developed at the AECC that will provide the opportunity to generate excess heat and power for sale beyond the AECC site boundary.

To ensure the outcomes of these projects are successfully delivered in terms of having an effective mechanism for the onward sale of the heat and power that will be generated and to support the activity envisaged within Powering Aberdeen additional skills and resources are required that are not currently available within the Council. These include metering, billing, customer service, energy trading, delivery and implementation skills such as project management, commercial and transactional capability as well as access to wider funding markets. The establishment of an Energy Services Company (ESCO) will provide a vehicle to manage this activity and procure these skills.

This paper takes account of current developments surrounding ESCo’s elsewhere in the country and has drawn on a range of research into such models including the Scottish Futures Trust<sup>2</sup> recent report on legal considerations which can help to inform a business case for an ESCo and the Institute of Public Policy Research (IPPR) report City Energy which sets out the case for greater involvement by public sector bodies to transform British cities to smarter, cleaner and more affordable energy.<sup>3</sup>

### 3.2 WHAT IS AN ESCO

An ESCo is a descriptive term for an entity which is in some way involved in the provision of energy services. This can be the generation, transmission, distribution and supply of energy but also supporting services such as energy efficiency, energy savings, renewable/sustainable energy and/or

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<sup>2</sup> Scottish Futures Trust: legal guidance on establishing Energy service Companies (ESCOs) March 2015

<sup>3</sup> [http://www.ippr.org/assets/media/publications/pdf/city-energy\\_Jul2014.pdf](http://www.ippr.org/assets/media/publications/pdf/city-energy_Jul2014.pdf)

emission reductions. The entity in question may be procuring these services, managing them, operating them and/or financing them. It can also assist in facilitating community energy initiatives.

An ESCo could be a public sector organisation, a private sector organisation or a joint venture between two or more organisations. A public body may establish an ESCo with or without private sector involvement and may establish one to implement a particular project, or it may be established on a more strategic basis with a view to implementing a variety of projects.

An ESCo can be established as profit or not for profit but ultimately it is recommended that any Aberdeen ESCo should be a self-financing entity delivering significant economic and energy efficiency benefits for the city.

ESCO structures have existed for a number of years and have been established by a number of authorities in England. A number of Scottish authorities are now examining the potential for such entities with some in active consideration or process of establishment. ESCo's have been developed to help tackle the issues of fuel poverty, system resilience, investment in local clean energy while boosting jobs and growth in the local economy.

### **3.3 EXAMPLES FROM ELSEWHERE**

There is no standard role or form for an ESCo. Different cities have different models depending on their particular issues and objectives.

In some cases an ESCo is an entity set up by a public sector organisation (with or without private sector participation) to deliver energy efficiency, energy savings, and/or renewable energy, through a variety of different schemes or through a particular project such as district heating. Such entities may use a variety of delivery models, including contracting with the private sector.

Some ESCos are joint ventures between the private and public sectors where risks and rewards are shared and some publicly-led ESCos that have joint venture subsidiaries.

In other cases, an ESCo may be a private sector entity set up to design, build, operate and manage an individual facility for a local authority or other public body. This arrangement may or may not be based on energy performance contracting whereby payments from the public sector client to the private sector operator depend on the achievement of energy efficiency targets.

Aberdeen Heat and Power (AHP) is an example of a publicly owned ESCo established for the purpose of delivering a particular project. It was established in 2002 as an independent, not for profit company limited by guarantee focused on providing affordable heat to disadvantaged communities in Aberdeen through the development of a local heat network. AHP manages the operations, maintenance, heat supply and billing but procures from the private sector the construction of the energy centres and heat network.

Some other examples are given below.

#### **Coventry District Heating Scheme**

The District Energy Company is a wholly-owned subsidiary of the private sector operator Engie (previously called Cofely). Coventry City Council agreed a 25 year concession for heat which enabled infrastructure investment to be privately financed, assisted with some grant funding from the Housing and Communities Agency. Engie buy heat from an existing municipal owned waste-to-energy plant on the edge of the city centre and transport it via a 6.6km network of buried pipes to consumers in the city centre. The 'Heatline' low-carbon district heating network is installed in Coventry city centre and the heat is sold to scheme members. Phase I

involved Council buildings being supplied with heat and hot water. The objectives were to secure the future and viability of the EfW plant; help tackle fuel poverty and reduce carbon emissions. Challenges are around managing variances in load; achieving compatibility with traditional building services and the infrastructure cost.

#### **Bristol City Council**

Bristol City Council has established an ESCo wholly owned by the Council which has a number of subsidiaries. These currently include an energy supply company Bristol Energy<sup>4</sup>. The aim is for the ESCo to be self-funding after initial set-up costs and ultimately to provide a revenue stream for the city. It has four main strands of activity including solarPV; district and communal energy; public building retrofit and domestic retrofit. Bristol Energy was established with a £2.5 million European fund and is seeking to champion social equality, local renewables and stronger local communities. They have been in operation for 6 months and have 10,000 customers nationally and employ 75 members of staff. The ESCo also manages the city councils domestic energy efficiency programmes through access to external funding and working in partnership with EDF using Energy Company Obligation funding.

#### **Nottingham Council<sup>5</sup>**

Nottingham Council has established the UK's first local authority-owned fully licensed gas and electricity supplier. The company is wholly-owned by Nottingham City Council, with a board consisting of Nottingham councillors. It is run on a strictly not-for-profit basis and aimed predominantly at the domestic sector and aims to reduce fuel poverty, address the disadvantages of those on pre-payment meters and deliver great customer service.

They have identified the following challenges - building the necessary customer base and retaining those customers; establishing commercial companies within local government sector such that they have sufficient independence to take commercial decisions and pay market rate salaries but also allow for the political input to strategy around business case objectives. Energy supply is a scale game, therefore there is a need to achieve as big a footprint as possible; a key differentiator will need to be brand, trust and customer service; significant upfront costs to assess the business case (£200k) and set up the vehicle (£2m)

#### **Edinburgh City Council**

Edinburgh City Council has developed a business case and secured Council approval for a wholly-owned strategic ESCo focussed on delivery of the Council's Sustainable Energy Action Plan (SEAP) which is in the early stages of development. They have developed the legal and governance structure and are recruiting external non-executive directors.

They have developed a business plan and identified a number of projects that the ESCO should take forward. At the heart of the business plan is delivering the SEAP and addressing issues including lowering carbon emissions, creating employment opportunities, addressing fuel poverty, cutting costs and generating income. The entity has not yet undertaken any trading activity having only recently been established.

#### **Thameswey Energy (Thamesway) Ltd in Woking, Surrey**

Thameswey provides low carbon power and heat to the local area. It was established by Woking Borough Council, through cross party collaboration and agreements, to assist the Council in furthering its objectives

<sup>4</sup> <https://bristol-energy.co.uk>

<sup>5</sup> <https://www.robinhoodenergy.co.uk>

across its Climate Change and Community and Housing strategies. It is structured as a number of wholly-owned individual companies, joint ventures and subsidiaries. Since its formation in 1999, the group has grown through acquisitions and start-ups and diversified to provide a wide range of energy, environmental and affordable housing enterprises. All profits are utilised for the furtherance of energy efficiency and sustainable investment within the borough.

Thameswey has successfully developed solutions to the technical, political and managerial issues inherent in the implementation of long term energy projects. It provides a vertically integrated range of energy-related services, from design and consultancy through to operation, maintenance, customer services, metering and billing. The joint venture enterprises have added solar energy, land and property development to the Thameswey portfolio.

Thameswey has now expanded into Milton Keynes where a number of developments connect to its first energy centre in the city. Thameswey are contracted to deliver electricity and heat to new developments within the city centre and now supply electricity and heat to over 900 residential and 30 retail units including The Pinnacle, Milton Keynes largest office development for over 25 years.

### **Blue Sky Peterborough**

The Council's Energy Services Company seeks to generate renewable energy and reduce energy consumption while generating income for the Council and creating financial benefits for the community. Activity includes:

- A contract to deliver guaranteed energy efficiency for non-domestic properties that has been let to Honeywell Solutions.
- An agreement with British Gas to address the challenge of domestic energy efficiency. This is the first strategic partnering agreement between an energy provider and local authority. "Heataborough" is a scheme designed to help residents of Peterborough heat their homes more efficiently and save money on their energy bills. It utilises the Energy Company Obligation (ECO), a government initiative being delivered by all major energy suppliers designed to help low income families access energy efficiency measures, such as loft and cavity wall insulation, boiler repairs, and double glazing. British Gas will fund these improvements to boost the energy efficiency of 7,000 homes across the city targeted at low income communities, vulnerable residents and hard to treat properties.
- In line with the Council's Capital Agenda to create 'green energy', the Council has also been promoting the installation of solar panels on public buildings and schools to generate renewable energy which can be sold to boost the local economy.

