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

Town House,
ABERDEEN 1 March 2017

FINANCE, POLICY AND RESOURCES COMMITTEE

The Members of the **FINANCE, POLICY AND RESOURCES COMMITTEE** are requested to meet in Committee Room 2 - Town House on **THURSDAY, 9 MARCH 2017 at 11.00 am.**

FRASER BELL
HEAD OF LEGAL AND DEMOCRATIC SERVICES

BUSINESS

DETERMINATION OF EXEMPT BUSINESS

- 1.1 Determination of Exempt Business

REQUESTS FOR DEPUTATION

- 2.1 Deputations
None received at this stage.

MINUTES, COMMITTEE BUSINESS STATEMENT AND MOTIONS LIST

- 3.1 Minute of Previous Meeting of 1 December and Reconvened Meeting of 7 December 2016 (Pages 7 - 40)
- 3.2 Committee Business Statement (Pages 41 - 58)

- 3.3 Motions List (Pages 59 - 60)

CORPORATE GOVERNANCE SERVICE ISSUES

- 4.1 Corporate Governance Performance Scorecard (Pages 61 - 126)

FINANCE

- 5.1 Common Good Budget 2017/18-2021/22 (Pages 127 - 140)
- 5.2 2016/17 Financial Monitoring - Corporate Governance (Pages 141 - 148)
- 5.3 Council General Fund Monitoring 2016/17 (Pages 149 - 160)
- 5.4 Non Housing Capital Programme 2017/18 (Pages 161 - 162)
- 5.5 2016/17 Common Good Fund - Monitoring Report Update (Pages 163 - 168)
- 5.6 Small Financial Assistance Grants and Gala Funding 2016/17 (Pages 169 - 182)
- 5.7 Treasury Management Policy and Strategy (Pages 183 - 202)

HUMAN RESOURCES

- 6.1 Creation of Head of Strategy and Transformation Post, Aberdeen City Health and Social Care Partnership (Pages 203 - 206)

PROCUREMENT

- 7.1 Procurement of Fruit and Vegetables (Pages 207 - 210)

GENERAL BUSINESS

- 8.1 Finance, Policy and Resources Committee Legacy Report 2012-2016 (Pages 211 - 228)
- 8.2 Strategic Infrastructure Plan Progress Update (Pages 229 - 240)
- 8.3 Digitisation of Historical Electoral Rolls (Pages 241 - 244)

- 8.4 Union Street Conservation Area Regeneration Scheme - Grant Application (Pages 245 - 258)
Please note that confidential appendices A and B are contained within the private section of this agenda.
- 8.5 Aberdeen 365 Operational Plan (Pages 259 - 290)
- 8.6 Now 14-18 WW1 Centenary Art Commissions (Pages 291 - 296)
- 8.7 Fairtrade Update and Resolution 2017 (Pages 297 - 312)
- 8.8 Towards A Fairer Aberdeen That Prospers For All 2017-20 (Pages 313 - 350)
- 8.9 Community Asset Transfer Procedure 2017 (Pages 351 - 398)
- 8.10 Twinning and International Partnerships (Pages 399 - 412)
- 8.11 Christmas Village Feedback Report 2016 (Pages 413 - 442)
- 8.12 Tourism Levy (Pages 443 - 474)
- 8.13 Thomas Glover House (Pages 475 - 482)
- 8.14 Aberdeen Japan Strategy Update (Pages 483 - 486)
- 8.15 JIVE Project - Grant Agreement (Pages 487 - 492)
- 8.16 Review of Access to Leisure Scheme (Pages 493 - 506)
- 8.17 Sport Aberdeen - Contract Revision and Governance Arrangements (Pages 507 - 512)
- 8.18 Suspension of the Council's Procurement Regulations for a Contract for the Removal and Storage of Artefacts from Provost Skene's House (Pages 513 - 516)
- 8.19 ACVO and HMP Grampian Family Centre Grants (Pages 517 - 520)
- 8.20 Middlefield/Northfield Place-Making and Active Travel Project and Environmental and Flood Prevention Works at Heathryfold Park, Second Report (Pages 521 - 532)

ITEMS THE COMMITTEE MAY WISH TO CONSIDER IN PRIVATE

PROCUREMENT

- 9.1 Procurement - Approval to Tender for Accord Card ICT Application (Pages 533 - 538)
- 9.2 AECC Anaerobic Digester Plant and Gas Upgrader Procurement Exercise - to follow
- 9.3 Procurement of Furniture Storage and Removals and Domestic Furniture and Furnishings (Pages 539 - 546)
- 9.4 Procurement of Interpretation, Translation and Transcription Service (Pages 547 - 556)
- 9.5 Procurement of Finance Specialist Advice and Suspension of Procurement Regulations 2016 in Relation to the Appointment of an Interim Finance Senior (Pages 557 - 562)

FINANCE

- 10.1 Pension Fund Guarantee Request (Pages 563 - 570)

GENERAL BUSINESS

- 11.1 Union Street Conservation Area Regeneration Scheme - Grant Application (Appendices A & B) (Pages 571 - 618)
- 11.2 Aberdeen Science Centre - Bank Guarantee 2017-18 (Pages 619 - 636)
- 11.3 Lease amendments, Bon Accord and St Nicholas Centres (Pages 637 - 644)
- 11.4 87-93 Union Street and 1-6 Market Street - to follow
- 11.5 Property Sales (Pages 645 - 656)

To access the Information Bulletins for this Committee please use the following link:
[Finance, Policy & Resources Committee Information Bulletins](#)

Should you require any further information about this agenda, please contact Mark Masson, tel. 01224 522989 or email mmasson@aberdeencity.gov.uk

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FINANCE, POLICY AND RESOURCES COMMITTEE

ABERDEEN, 01 December 2016. Minute of Meeting of the FINANCE, POLICY AND RESOURCES COMMITTEE. Present:- Councillor Young, Convener; and Councillors Allan, Cameron, Carle (as substitute for Councillor Grant for article 26 only), Cooney (as substitute for Councillor Reynolds for articles 8 to 12), Copland (as substitute for Councillor Cameron for article 22 only), Crockett, Dickson, Jackie Dunbar, Lesley Dunbar (as substitute for Councillor Reynolds for articles 1 to 7), Finlayson (as substitute for Councillor Allan for article 27 only), Flynn, Grant (as substitute for Councillor Reynolds from article 12 onwards), Ironside, Laing, Malik (as substitute for Councillor Donnelly, Vice Convener) Milne, Nicoll, Noble (as substitute for Councillor Jennifer Stewart for articles 19 to 21) Jennifer Stewart, Taylor, Townson and Yuill.

The agenda and reports associated with this minute can be found at:-
<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=146&MId=3891&Ver=4>

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

AGENDA ISSUES

1. The Convener (a) acknowledged that there were a number of late reports that had been circulated very recently and therefore proposed that the Committee reconvene on 7 December 2016 at 10.00am to consider these reports; (b) that an additional late report, namely 'Proposed Feasibility Funding – 87-93 Union Street and 1-6 Market Street' be considered at the reconvened meeting; (c) requested that items 9.7 (FCHJU JIVE Business Case), 9.10 (Visit Aberdeenshire – Six Month Progress Report) and 13.2 (Procurement for the Operation and Management of the Existing and New Aberdeen Exhibition and Conference Centre) be considered earlier on the agenda today; and (d) advised that item 12.5 (Lease Extension, East End Limited, Golf Road) had been withdrawn.

The Committee resolved:-
to concur with the requests.

ANNOUNCEMENT

2. The Committee heard from the Convener who advised that the Economic Development Association Scotland conference was being held in Aberdeen for the first time today and that Councillor Jenny Laing, Council Leader had officially opened the conference.

The Committee resolved:-
to note the information provided.

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

DETERMINATION OF EXEMPT BUSINESS

3. The Convener proposed that the Committee consider items 11.1 (Current Gas Central Heating Maintenance Framework Contract), 12.1 (Council General Fund Monitoring 2016/17 – Appendix), 12.2 (Property Update Report), 12.3 (Thomas Glover House), 12.4 (Purchase of Ground, Wellington Road), 12.6 ((Proposed Sale – Site 16 Lang Stracht), 12.7 (Lochside Academy – PE Facilities), 12.8 (Proposed Feasibility Funding – 87-93 Union Street and 1-6 Market Street), 13.1 (Human Capital Management), 13.2 (Procurement for the Operation and Management of the Existing and New Aberdeen Exhibition and Conference Centre), 13.3 (Procurement – Appointment of Contractor or Contractors for the Repair and Refurbishment of TRNP Industrial Property at Minto Drive, Altens Industrial Estate, Aberdeen), 13.4 (Legal Case Management System) and 13.5 (Procurement of Workforce Management Software).

The Committee resolved:-

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting from item 11.1 of the agenda (article 9 of the reconvened minute onwards) so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act:- article 9, 16, 18 and 19 of the reconvened minute (paragraph 8), article 26 of this minute (paragraph 4), articles 10, 12, 13, 15 and 17 of the reconvened minute (paragraphs 6 and 9), article 6 of the reconvened minute (paragraphs 6 and 8), article 14 of the reconvened minute (paragraph 9) and article 27 of this minute (paragraphs 6 and 9).