The examples above illustrate a range of approaches to addressing the energy agenda for a city, some wholly owned, some private sector led and some through joint ventures. It is clear that all have identified common themes to be addressed and that there exists considerable opportunity in the energy sector to offer alternative solutions to residents and stakeholders. The decision about which model to choose depends on the aims and objectives of the Council, project-specific issues such as cost and complexity, the attitude of the Council to funding and risk, the degree of knowledge and experience within the Council on energy matters and whether the focus is on a single scheme or a wide range of energy programmes.

## 4 OPTIONS APPRAISAL

### 4.1 INTRODUCTION

In the following section we set out the outcome of an options appraisal to consider the most appropriate approach for ACC to take in establishing an ESCO. The following options have been considered based on the experience and structures emerging elsewhere.

- *In House* – This option considers retaining the energy related services in house using existing resources with the recruitment of additional resource as necessary.
- *ESCO - Joint Venture* – this option considers setting up the ESCo as a joint venture with a private sector partner to share risks and costs.
- *ESCO-project specific* - this option involves setting up ESCOs on a project specific basis, such as to manage the heat and power from the Energy from Waste plant and develop and build the associated heat network.
- *ESCO-Strategic-wholly-owned* – this option considers setting up a strategic ESCo wholly-owned by the Council with a wide-ranging energy efficiency scope. It can therefore develop partnerships and new ventures as it sees fit, subject to approval through a business planning and governance process that will allow the Council to influence it's direction.

These options have then been evaluated against a number of key evaluation criteria to establish the preferred option.

### 4.2 OPTION 1 – IN HOUSE

This option considers retaining the energy related services in house and managing them using existing resources with the recruitment of additional resource as necessary. This option assumes dedicated resource both is, and remains, available in house over the long-term, due to the long life span of many energy related projects. To manage a range of projects across departments a range of core skills needs to be retained or available and it is likely to be more beneficial to bring collective skills and experience to bear on managing these projects rather than managing them separately.

To manage the billing and sales of future generating capacity ACC will need to access a sales, billing and customer service engine. Experience elsewhere with the likes of Robin Hood and Bristol energy indicates that this is a complex and costly process to develop and manage. It is likely to be more cost effective to source this through a third party with requisite licences and systems. If these projects sit within ACC it will need to develop an identity and brand that is not associated with ACC for the sale of heat and power and build customer confidence that it can manage energy related services although it is not a core business.

**Table 1 – Pros and Cons of Option 1**

Pros	Cons
Lower set up costs as these are likely to be limited to some additional recruitment.	Not core business to the Council
Total control	Need to define new structures and internal ownership to ensure effective delivery
	Limit to ability to invest in new infrastructure



	Development potential will be driven by Council resources
	Possibility of customer mistrust in buying energy services from an organisation for which this is not core business
	Lack of billing and customer service engine to manage energy generation which would either need to be developed or bought in
	Less flexibility to attract external finance and partners
	Resource and skill constraints presented by reducing local government finances

### 4.3 OPTION 2 - ESCO - JOINT VENTURE

This option considers setting up the ESCo as a joint venture with a private sector partner to share risks and costs. The success of this option will depend on the ability to find the right partner.

Time will need to be allowed to identify the right partner and then to negotiate a suitable relationship either through procurement process or joint venture company. It would need to be ensured that the objectives and motivations of the partner were aligned to those of ACC in relation to areas such as providing affordable heat and community benefits

**Table 2 – Pros and Cons of Option 2**

Pros	Cons
Shared risk	Less control over direction and activity
Shared costs of set up and management	More complicated to establish and could therefore take considerable time to set up maybe 1 to 2 years.
Potential to leverage investment	Need for profit sharing
Bring resources and expertise	Could limit the scope of activity undertaken by the ESCO depending on the views of the joint venture partner.
	Different views on the objectives of the venture
	Harder to split if the relationship does not work out as envisaged

#### 4.4 OPTION 3 - ESCO-PROJECT SPECIFIC – WHOLLY-OWNED

This option involves setting up ESCOs on a project specific basis. For example an ESCo might be established to manage the heat and power generated by the Energy from Waste plant and associated heat delivery network. Another ESCo might be used to manage the sale of excess heat and power from the energy centre at the AECC.

In this approach energy related activity is likely to continue to grow in connection with specific projects being driven by the Council rather than being an end in itself as there is no part of the Council that currently has this as it's remit.

Careful consideration would need to be given as to how to develop a trusted local brand in this scenario and how to manage potential competition between ESCo's. Different ESCo's with different identities could create confusion in the market and spread customer volumes.

**Table 3 – Pros and Cons of Option 3**

Pros	Cons
Each ESCO can have a simpler structure and will be easier to set up	Separate ESCOs will take more resource to procure and manage centrally and there will be a need for ACC to co-ordinate their activity
Costs of set up will be lower	The activity of each ESCo will be limited, limiting the opportunity for growth and investment
Risks easier to manage on a case by case basis	There will be no benefits from economy of scale or opportunity to reinvest in new areas
	Individual ESCOs will require to source their own funding and there will be limited opportunity for central support. Subject to the scale of the projects this may reduce their attractiveness
	The growth of energy related services is likely to be piecemeal rather than driven by a wider strategy or growth in market opportunities.
	It will be difficult to build up a trusted brand

#### 4.5 OPTION 4 – ESCO- STRATEGIC-WHOLLY-OWNED

This option considers setting up a strategic ESCo wholly-owned by ACC that is not restrained in scope. It could develop projects, partnerships and new ventures across a range of sectors of the energy market in line with its agreed business plan.

This option would establish an entity that had fewer restrictions on growth. It could develop the skills and resources to focus on growing energy related services in a way that will benefit the citizens and businesses of Aberdeen while at the same time it could develop projects that can generate income for reinvestment in energy related services and for the Council.

Under this option the development of energy related services could be driven by a wider strategy allowing the ESCo to identify and respond to new market opportunities.

This option would bring all energy related services into one organisation. Some of the services currently provided directly by the Council could move into the ESCo if appropriate business cases can be made. The ESCo would focus on developing a trusted brand for energy related services and seek to attract investment to grow and develop the business.

**Table 4 – Pros and Cons of Option 4**

Pros	Cons
No limitations on growth subject to the agreed business plan	Investment required to establish entity
Development of energy related services will be driven by a wider strategy governed by a business plan process and under the overarching Council strategy.	Potentially some higher risks for ACC that need to be carefully managed through a business planning process
A larger well-established entity will find it easier to attract investment and build a loyal customer base	Governance structure needs to be defined in a shareholder agreement and KPI's established
There will be the potential to reinvest profits from one part of the business to support activity in other parts of the business.	The entity would require to employ additional commercial, technical and marketing skills which would need to be factored into the business planning process.
The company will be able to provide wide-ranging services in response to market demand	
It will have the ability to respond quickly to market changes and will be able to take advantage of new markets as they develop e.g. energy storage.	
There will also be the potential to support third party projects with other public sector bodies, the private sector and community energy companies	
Offers the potential to develop a core skill set to run multiple projects	
Energy related services will be delivered through a self-sufficient entity rather than at a public cost	

#### 4.6 COMPARISON OF KEY EVALUATION CRITERIA

The different options considered above have been evaluated using a number of evaluation criteria. These criteria were developed on the basis of a workshop held on the 22<sup>nd</sup> June 2016 where the

opportunities, risks, benefits and critical success factors of establishing an ESCo were discussed. These criteria are set out below and the evaluation is presented in Table 5 below.

- Must be capable of providing strategic leadership for Powering Aberdeen and clarity about the city’s priorities.
- Must be capable of engaging public, private and community stakeholders in developing and implementing innovative solutions across the energy agenda.
- Must be capable of attracting substantial external resources to get programmes off the ground.
- Must be flexible enough to adapt and exploit new opportunities quickly.
- Must be capable of being self-sufficient
- Must be capable of being held to account by the Council for progress and Council spend.

**Table 5 - Options evaluation**

**Scoring key: Meets criteria=green, Partly meets criteria = orange, Fails to meet criteria =red**

Criteria	Option 1 In house	Option 2 JV ESCo to supply energy.	Option 3 Council owned project specific ESCo	Option 4 Council owned strategic ESCo
<b>Strategic leadership for Powering Aberdeen and clarity about the city’s priorities.</b>	<b>ORANGE</b>  Council could lead through its members and officers but may lack sufficient specialist skills as not a core activity for Council.  Lack of billing and customer service engine to manage energy generation which would either need to be developed or bought in.	<b>RED</b>  Would have a brief to build and supply energy through specific schemes. Couldn’t take a holistic view of the city’s needs.  Less control over direction and activity.  Limited scope	<b>RED</b>  Would be focussed on delivery of a single project so would lack a strategic approach to wider energy related opportunities.  The growth of energy related services is likely to be piecemeal rather than driven by a wider strategy or growth in market opportunities.	<b>GREEN</b>  A strategic ESCo would look holistically at the cities priorities and Powering Aberdeen and would be able to consider these across different activities.  Work to an agreed business plan under the overall ACC strategy.
<b>Engage public, private and community stakeholders in solutions.</b>	<b>ORANGE</b>  Private sector partners may become frustrated with Council processes and timescales.	<b>ORANGE</b>  Model could engage all relevant partners for a specific scheme but not for the city as a whole.	<b>GREEN</b>  A strength of current Council ALEOs is their stakeholder engagement.  Greater potential to engage other parties through project specific entities but more difficult to build a trusted and cohesive	<b>GREEN</b>  Ownership model would ensure stakeholder engagement.  There will be the potential to reinvest profits from one part of the business to support activity in other parts of the

			brand.	business.
<b>Attract substantial external resources into programmes.</b>	<b>RED</b> Council's powers to raise some types of funding are restricted. Could face resource and skill constraints.	<b>ORANGE</b> Able to raise funds for schemes covered by the ESCo but this is not likely to cover the range of issues covered by Powering Aberdeen.	<b>ORANGE</b> Could have powers to raise funding but would be restricted to the activity of the ESCo.	<b>GREEN</b> Could have powers to raise funding and develop business models across a range of projects and with a range of partners.
<b>Flexible to adapt and exploit new opportunities quickly</b>	<b>ORANGE</b> Likely to face limitations as to potential to grow  Council processes make it hard to respond quickly and flexibly.	<b>ORANGE</b> Could be expanded beyond initial brief depending on partners but may be differing objectives.  May be a procurement issue depending on initial choice of partner.	<b>RED</b> Would be focussed on a particular project so would not have the flexibility to exploit new opportunities unless they were considered to be within the organisations area of operation.  Limits to growth and investment.	<b>GREEN</b> Could have powers to set up subsidiaries, enter into JVs etc.to provide wide-ranging services in response to market demand and take advantage of new markets as they develop e.g. energy storage, subject to these forming part of the agreed business plan.
<b>Must be capable of being self-sufficient</b>	<b>ORANGE</b> No set-up costs. Use existing staff.  Likely to be project specific. Surpluses could be used in any way deemed fit by the Council so there would be no guaranteed re-investment in programmes that further the objectives of Powering Aberdeen.	<b>GREEN</b> Benefits are shared set up costs, resources and expertise.  Would require lengthy procurement process; and significant professional fees.  Any profits split with private sector partner. Surplus to Council but likely to be for general use.	<b>GREEN</b> Limited potential to build core skill set.  Lower set up costs  Economics will be project specific. No ability to re-invest in other projects.	<b>GREEN</b> Entity will be set up with a business plan to be self-sufficient based on projects identified.  Surpluses generated to be reinvested in entity to ensure it is self-sufficient after initial start-up costs.

<b>Capable of being held to account by the Council for progress and Council spend.</b>	<p><b>GREEN</b></p> <p>Officers accountable to the Council members through the Economic Development Committee.</p> <p>Need to define new structures and internal ownership to ensure effective delivery.</p> <p>Lower set up costs.</p>	<p><b>ORANGE</b></p> <p>Would be held to account for the specific schemes it was set up to run but governance structure would include representatives from the external investor that might have different priorities from the Council.</p>	<p><b>GREEN</b></p> <p>Would be accountable in the area of activity covered by the ESCo but not the wider delivery of powering Aberdeen.</p>	<p><b>GREEN</b></p> <p>Wholly owned by the Council; Board appointed by the Council with external non-executive directors with relevant expertise.</p> <p>An agreed three-year rolling business plan with KPI's set in agreement with Council.</p>

On the basis of the above options appraisal and evaluation the Council owned strategic ESCo is the only option that meets all the criteria; therefore it is proposed that ACC set up a Council owned strategic ESCo.

#### 4.7 CONSULTATION

The options appraisal and supporting proposal have been informed by the outputs of a workshop held with key internal stakeholder on the 22<sup>nd</sup> June 2016. A full list of stakeholders consulted in putting together this paper is presented in Appendix A. The workshop discussed the following:

- Is participation in an ESCo desirable?
- How might this be structured to facilitate projects?
- What benefits might we expect to arise?
- What projects should the ESCo take forward?
- What issues should the ESCo address?
- Will public sector invest – in cash or in kind?
- What high level risks do we see with an ESCo?
- What is required to secure approval – detailed business case?
- What will be the approval processes?

Informal discussions have also been held with Aberdeen Heat and Power. These will be followed by more detailed discussion as part of the business planning process to determine the appropriate operating model.

Overall there is agreement, that in principle an ESCo is an appropriate way to help achieve the identified targets of lowering carbon emissions, reducing energy costs, increasing economic activity and reducing fuel poverty. A business plan with a cost/benefit/risk analysis has been identified as

the next step in order to fully examine the potential projects that could be progressed by the ESCo and the legal, governance and management structures as well as risks and financial rewards.

## 5 SCOPE, VISION AND PROPOSITION

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### 5.1 SCOPE

In line with the outcome of the options appraisal it is proposed ACC should establish a strategic ESCo with its scope established in a rolling three year business plan. It should be able to become involved in activity relating to the management, generation and distribution of energy including demand management, alleviation of fuel poverty and innovative projects such as energy storage.

The intention is that the ESCo will become self-funding with the ability to reinvest profits to develop and grow the business.

### 5.2 VISION

The ESCo will support delivery of the vision for Powering Aberdeen.

*“By 2030 Aberdeen is a vibrant, world class city which is an attractive and sustainable place to live and do business. The economy has diversified and is supported by efficient, low carbon buildings and transport infrastructure. The health and wellbeing of citizens continues to improve and fuel poverty has been eliminated. Carbon emissions have reduced by at least 50%. “*

Establishing an ESCo will help:

- Diversify the economy
- Improve energy efficiency
- Improve energy security
- Reduce carbon emissions; and
- Reduce fuel poverty

### 5.3 THE PROPOSITION

On the basis of the options appraisal undertaken in Section 4 it is proposed that ACC should establish an ESCo as an arms length external organisation (ALEO) wholly owned by the Council.

The scope of the ESCo should not be limited in order to allow it to develop and evolve services and projects in response to the needs of the city and its businesses and residents. This is considered particularly important in what is a rapidly evolving market. It will also allow the organisation to explore the potential for new partnerships, technologies and innovation.

A wholly-owned strategic ESCo could fulfil its role directly by entering into partnership with investors and communities (perhaps through project specific special purpose entities, joint venture entities or social enterprises) or it might facilitate partnerships between others. Critically, it needs to be entrepreneurial and collaborative in its outlook, quick to respond to opportunities, imaginative with its solutions and commercially astute.

Appendix B indicates the range of types of projects already being undertaken by ACC that could be considered for inclusion in the ESCo. These include for example:

- Sale of heat and power from the Energy from Waste plant and the development and establishment of the associated heat network.
- Provision of domestic energy efficiency services by project management of projects and services currently delivered in-house and by potentially supplying the contracting services.
- Potential to provide a wider range of energy efficiency services for both Council and non-Council buildings possibly through energy performance contracts.
- Growing energy generation capacity through for example a solar PV farm at former Ness landfill

ACC already has an ESCo involved in the management of certain specific energy services in the form of AHP. AHP has considerable experience in developing heat networks that they can bring to bear. Early discussion has taken place but further more detailed consideration is necessary to determine the most effective operating model by which the ESCo and AHP can deliver Powering Aberdeen. This might include evolving AHP to become a wider entity or incorporating AHP in an appropriate way into the new body. In consultation with AHP the appropriate way forward will be determined for the detailed business plan.

The activity to be undertaken and the potential structure of the ESCo now needs to be the subject of a detailed business plan.

#### **5.4 LEGAL AND GOVERNANCE**

The legal constitution of the entities in the ESCo as well as the board and governance arrangements will be developed in discussion with Council officials taking into account current experience of the existing ACC ALEO's and other current guidance. This will form part of the business plan that would also contain recommendations regarding management and staff structures to deliver the projects proposed for the ESCo.

The proposals should follow evolving Council governance arrangements. The Board could include a mix of Council members and external recruits with experience in energy and finance amongst other skills. Careful consideration will given to the role of AHP within this process.

##### **Legal model**

Scottish Future Trust working with Brodies and the Heat Network Partnership has recently published a document entitled "Legal Guidance on establishing Energy Service Company". This document indicates that there are three legal models that are suitable to use to establish an ESCo if they are not limited to community schemes. These are:

- Company limited by shares
- Company limited by guarantee
- Limited liability partnership

These characteristics of these different structures and their suitability for an ESCo are summarised in Table 1 below which is an extract taken directly from the above document.