MINUTE OF PREVIOUS MEETING OF 20 SEPTEMBER 2016

4. The Committee had before it the minute of its previous meeting of 20 September 2016.

The Committee resolved:-

to approve the minute subject to amending article 5(iii) to read 'that in relation to item 22 (Site at Beach Esplanade/King Street), to instruct officers to take forward the agreed recommendations of the Council on 16 December 2015 with the funding trustees of the Aberdeen Islamic Charitable Trust and to report back to Council on progress at the meeting on 21 June 2017'.

DECLARATION OF INTEREST

Councillor Allan declared an interest in relation to the following item of business by virtue of her position as Council appointed member of Visit Aberdeenshire. Councillor Allan considered that the nature of her interest required her to leave the meeting and she took no part in the Committee's deliberations thereon.

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

VISIT ABERDEENSHIRE – SIX MONTH PROGRESS REPORT – CHI/16/199

5. With reference to article 37 of the minute of meeting of the Communities, Housing and Infrastructure Committee of 20 January 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on Visit Aberdeenshire, covering the establishment of the body as the Destination Management Organisation for Aberdeen and Aberdeenshire and progress made towards year one objectives as set out in the Council's Service Level Agreement with Visit Aberdeenshire and the organisation's associated business plan.

The report recommended:-

that the Committee –

- (a) note the six-month progress and activities undertaken by Visit Aberdeenshire;
- (b) seek a further report of progress for the next 6 months in the form of an annual report; and
- (c) delegate authority to the Head of Economic Development, in consultation with the Head of Finance and the Head of Legal and Democratic Services, to negotiate the Council's 2017-18 financial contribution to Visit Aberdeenshire, in line with the existing Service Level Agreement.

The Committee resolved:-

to approve the recommendations subject to adding 'and in line with the budget process' at the end of recommendation (c) above.

COMMITTEE BUSINESS STATEMENT

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

The Committee resolved:-

- (i) to remove item 2 (Display of Plans at Committee), item 6 (AECC Ltd Service Level Agreement and AECC Operator Procurement), item 14 (Removal of 77-79 Bon Accord Street) and item 16 (Strategic Infrastructure Plan – City Centre Masterplan Projects), item 17 (Aberdeen Sports Facilities Strategy), item 18 (Thomas Blake Glover House) from the statement, subject to the decision taken later on today's agenda; and
- (ii) to otherwise note the updates contained therein.

MOTIONS LIST

7. The Committee had before it the Motions list as prepared by the Head of Legal and Democratic Services.

The Committee resolved:-

to remove item 1 (Motion by Councillor Young – Aberdeen Community Energy – Community Bond Issue) from the motions list.

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

CHARTER FOR HOUSEHOLD RECYCLING IN SCOTLAND – REFERRAL FROM ZERO WASTE MANAGEMENT SUB COMMITTEE – ZWSC/16/7678

8. The Committee had before it by way of referral a minute extract and report from the Zero Waste Management Sub Committee of 22 November 2016.

The report by the Interim Director of Communities, Housing and Infrastructure provided a review of the Scottish Government's Charter for Household Recycling in Scotland (Recycling Charter) and associated code of practice and their implications for Aberdeen City Council.

The Zero Waste Management Sub Committee resolved, amongst other things to:- recommend to the Finance, Policy and Resources Committee on 1 December 2016 that the Aberdeen City Council signs the Recycling Charter.

The Committee resolved:-

to agree with the Zero Waste Management Sub Committee that Aberdeen City Council signs the Recycling Charter.

ABERDEEN COMMUNITY ENERGY – COMMUNITY BOND ISSUE – MOTION BY THE CONVENER – CHI/16/295

9. With reference to article 13 of the minute of meeting of the Communities, Housing and Infrastructure Committee of 1 November 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided information on the options available to the Council in relation to investing in the Aberdeen Community Energy Community Bond Issue for the Donside Hydro Scheme, Scotland's first urban community hydro project.

The report recommended:-

that the Committee –

- (a) note the success of Aberdeen Community Energy in progressing the Donside Hydro Scheme, which includes putting in place the relevant capital financing;
- (b) note the existing support the Council is providing to the Tillydrone community through the approved Participatory Budgeting pilots;
- (c) instruct officers from Public Infrastructure & Environment Services to contact Aberdeen Community Energy to discuss options for supporting the landscaping initiatives related to the Donside Hydro Scheme, and report these to a future Communities Housing and Infrastructure Committee; and
- (d) in the event of Aberdeen Community Energy's Bond issue and contingency investment plans for the Donside Hydro Scheme failing to raise the required amount of capital finance, delegate authority to the Head of Finance and Head of Legal and Democratic Services to enter discussions with Aberdeen Community Energy on how the Council could provide financing to the project.