Legal form	Separate legal personality	Limited liability	Suitability for financing	Ability to grant security	Profit/Not for profit	Flexibility (ease of exit)	Tax transparent
Limited liability partnership	Yes	Yes	Full	Full	For profit	Yes	Yes
Company limited by shares	Yes	Yes	Full	Full	Either	Yes	No
Company limited by guarantee	Yes	Yes	Good	Good	Not for profit	No	No

An early decision needs to be made as to which is the preferred option. As part of the business planning process these options would be discussed and examined in more detail with the ACC legal team. It also needs to be determined whether the ESCo will be for profit or not for profit and how any profit will be distributed or reinvested. On the basis of the recent workshop discussion with Council officials that took place as part of developing this business case the general view was that the ESCo should be for profit but that at least initially the profit should be reinvested in the entity rather than distributed to shareholders. In either event the proposal is that the ESCo should be a self-sustaining commercial entity that is ultimately not dependent on ACC.

### Governance

Once the legal structure is agreed the governance structure needs to be established and a draft shareholder agreement developed. This needs to consider the following issues:

- How it will implement its objectives-the business planning process
- How and by whom the ESCO will be managed.
- Policies and procedures for the management and monitoring of the ESCO.
- Other policies and procedures; and
- The relationship between the ESCO and its parent public body or bodies.

In establishing the governance structure ACC will take account of its considerable experience in establishing and managing (Arm’s Length External Organisations) ALEOs. A review is currently underway looking at the governance structures of existing ALEOs, what is working and not working to bring all ALEOs together under one governance structure. The work being undertaken in this review will be important in informing the governance structure for the ESCo going forward. We are liaising with legal services in this regard and will factor this work into the proposed business plan.

As part of this we will also consider the skills required from core staff and external non-executive directors to support the diverse and complex activities of the proposed ESCo. A range of experience including commercial, technical and financial will be critical to support the business and the management team.

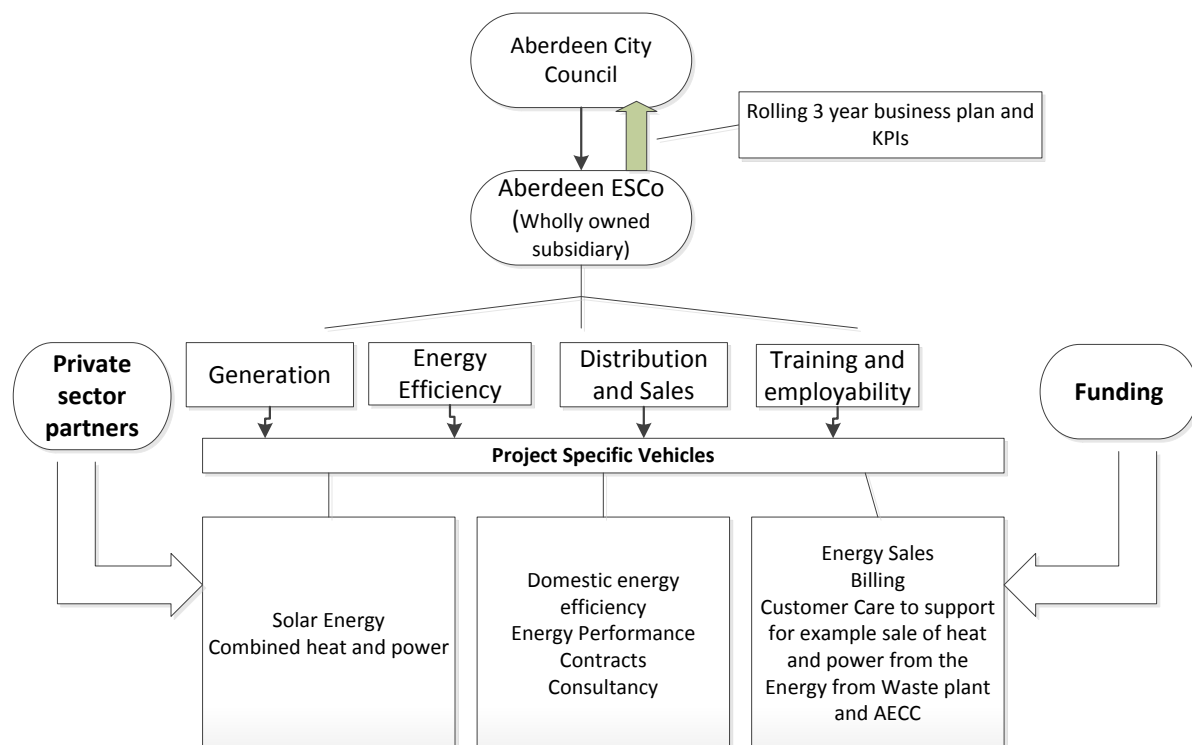
## Organisational Structure

An appropriate structure for the organisation needs to be agreed. One structure that was discussed at the recent workshop could be to establish a number of divisions representing the core areas of activity of the ESCo which could be:

- Generation – all generating activity would sit in this division including for example Aberdeen Heat and Power, solar projects and other renewable energy projects.
- Distribution and sales – this division would deal with the buying and selling of energy from for example the Energy from Waste plant, distribution to and management of customers including sale of energy. This activity is likely to be delivered in partnership with a third party. Identifying this third party would be an early activity of the ESCo.
- Energy services – this would cover demand management such as energy efficiency services.
- Other - this could cover innovative projects such as energy storage or other new technologies that may emerge.

These divisions would sit under the central structure. Within each division there would be the option to grow the business or deliver the service either through Council only funded activity or in partnership with a third party. To that end project specific special purpose subsidiaries would be established as appropriate. There would be the potential to secure funding at the individual project level or potentially to create a separate investment fund for projects managed by the ESCo. Figure 1 shows this proposed outline structure.

**Figure 1 – Possible structure of the ESCO**



## **Business Plan**

The next stage is to develop a business plan to develop the ESCo. As part of developing the business plan the following needs to be undertaken.

- Agree a legal structure for the organisation
- Establish a governance structure
- Identify and agree a priority project list
- Develop a staff and management structure and job descriptions
- Develop initial resource and funding requirements
- Develop an initial business plan for the first three years.

## **Monitoring and Measurement**

The success of the ESCo will be measured by tracking the number of energy schemes it has helped deliver and its achievement of a number of objectives including these examples:

- Reducing energy costs
- Increasing the proportion of energy sourced from renewables
- Reducing carbon emissions
- Creating jobs through sustainable energy projects.
- Reducing the number of people in fuel poverty.
- Increasing partnering activity and the number and range of energy efficiency projects.
- Reducing energy consumption.
- Generating income.

## **Key Considerations**

The phasing of the development of the ESCo will be a key consideration in the business planning process. An initial project list has been developed and establishing timelines and priorities to progress these projects will be part of the detailed business planning process. Key projects would be to establish a billing and customer service facility to manage the sale of heat and power from the Energy from Waste plant, the planned expansion of the Aberdeen Heat and Power network and the potential sale of surplus energy from the Energy Centre at the AECC.

The role of Aberdeen Heat and Power also needs to be carefully considered. Early discussions have taken place but more detailed discussion is required to determine the most appropriate way to integrate them into the ESCo.

## **5.5 RATIONALE FOR THE PROPOSAL**

An ESCo will help deliver the objectives of Powering Aberdeen and provide the vehicle to ensure we realise a number of major projects that are in progress in particular developing the heat networks from the energy from waste plant and the energy centre at the AECC.

A strategic ESCo will open up the opportunity to further build local energy generating capacity within the city, further extend the heat network, address fuel poverty issues and provide a range of

supporting services. Without an ESCo the ability of the Council to progress projects in these areas will likely be constrained by the necessary skills and resources.

Bringing these activities together into one ESCo will provide benefits from economy of scale through sharing of skills and resources relevant across many energy related projects, a vehicle to encourage private investment and a flexible framework through which we can develop and grow new services.

The ESCo can draw in a variety of partners and users to maximise the impact from the project pipeline. In this way more efficient projects are created and cost sharing and income generating opportunities are optimised; potentially through the bundling of projects to enable otherwise challenging projects to be implemented.

## **5.6 MAJOR RISKS AND ISSUES**

The following issues and risks were identified as part of the process of preparing this paper:

### **5.6.1 There is no dedicated Council budget currently attached to this proposal**

It is essential that if ACC decides to establish a strategic ESCo to deliver energy services that it is provided with the necessary financial and staff resources to be successful. Ultimately the ESCo should look to generate revenue to be self-sustaining however this is unlikely to cover the whole cost of the early years activity. Resources are already being expended on energy efficiency projects and these could be consolidated under the ESCo structure. Discussions should also be commenced with the Scottish Government and other potential funding sources to identify potential support.

### **5.6.2 The right skill set cannot be procured**

The success of the ESCo will depend on being able to recruit the right skill base to support it's development in particular commercial and marketing expertise. If the necessary resource or skill base is not provided the likelihood of commercial failure is high as is the case in any commercial organisation. Lack of resources or the right skills will impact on the ability of the organisation to look for growth opportunities, to provide the quality of service necessary to build the positive reputation of the organisation which will in turn impact on its ability to attract customers and investment as discussed below. The right skill sets will be established as part of developing the business plan. Contingency measures could include secondments and interim employment as required.

### **5.6.3 The capacity of the company in the early years is significant restricted**

It is important that the new ESCo team is appropriately resourced to develop and bring on stream projects quickly. This situation will be helped by the fact that projects that could be managed by the ESCo are already in the pipeline and can be brought into the ESCo at the appropriate time subject to an appropriate business case.

### **5.6.4 Lack of credibility of the ESCo**

The ability of the ESCo to succeed in growing a customer base and attracting investment will depend on building a credible organisation with a credible brand. This will be necessary to grow the customer base and attract investment. The success of the ESCo will depend on it being able to generate income streams from projects, maximise the sale of heat and power and being able to invest in areas such as growing heat networks that will require the ability to raise funds and investment at scale.

### **5.6.5 Lack of flexibility**

The relationships between ACC and the ESCo must be such that ACC is able to retain the necessary control to ensure that the ESCo delivers on its objectives but must not limit the ability of the organisation to be flexible and respond to market demand and enter new markets. One of the benefits of establishing an ESCo is that as a separate organisation that needs to be commercially viable the organisation needs to be looking for new opportunities to maximise on its investment and to grow new income streams.

## 5.7 EQUALITY IMPACT CONSIDERATIONS

An Equality Impact Assessment based on the recommendation is provided in Appendix C.

## 5.8 CHALLENGES AND OPPORTUNITIES

The potential challenges and opportunities associated with adopting the proposition set out above are summarised below

### Challenges

- *Investment required to set up the ESCo*- ACC will need to make investment in setting up the ESCo, establishing it as a legal entity, bringing in appropriately skilled resources to manage and run the ESCo and establishing an appropriate governance structure.
  - *Attracting the necessary skill base* – the success of the ESCo is dependent on being able to invest in and attract people with the necessary skills. This involves the need to offer competitive salaries and benefits.
  - *Finding the right partners* – the success of the ESCo in progressing projects will depend on finding the appropriate partners given the complexity of energy projects. The careful selection of the right partner for a particular project will be an important activity for the future ESCo.
  - *Managing commercial risks* – any commercial organisation carries with it commercial risks. This needs to be considered when establishing the entity and developing the various contractual models to deliver specific projects. These risks will be considered in more detail during development of a detailed business plan and appropriate mitigation measures identified to manage them.
- Retaining influence* – In setting up an ESCo there may be concerns about ACC's ability to retain influence over the services run through the ESCo. There will be a balance to be had between allowing the ESCo the flexibility to be able to respond to market issues while at the same time ensuring it is delivering ACC's objectives. This will be addressed in detail in the business plan and governance structure.

### Opportunities include:

- *Initial investment* – although there would be costs in establishing the ESCo, ACC is a unique position in that it has already committed investment for the development of energy generation activity that could be assigned to the ESCo.
- *Income generation* - the aim of the ESCo is to be self-sustaining and potentially to generate income for the Council through the energy projects it develops.
- *Offering affordable, sustainable heat and power* – through the ESCo Aberdeen will be able to offer heat and power across the city at affordable, sustainable prices to both businesses and residents. The potential to establish a local tariff with appropriate metering and billing mechanisms will be developed as part of the detailed business planning process. An important consideration will be to ensure the Council develops the ability to offer those in fuel poverty heat and power at affordable, sustainable prices.
- *Developing the heat network* – ACC has ambitions to extend the existing heat network into the city centre and beyond. Bringing all activities that produce heat under one body will make strategic planning for expansion of the heat network easier. It will also provide a more viable entity through which to raise capital and funding for this expansion either through partnership or raising capital from third parties.

- *Attracting investment* – the ESCo as a separate body to the Council is likely to be better able to attract project finance either through private sector investment or other finance bodies. The extent to which ACC may be required to underwrite any of these deals will need to be carefully considered as part of the risk assessment to accompany a detailed business plan. Such an underwriting could be through financial support or guaranteeing a level of offtake from generating plant.
- *Opportunity to reinvest* – by establishing the ESCo as a commercial entity any profit can be reinvested in a way deemed suitable by the ESCo, arrangements for management of profits need to be established when the ESCo is formed.
- *Employment opportunities* – the establishment of the ESCo will require the need to employ a number of people with the necessary commercial, financial and business development skills to establish and grow the ESCo.
- *Skills development* – the ESCo will provide the opportunity to develop a local skill base for the activity delivered by the ESCo in particular relating to alternative energy and the low carbon economy.
- *Greater energy security* – by establishing a local energy company incorporating local energy generation and distribution ACC will increase energy security for the people and businesses in Aberdeen city and potentially beyond.

In summary the ESCo model whether public or private sector is gaining momentum as a way to deliver energy projects. At a time when energy prices and security are an increasing concern the development of a local generation and supply capacity based on a mix of technologies offers the council the opportunity to deliver on a number of its core objectives. There are issues to be addressed but the opportunities offered by an ESCo structure and the ability to facilitate the delivery of Powering Aberdeen as well as other challenging issues around energy supply make the development of such an entity a logical route forward.

## 6 RECOMMENDATION

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### RECOMMENDATION

It is recommended that ACC further investigate the option to set up a strategic ESCo as an arms-length external organisation (ALEO) wholly owned by the Council to manage all energy related activity undertaken by ACC with the option to expand and develop energy related services over time.

It is recommended that a Working Group reporting to the, Director of Communities, Housing and Infrastructure and led by a project manager from that department should take forward the development of the business plan. The Working Group would include relevant internal energy experts as well as representatives from legal and finance. Appropriate external support would also be included to facilitate the development of the business plan. The principal role of this group would be to undertake the following:

- Agree a legal structure for the organisation
- Establish a governance structure
- Identify and agree a priority project list

- Develop a staff and management structure and job descriptions
- Develop initial resource and funding requirements
- Develop an initial business plan for the first three years.

It is proposed that this work will be undertaken from August to December 2016 with a view to presenting the business plan to Full Council in December 2016, with the intention that the ESCO be established in early 2017.

## 6.1 RATIONALE FOR THE RECOMMENDATION

Although the establishment of a strategic ESCo appears to be the best route in principle, further work to develop a business plan addressing the issues identified in this paper around structure, projects and establishing an economically viable entity requires to be undertaken.

An important element of the business planning process will be to establish the role of AHP which already exists as an ESCo to manage specific energy services associated with developing heat networks. Early discussion has taken place but further more detailed consideration is necessary to determine the most effective way of bringing the ESCo and AHP together to deliver Powering Aberdeen. Options might include evolving AHP to become a wider entity or an activity within the new body.

It is also necessary to undertake more detailed work to address how ACC will manage any risks associated with the establishment of the ESCo and the appropriate governance structure for the proposed entity. The next phase of the project, putting together a detailed business plan will consider all these issues in more detail.

## 7 STRATEGIC FIT

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### 7.1 INTRODUCTION

At a national level the Scottish Government has set ambitious targets to reduce carbon emissions. Specific targets have been set for renewables generation which are 100% of gross national electricity consumption and 11% of heat consumption by 2020.

Aberdeen City Council has developed Powering Aberdeen as the vehicle to support the Scottish Government in this ambition by setting city wide carbon reduction targets and plans to deliver this by improving energy efficiency, increasing use of renewable and alternative energy, managing resource more efficiently and moving to more sustainable transport. Through the Powering Aberdeen programme the ambition is to eliminate fuel poverty in the city and to support diversification of the economy by attracting new skills and technology to the area.

The ambitions of Powering Aberdeen are also echoed in:

- Aberdeen-The Smarter City - Smarter Environment – includes the following core themes.
  - *We will design and construct all new infrastructure to be energy efficient by maximising the use of low carbon technology and materials. We will use recycled materials where appropriate.*
  - *We will increase energy efficiency and introduce carbon reduction measures in our processes and our housing and non-housing assets to reduce our carbon footprint, save money and to bring people out of fuel poverty.*



- The Community Plan and Single Outcome Agreement - sets the ambition for Aberdeen to be a socially, economically and environmentally sustainable city.
- The five year business plan 2013-2018-sets sustainable economic growth for the benefit of national outcomes as a key priority.

The ESCo will support the delivery of these objectives and will act as a key delivery mechanism for Powering Aberdeen. By bringing together all energy related activity in one place the city will be better able to support the Scottish and UK Government and deliver local ambitions to provide affordable, low carbon energy to residents and businesses in the city and to promote improvements in energy efficiency.

## **7.2 FINANCIAL AND NON-FINANCIAL BENEFITS**

- The ESCo will be a key vehicle to deliver the objectives of Powering Aberdeen as it will provide a vehicle through which to grow energy demand services, increase generation using alternative technology and grow the heat network.
- Overtime the ESCo will have the potential to provide an income stream for the Council. Some of the services currently provided directly by the Council are likely to move into the ESCo if appropriate business cases can be made reducing costs to the Council.
- It will help to reduce emissions, alleviate fuel poverty, create economic and employment opportunities.
- A strategic ESCo will provide a central resource with the necessary skills and expertise to manage energy related services in a strategic way that maximises the benefit of investment and allows skills sharing and resource sharing across energy related services.
- The presence of a strategic ESCo will allow ACC to build a trusted brand for energy related services which will be necessary to expand these services, attract funding and grow the customer base.
- By not limiting the activity of the ESCo it will be able to exploit new market opportunities and have the potential to encourage innovation.
- The ESCo will provide a vehicle to bring together a range of partners to facilitate the delivery of projects and act as an ambassador for energy efficiency measures in the city.