The Committee resolved:-

to approve the recommendations.

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

CORPORATE GOVERNANCE PERFORMANCE SCORECARD - CG/16/136

10. With reference to article 7 of the minute of the meeting of the Finance, Policy and Resources Committee of 20 September 2016, the Committee had before it a report by the Interim Director of Corporate Governance which presented key performance information for the Corporate Governance Directorate.

The report recommended:-

that the Committee note the performance report for the Corporate Governance Directorate and the information contained therein.

The Convener, seconded by Councillor Malik moved:-

that the Committee approve the recommendation contained within the report and instruct the Depute Chief Executive (Director of Corporate Governance) to bring forward, to the February 2017 meeting of the Committee, a summary report detailing key achievements of the committee since May 2012.

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

that the Committee approve the recommendation contained within the report and instruct the Depute Chief Executive (Director of Corporate Governance) to bring forward, to the February 2017 meeting of the Committee, a summary report detailing key achievements and failures of the committee since May 2012.

On a division, there voted:- for the motion (9) – the Convener and Councillors Allan, Cooney, Crockett, Ironside, Laing, Malik, Milne and Taylor; for the amendment (8) – Councillors Cameron, Dickson, Jackie Dunbar, Flynn, Nicoll, Jennifer Stewart, Townson and Yuill.

The Committee resolved:-

- (i) to adopt the motion; and
- (ii) that officers provide information to Councillor Nicoll in relation to the anomaly in the number of late reports being submitted to Committees.

CHILDREN'S RESIDENTIAL SERVICE REDESIGN, CHILDREN'S SOCIAL WORK – ECS/16/077

11. The Committee had before it a Business Case report by the Director of Education and Children's Services which sought approval for the proposed changes to the Children's Residential Service structure as set out in Appendix 1 of the report, following approval of the report to Education and Children's Services Committee on 17 November 2016 outlining the rationale for the redesign of the service.

The report recommended:-

that the Committee approve the revised structure set out in appendix 2 of the report.

The Committee resolved:-

to approve the recommendation.

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

COUNCIL GENERAL FUND MONITORING 2016/17 - CG/16/133

12. The Committee had before it a report by the Interim Director of Corporate Governance which (1) provided an opportunity to consider the current financial position and the forecast outturn for the financial year 2016/17; and (2) highlighted assumptions made, areas of risk identified and management action to mitigate these risks.

The report recommended:-

that the Committee –

- (a) note the financial position contained within the report; and
- (b) approve the amendment to the guarantee as stated in Appendix D (confidential paper).

The Convener, seconded by Councillor Malik moved:-

that the Committee –

- (1) note the financial position contained within the report (CG/16/133) and instructs the Head of Finance to bring his influence to bear on all material decisions within all directorates to ensure directorates meet their agreed budget position adopted by Council in February 2016;
- (2) approve the amendment to the guarantee as stated in Appendix D (confidential paper);
- (3) note the decision by the Scottish Government to set up the Attainment Scotland Fund, and agrees with the Scottish Parliament, that the SNP Scottish Government's decision to collect Aberdeen City Council Tax payers' money and redistribute Aberdeen City Council tax payers' money in the Central Belt and beyond undermines the principal of local accountability and autonomy;
- (4) note the Audit Commission report prepared by Audit Scotland Local Government in Scotland Financial Overview 2015/16 confirming Aberdeen as the lowest funded council in Scotland; and
- (5) Instruct officers to fund permanent floodlights at Mile End School from the under spend on the Unitary Charge paid from the 3Rs schools budget this financial year and to look at all other 3R schools.

Councillor Flynn, seconded by Councillor Nicoll moved as an amendment:-

that the Committee

- (1) note the financial position contained within the report (CG/16/133) and instructs the Head of Finance to bring his influence to bear on all material decisions within all directorates to ensure directorates meet their agreed budget position adopted by Council in February 2016;
- (2) approve the amendment to the guarantee as stated in Appendix D (confidential paper);
- (3) Committee notes the decision taken by the Scottish Parliament on the 3rd of November 2016 to implement an increase in council tax

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

for bands E-H from April 2017. Committee agrees that these changes are an improvement upon the current system and will help foster a more fair and equal Scotland. Committee believes that all children, regardless of where they are born and then brought up by their parents/carers, should have access to the best educational opportunities available. Committee therefore commends the Scottish Government's attempts to increase attainment across Scotland and recognises the positive impact which success on this front will have for both Aberdeen and Scotland as a whole;

- (4) note the Audit Commission report prepared by Audit Scotland Local Government in Scotland Financial Overview 2015/16 confirming Aberdeen as the lowest funded council in Scotland; and
- (5) Instruct officers to fund permanent floodlights at Mile End School from the under spend on the Unitary Charge paid from the 3Rs schools budget this financial year and to look at all other 3R schools.