## **7.3 DIS-BENEFITS**

- Investment will be required to establish the ESCo through initial staffing prior to it becoming income generating.
- The Council will need to provide resource to monitor the activity of the ESCo
- By not limiting the scope of the ESCo this opens the company to potentially higher commercial risks. These need to be managed on a project by project basis.

## **7.4 CRITICAL SUCCESS FACTORS**

There are a number of critical success factors associated with establishing an ESCO.

- The ESCo must be capable of providing strategic leadership for the development of the projects being managed through the ESCo and there must be clarity around stakeholder priorities.
- The ESCo must be capable of focusing single-mindedly on achieving the agreed objectives.

- The ESCo must have credibility and be capable of engaging public, private and community stakeholders in developing and implementing innovative solutions across the energy agenda.
- It is very important that the ESCo has sufficient financial and staff resources to deliver projects.
- It must be capable of attracting external funding.
- It must be flexible enough to adapt and exploit new opportunities quickly.
- It must be capable of taking and managing risk to facilitate development
- It must have an appropriate governance structure that reflects stakeholder interests.

## **8 IMPLEMENTATION COSTS**

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The next stage is to develop the detailed business plan for the ESCo over the period to December 2016. It is proposed that a Working Group is established to oversee the development of the plan and that this should meet fortnightly during the development period. A project manager from Communities, Housing and Infrastructure will lead the development of the business plan. We would utilise internal resources and existing guidance and precedents as much as possible however we are aware that internal resources are constrained. We estimate that we will require external support to develop the business plan in the areas of commercial structuring, financial modelling and some limited legal input. At this stage we estimate that these costs would be between £30,000 and £45,000 (excluding VAT) for external support.

## 9 APPENDIX A-STAKEHOLDER ENGAGEMENT

The following stakeholders were interviewed and/or involved in the collection and preparation of the information contained within this proposal:

**Table 25 - Project Stakeholders**

<b>Name</b>	<b>Role</b>	<b>Service Group represented</b>
Pete Leonard	Director	Communities, housing and infrastructure
Terri Vogt	Powering Aberdeen-Programme Manager	Planning and sustainable development
Scott Ramsey	Project Manager AECC	Economic development
Amy Perry	Project Officer involved in AECC and hydrogen project	Economic development
Kevin Christie	Senior Domestic Energy officer	Land and property Assets
Mai Muhammed	Energy manager	Land and property Assets
Carlo Grilli	Legal	Commercial and procurement services
Amye Robinson	Funding	Economic development
Scott Patterson	Senior Finance Officer	Finance
Helen Sherritt	Finance	Finance
Leona Lowe	Finance	Finance
Pete Lawrence	Waste and Recycling Manager	Public infrastructure and environment
David Leslie	PMO	Corporate Governance
David Dunne	Senior Planner	Planning and Sustainable Development
Ian Booth	Chief Executive	Aberdeen Heat and Power

## 10 APPENDIX B-PROJECT LIST

### Projects that could be incorporated into the ESCO

Below is an initial list of projects that will be refined and developed as part of the business planning process.

Project	Description	Status	Capex	Timescales for delivery	Role ESCO Might play
Energy from Waste plant	Being developed to manage non-recycled waste which will be used to generate heat and power. Partnership project with Aberdeenshire and Moray Council	Planning stage, still to get planning permission	Funded separately to ESCo	To be up and running by 2021	Sale of heat and power
Tullos District Heating Network	This will take the heat from the energy from waste plant and distribute it to Tullos and possibly beyond.	Initial business case prepared. More detailed costs for development of the network being developed	Business case suggests Phase 1 – £5-10M Phase 2 - £31-50M	Available for connection by 2021	Invest in and install heat network
Anaerobic digestion plant at AECC	This will be located at the AECC and will generate gas to be sold to the gas network.	This will be part of a design and build contract which is at the competitive dialogue stage		July 2017	There is probably no foreseeable role for the ESCo in the short term as will be managed by a third party.
Energy Centre AECC	This will be a CHP plant that provides heat to a district heating system which will run throughout the AECC site and power to the grid.	Design and build and operate and maintain contracts will be established for the energy centre.		July 2017	No role initially as will be operated by a third party.
Supply of	Two district heating	Planned	None	Not	Extension of the heat

Project Name: Developing an ESCO

heat beyond the AECC boundary	spurs will be established from the AECC network towards the airport and proposed housing to allow these areas to be connected into the heating system in the future.		allocated	established	network beyond the AECC boundary will require sales, billing and customer service facilities that could be made available through the ESCo.
Aberdeen Heat and Power	Provide heat to 2050 flats in 33 multi story blocks and 13 public buildings. Further multi storey blocks to be incorporated over the next three years.	Operating ESCO since 2002	£3.64M per year over next three years	2016-2019	Support investment in and management of the current network to allow more rapid expansion to the city centre and to provide the metering, billing and customer support expertise necessary to deliver this.
Domestic energy efficiency services for private housing	Delivered through annual funding provided primarily by the Scottish Government. Home Energy efficiency programme to be replaced by SEEP Pathfinder fund. Historically match funding was available through ECO funding (fuel company obligation) but this is no longer available to LAs given directly to contractors. Some LA funding to develop area schemes. Delivered through contractors.	On-going but relies on annual applications for funding	Averages £2M per year	Annual budgets based on government funding although this will move to 3 years in 2018.	ESCO could deliver the work and employ their own contractors either in our out of house. This will open up the opportunity to apply for wider funding options in particular through the ECO fund where all money is now going to contractors.
Housing Revenue Account	Rent income used to maintain and improve Council properties which includes activity that improves energy efficiency. Driven by EESH. Annual schemes to blocks of flats of various numbers. Delivered through	On-going annual budget	There could be various aspects the ESCO could take on such as Insulation, maintenance and management	Annual budget project by project	The ESCo could manage procurement on behalf on the council and deliver through their own procurement arm. Undertake delivery locally and ability to undertake faster

	third party contactors mostly from out with Aberdeen.		of heating systems  Funding allocated on a project by project basis.		procurement. A key challenge in public engagement expertise which the ESCo could build up.
Energy efficiency services	Provision of energy management services and energy efficiency advice in connection with the management of Council buildings and new builds. Spend to save budget.	On-going			Potential to provide this as a wider service through the ESCo for non-Council buildings and to consider providing a service through energy performance contracts.
Small scale renewables	ACC have PV as part of a rent to lease contract on relevant council buildings. There is the option to buy these and make the income. There are a number of other one off micro renewable installations.	One off installation exercise	Council provide roof space but contractor gets the income.	On-going	ESCo could buy out PVs and make the income. ESCo could also assist in developing additional small scale renewable projects for Council properties and non Council properties and work with communities to maximise carbon benefits.
Ness landfill solar farm	There is the potential to install a solar farm on a former landfill owned by Aberdeen city Council. Early feasibility work has been undertaken but needs updating.	Feasibility (needs updating)	Non allocated	None determined	Establish and manage a solar PV farm at Ness
Vertical wind turbines	Feasibility study currently being undertaken in conjunction with the Scottish cities alliance which will consider the options for the use of these turbines in Aberdeen.	Feasibility	Non allocated	None determined	Could be installed and managed through ESCO if deemed commercially viable
Hydrogen fuelling station at Cove	ACC are currently building an hydrogen fuelling station at Cove. This is fully	Under construction		For completion by end of 2016	This could be operated by the ESCo in the future if deemed appropriate.

	owned and operated by the Council.				
22 city centre electric vehicle charging points	There are 22 electric charging points across the city. Usage is currently small and paid by the council but in the future as usage increases billing arrangements may need to be put in place.	Existing	Infrastructure paid for.  Electricity use paid for by ACC.		In the longer term these could be managed and billed through the ESCo
Energy Performance certificates	Council has a number of staff who do the EPCs on ACC housing stock	On-going	NA	NA	This could be offered as a consultancy service

## 11 APPENDIX C – EQUALITY IMPACT ASSESSMENT

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This Equality Impact Assessment (EIA) is based on the recommendation presented in this paper.

### 11.1.1 What is the title and aim of the activity?

A proposal to establish a strategic Energy Services Company (ESCo) for Aberdeen City Council which would be fully owned by the Council and established as an arms length entity. The paper seeks approval to develop a more detailed business plan for the proposal

### 11.1.2 What evidence was used in the assessment?

Consultation has been undertaken with a small group of employees who have an interest in the establishment and activity of an ESCo.

The experience of other local authorities in setting up an ESCo was considered.

### 11.1.3 Are there any gaps in evidence and what measures will be taken to fill them?

No gaps in evidence have been identified at this stage, more detailed consultation with employees will be required as we move to developing the detailed business plan.

### 11.1.4 What are the positive impacts on protected groups?

At this stage there are no positive or negative impacts on protected groups. As a wholly owned subsidiary of ACC any future recruitment by the ESCo would need to be in line with ACC's equality policies.

### 11.1.5 What are the negative impacts on protected groups?

None identified.

### 11.1.6 What steps are being taken to improve relations between groups?

As part of developing the more detailed business plan for the operations further consultation will be necessary.

### 11.1.7 How does it create opportunities for advancing equality of opportunity?

One of the objectives of the ESCo is to be able to provide affordable heat and power as part of the drive to reduce fuel poverty in the city which is likely to benefit those with disabilities and older citizens

### 11.1.8 What equality monitoring arrangements will be put in place?

KPIs for managing the ESCo will be established as part of the detailed business planning process which need to consider equality monitoring. A KPI in relation to fuel poverty and average energy costs is likely to be included which will assess the impacts if any the ESCo is having on the disadvantaged.

### 11.1.9 What is the outcome of the assessment?

No negative impacts have been identified at this stage.



## 12 APPENDIX D - GLOSSARY OF ACRONYMS


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**Table 31 – Glossary of Acronyms**

ACC	Aberdeen City Council
AHP	Aberdeen Heat and Power
ALEO	Arms Length External Organisation
ESCo	Energy Services Company
KPI	Key Performance Indicator

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<b>7- EHRIA Summary and Action Planning</b>				
<b>Report Title</b>	Business Case for establishing an Energy Service Company			
<b>Assessment not required</b>	<p><b>Evidence</b>            This EHRIA has been undertaken on a high level business case which if approved will proceed to a detailed business plan at which case equality issues will be considered in more detail. At this stage no data or consultation has taken place in relation to equality issues. However the proposal is that the ESCo would provide affordable heat and power which would benefit those citizens in fuel poverty which includes in many cases the old and disabled. Staff will need to be recruited to the ESCo which should be undertaken in line with ACC equality procedures.</p>			
<b>Assessment completed</b>	<b>As a result of completing this assessment, what actions are proposed to remove or reduce any risks of adverse outcomes which were identified.</b>			
<b>Identified Risk and to whom:</b>	<b>Recommended Actions:</b>	<b>Responsible Lead:</b>	<b>Completion Date:</b>	<b>Review Date:</b>
It needs to be ensured that equality issues are appropriately considered at the detailed business plan stage	Consult with the equalities Manager if proceed to detailed business plan stage	Terri Vogt	By September 2016	December 2016 as part of full business plan

8: Sign off	
<b>Completed by (Names and Services) :</b>	Terri Vogt, Powering Aberdeen Programme Manager
<b>Signed off by (Director) :</b>	
<p><b>Only sections 7 and 8 will be attached to the committee report</b></p> <p>The full EHRIA will be published on Aberdeen City Council's website under <a href="http://www.aberdeencity.gov.uk/xeq_EHRIA_Search.asp">http://www.aberdeencity.gov.uk/xeq_EHRIA_Search.asp</a></p> <p>Please send an electronic format of the full EHRIA without signature to <a href="mailto:showard@aberdeencity.gov.uk">showard@aberdeencity.gov.uk</a></p>	

**Appendix A to this report contains exempt information under the Access to Information Act as it identifies potential future recipients of financial assistance and estimated expenditure on contracts, Appendix A is therefore a restricted circulation. The report itself may be considered in public.**

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COMMITTEE	Council
DATE	17 August 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Conservation Area Regeneration Scheme
REPORT NUMBER	CHI/16/185
CHECKLIST COMPLETED	Yes

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## 1. PURPOSE OF REPORT

To seek authority to submit a bid for up to £1.5 million funding from Historic Environment Scotland towards a Conservation Area Regeneration Scheme which could make a significant contribution to regenerating Union Street.

## 2. RECOMMENDATION(S)

That Council agrees:

- i. submission of a bid for up to £1.5 million to Historic Environment Scotland for a Conservation Area Regeneration Scheme;
- ii. matching funding in principle of up to £1.5 million be allocated from the City Centre Masterplan budget;
- iii. That officers report the outcome of the bid to a future meeting of the Finance Policy and Resources Committee.

## 3. FINANCIAL IMPLICATIONS

Finance Policy and Resources Committee 7 June 2016 (item 8.1) identified the need to address the condition of buildings on Union Street.

The City Centre Programme Board, at their meeting on 19 July 2016, agreed to support the submission of an application for a Conservation Area Regeneration Scheme (CARS), subject to Council approval to

allocate, in principle, up to £1.5 million match funding to support the project.

At the time of writing it is considered that the funding requirement for Council over 5 years is in the range of £1.2 million to £1.5 million in order to secure up to £1.5 million external funding from Historic Environment Scotland (HES). The actual figure will be confirmed as the detail of each project is developed. The potential maximum contribution from the Council will be £1.5 million as is proposed to be met from the existing City Centre Masterplan budget.

**The range of potential projects and indicative costs can be reviewed in Appendix A to this report. Given the appendix identifies particular buildings in advance of contact with owners and gives estimated expenditure on potential future grants it is considered a restricted circulation at this stage.**

Should the grant application be successful the project would commence 1 April 2017 and run for 5 years with an anticipated spend profile of:

	ACC £	HES £	Total £
Year 1 (2017-18)	175,000	175,000	350,000
Year 2 (2018-19)	250,000	250,000	500,000
Year 3 (2019-20)	280,000	280,000	560,000
Year 4 (2020-21)	300,000	300,000	600,000
Year 5 (2021-22)	495,000	495,000	990,000
Total	1,500,000	1,500,000	3,000,000

*Figures are indicative until detail of each project is developed.  
ACC contribution not to exceed £1.5 million*

Aberdeen City Heritage Trust (ACHT) and Aberdeen Inspired support the application of a CARS bid in principle. Their respective Boards will consider the application and how best to support the development of the programme, whether by direct financial contribution, projects supporting the programme, or by contribution in kind.

The cost of preparation of the submission is being met within existing budgets jointly between Planning and Sustainable Development and Aberdeen City Heritage Trust.

The scheme would be devised in order to be compliant with State Aid regulations and associated derogation, which make provision for grant aiding work in the historic environment.

#### 4. OTHER IMPLICATIONS

A successful bid for funding would lead to the establishment of a fixed term (5 years) project officer post within the Planning and Sustainable

Development Service of Communities Housing and Infrastructure for the duration of programme. The post would be accommodated in existing council property and require access to IT equipment. Resourcing a project officer would count toward the Council's match-funding contribution. The programme would also be supported in kind by the Council's own conservation team in the Planning and Sustainable Development Service.

Legal advice would be required in relation to significant grants in order to protect the investment of public funds through standard securities and conservation burdens in favour of the grant provider. Legal advice may be required in the event of default of grant conditions.

A CARS contributes to the sustainability and usefulness of buildings, extending the life of structures that encapsulate significant embodied energy.

Processes and procedures would be developed in accordance with current health and safety requirements as appropriate to the nature of the activity.

## 5. BACKGROUND/MAIN ISSUES

- 5.1 Historic Environment Scotland announced £10 million funding for the latest round of its Conservation Area Regeneration Scheme which encourages investment in the historic built environment as a means of achieving conservation-led regeneration.
- 5.2 The maximum grant award available from HES is £2 million. The deadline for the current round of applications to HES is 31 August 2016 with determination of bids anticipated by January 2017.
- 5.3 CARS are delivered over a 5 year programme and will offer grant support towards a proportion of the costs of external repair and restoration of buildings on Union Street, Castle Street and Holburn Junction, with a focus on those properties most in need of repair.
- 5.4 The type of support offered under a CARS would include the following:

### Building Repair

Substantive external restoration of defective parts of buildings to restore them back to a good state of repair. There is an opportunity to ensure that significant grant awards provide for adequate future maintenance by condition of grant. Priority projects will be identified, but the scheme will extend to other properties within the CARS area.

CARS funding can be used to support work that improves the appearance of buildings by reinstating lost or missing architectural detail in the context of a building being brought back into a fully repaired state.

### Shopfronts/ Commercial frontages

A CARS can support substantive structural or other repair and restoration (where possible) of frontages considered to have potential to make a more positive contribution to the street scene.

### Education and Training

A bespoke education and training plan centring on building maintenance will be developed to complement and provide sustainability to physical improvements.

### Contractor Training

Contractor Training with a view to maintaining and enhancing traditional building skills will be delivered with input from Historic Environment Scotland.

### Operational Costs & Management

Costs, including staffing costs, associated with the management of a CARS.

It is considered that a CARS would make a significant and positive contribution to delivering improvements in Union Street as part of the suite of initiatives identified in the Aberdeen City Centre Masterplan. This bid represents an opportunity to seek to enhance the level of funding available for improvement works in Union Street.

- 5.5 Visual survey of frontages carried out in February 2016 identified properties which had repair of a type that could attract grant assistance in a CARS. Further high level and rear repair is likely and will not be revealed until full investigation is possible. A rooftop survey, to be carried out in the autumn, will enable better understanding of roof level conditions and supplement a CARS bid.

A process of contacting owners responsible for the properties is underway. Further condition evaluation is being undertaken in August 2016 to refine outline estimates of building repair costs and to prioritise those buildings which appear most in need of repair.

- 5.6 There is a significant amount of work currently underway which is necessary to support the application. This is summarised below:

1	Communications – liaison with Union Street owners, press and publicity
2	Union Street Conservation Area Character Appraisal to be updated with mini appraisal
3	Condition Survey (visual inspection carried out Feb-Mar 2016) Rooftop drone survey required
4	Further evaluation of property condition to allow clarification on the extent of repair need to be carried out by ACHT in collaboration with conservation accredited architects.
5	Refined estimated costs to be provided by ACHT with quantity surveyors



6	Background information on masterplan, supporting enhancement schemes, development proposals and approvals, public realm works, strategic policy
7	Analysis of property types and vacancies
8	Analysis of HES desirable outputs for grant funding, review and development of KPIs
9	Analysis of Scottish Index of Multiple Deprivation – local data sets for Union St, residential, health, crime etc
10	Education/awareness and contractor training programme to be scoped and costed (required to support application)
11	Administration, Finance and on costs
12	Demonstrations of fit with strategic plans, City Deal
13	Community Planning
14	Risk Analysis

## 6. IMPACT

### **Improving Customer Experience –**

The initiative provides an opportunity to improve quality of life and pride in place in the city centre which contributes to wider economic strategic objectives.

### **Improving Staff Experience –**

Staff experience will be improved by developing a programme of repair and restoration work, enabling staff to be proactive in managing our historic environment.

### **Improving our use of Resources –**

Leverage of additional external resources to deal with building repair in Union Street over a five year period.

### **Corporate -**

#### Smarter City vision 2012-17

- We will ensure that Union Street regains its position as the heart of the city and move cultural activity centre-stage through re-invigorated cultural leadership
- Contribution to delivery of Smarter Living (Quality of Life) by recognising the cultural contribution made by Aberdeen's architectural heritage
- Smarter Environment (Natural Resources) through sustainable repair which contributes to ...safe and attractive streetscape....

#### Community Plan and the Single Outcome Agreement

- Investment in property and Economic Growth, making Aberdeen more appealing as a place to invest, live, work, visit and export from
- Underlying principle to Promote Pride in Aberdeen and Environmental Sustainability.

#### Strategic Infrastructure Plan

#### Key Goals-

- The skills and labour that Aberdeen needs to thrive- make Aberdeen a more desirable location to live and visit
- A better image for Aberdeen- Boost the external appeal of the city as a place to live, visit and invest, Foster greater civic pride, Celebrate and showcase existing strengths.

#### Priority Projects-

- City Centre Regeneration from which flows: Aberdeen City Centre Masterplan-
- Approved by Council 24 June 2015, Project CM11 Union Street Conservation Area Scheme is identified in the delivery plan, working in partnership with Aberdeen City Heritage Trust.

#### **Public –**

The report is likely to be of interest to the public as a successful bid for funding represents a step towards regeneration of Aberdeen city centre.

A CARS would provide benefits to residents and business in the CARS area but would have a wider city, regional and national impact by improving the condition and appearance of Aberdeen's main street for residents, visitors and investors.

CARS policies and processes will be developed to ensure that data collected from property owners is appropriately stored and processed in compliance with the requirements of data protection legislation.

## 7. MANAGEMENT OF RISK

There is a risk that a potentially significant funding opportunity to regenerate a key element of the City Centre will be missed if a bid is not submitted.

There is a risk that public money could be perceived to contribute to private property development. This will be managed by a demonstrable need for grant assistance (there being no automatic entitlement to grant). Large grants awarded (over £25,000) would be subject to two forms of protection - Standard Security to recover grant funding in the event of a future property disposal and through a Conservation Burden on the property title.

In future, there may be delivery risks in relation to a successful CARS bid that relate to economic circumstances which may impact the local property market. Full risk analysis and management will be developed as a necessary component of any grant programme.

## 8. BACKGROUND PAPERS

Aberdeen – the Smarter City

<https://www.aberdeencity.gov.uk/web/files/CouncilHousing/LHSAppendix2.pdf>  
Community Plan and Single Outcome Agreement  
<http://www.gov.scot/Topics/Government/PublicServiceReform/CP/finalsoas/AberdeenCityFinalSOA>  
Strategic Infrastructure Plan  
<http://committees.aberdeencity.gov.uk/documents/s33119/Strategic%20Infrastructure%20Plan.pdf>  
Aberdeen City Centre Masterplan  
[http://www.aberdeencity.gov.uk/council\\_government/shaping\\_aberdeencity/City\\_Centre\\_Masterplan.asp](http://www.aberdeencity.gov.uk/council_government/shaping_aberdeencity/City_Centre_Masterplan.asp)  
Finance Policy and Resources Committee - Tuesday, 7 June 2016  
Item 8.1  
<http://councilcommittees/documents/g3904/Printed%20minutes%2007th-Jun-2016%2014.00%20Finance%20Policy%20and%20Resources%20Committee.pdf?T=1>

9. REPORT JOINT AUTHOR DETAILS

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## **Privacy Impact Assessment Template**

This template is an example of how you can record the PIA process and results. You can start to fill in details from the beginning of the project, after the screening questions have identified the need for a PIA. The template follows the process which is used in the code of practice. You can adapt the process and this template to produce something which allows your organisation to conduct effective PIAs integrated with your project management processes.

### **Step one: Identify the need for a PIA**

Conservation Area Regeneration Schemes set out to deliver conservation-led regeneration by stimulating property investment in identified part of statutorily designated conservation areas.

The main stimulus is through the offer of grants for enveloping repair to property.

A successful CARS bid would lead to a scheme which would help deliver part of the Union Street improvements identified in the City Centre Masterplan. It will benefit property owners and those responsible for the repair of buildings within the designated with a knock-on benefit to contractors undertaking the work and the improved properties will contribute to place making and quality of life making Aberdeen a more attractive place to invest, live and visit.

Property owners will also be able to attend courses and events which are intended to highlight how best to look after historic buildings. Contractors will have opportunities to consolidate and improve their skills.

Need for a PIA is identified as ownership and potentially sensitive commercial information about leases may need to be submitted as part of any grant application process.

**Step two: Describe the information flows**

The application process for grant assistance requires collection of contact details of applicants and provision of evidence of their ownership of or responsibility for property within the CARS area including property title deeds, lease agreements and associated legal documentation. That information is then used to process and make awards of grants.

In some circumstances information may need to be stored for up to 15 years in order to provide context in relation to burdens on property titles.

Applicants sign a declaration agreeing the collection of this information as part of the grant application process.

Information will be stored and retained as required to comply with conditions of any grant offer and for the purposes of audit by the funders.

**Consultation requirements**

Should the grant scheme be successfully awarded, a risk management programme will be developed which will include managing privacy risks. All data storage will be reviewed, including review of best practice and any lessons learned from previous grant award schemes such as the Green Townscape Heritage Initiative. In addition, Aberdeen City Heritage Trust, who currently operate a grant scheme, will be working in partnership on the CARS, so there will be opportunities to share best practice

Consultation with building owners (potential grant recipients) will take place individually, initially by letter. There will also be direct consultation with Historic Environment Scotland as the grant issuer. Should the grant award be successful, a full communication and engagement plan will be developed.

It is intended to develop the remaining steps when the project develops

**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.

<b>Privacy issue</b>	<b>Risk to individuals</b>	<b>Compliance risk</b>	<b>Associated organisation / corporate risk</b>
Initial identification of buildings for grant			Potential pre-determination of grant acceptance and raising expectation

**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).

<b>Risk</b>	<b>Solution(s)</b>	<b>Result:</b> is the risk eliminated, reduced or accepted?	<b>Evaluation:</b> is the final impact on individuals after implementing each solution a justified, compliant and proportionate response to the aims of the project?
Initial identification of buildings for grant	Appendix identifying properties to be restricted circulation	reduced	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?

<b>Risk</b>	<b>Approved solution</b>	<b>Approved by</b>
Initial identification of buildings for grant	Appendix identifying properties to be restricted circulation	City Centre Programme Board, Council Pre-Agenda

**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?

<b>Action to be taken</b>	<b>Date for completion of actions</b>	<b>Responsibility for action</b>
To be developed as part of the project programme should the grant application be successful		

**Contact point for future privacy concerns**

Sandy Beattie, Team Leader (Masterplanning Design and Conservation)



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