On a division, there voted:- for the motion (11) – The Convener and Councillors Allan, Cooney, Crockett, Ironside, Laing, Malik, Milne, Jennifer Stewart, Taylor and Yuill; for the amendment (6) – Councillors Cameron, Dickson, Jackie Dunbar, Flynn, Nicoll and Townson.

The Committee resolved:-

- (i) to adopt the motion; and
- (ii) that officers provide further details to Councillor Nicoll in relation to additional consultant fees regarding the Design Team I.T upgrade in Communities, Housing and Infrastructure service.

FCHJU JIVE BUSINESS CASE – CHI/16/258

13. With reference to article 29 of the minute of meeting of Finance, Policy and Resources of 19 April 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which presented the business case for Aberdeen City Council for the Joint Initiative Hydrogen Vehicles Across Europe (JIVE) project – a Fuel Cell Hydrogen Joint Undertaking (FCHJU) funded project which aimed to commercialise hydrogen fuel cell buses in Europe. The project would introduce additional hydrogen buses into Aberdeen City Council's Hydrogen fuel cell bus fleet.

The report recommended:-

that the Committee –

- (a) note the Council's updated project budget in the FCHJU Fuel Cell Commercialisation Project;
- (b) note the project risks around the budget;
- (c) agree the Council's participation and financial contribution of £2,500,000 towards the project subject to:-
 - (1) a Scottish Government financial contribution of £3,000,000;
 - (2) bus operators' agreement and financial contribution;
 - (3) the Council's capital budget review process; and

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

- (d) note that a decision on Scottish Government funding would not be received until early 2017;

The Committee resolved:-

- (i) to approve the recommendations contained within the report;
- (ii) to instruct the Chief Executive to write to Paul Wheelhouse MSP, Minister for Business, Innovation and Energy, copying in all local Councillors, MP's and MSP's providing them with copies of the report emphasising that without Scottish Government funding this project will be unable to proceed;
- (iii) to instruct officers to engage with the bus companies involved to determine their financial input to the project;
- (iv) to instruct officers to circulate to members of the Committee any correspondence between Council officers and the Scot Government relating to the financial input of the Scottish Government to the project;
- (v) to instruct officers to circulate to members of the Committee evidence guaranteeing that the FCHJU (EU) money for Aberdeen was guaranteed for Aberdeen only; and
- (vi) to instruct officers to circulate to members of the Committee details relating to BSOG's position.

2016/17 FINANCIAL MONITORING - CORPORATE GOVERNANCE - CG/16/137

14. The Committee had before it a report by the Interim Director of Corporate Governance which advised (1) on the 2016/2017 revenue and capital budget's financial performance for the period to 31 October 2016 for the services within Corporate Governance; and (2) on any areas of risk and management action.

The report recommended:-

that the Committee –

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

The Committee resolved:-

to approve the recommendations.

2016/17 COMMON GOOD FUND - MONITORING REPORT - CG/16/138

15. The Committee had before it a report by the Interim Director of Corporate Governance which outlined the current year's revenue budget performance for the Common Good Fund as at 31 October 2016 and provided a forecast position of the cash balances as at 31 March 2017.

The report recommended:-

that the Committee –

- (a) note the report and the information on management action and risks that was contained therein;

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

- (b) note the forecast surplus of £137k, a favourable variance of £66k;
- (c) note the estimated cash balances as at 31 March 2017 of £17 million based on current estimates, which was within the recommended levels indicated by the Head of Finance; and
- (d) note the position regarding earmarked reserves.

The Committee resolved:-

- (i) to approve the recommendations contained within the report; and
- (ii) to agree a grant of £5000 to Balnagask Community Centre to allow them to provide tickets and transport for the Ice Show and Pantomime for children and young people of a variety of ages.

DECLARATIONS OF INTEREST

Councillors Cameron, Milne and Yuill declared an interest in relation to the following item of business by virtue of them being social members of Aberdeenshire Cricket Club. All three Councillors considered that the nature of their interest required them to leave the meeting and they took no part in the Committee's deliberations thereon.

SMALL FINANCIAL ASSISTANCE GRANTS AND GALA FUNDING 2016/17 - CG/16/131

16. The Committee had before it a report by the Interim Director of Corporate Governance which presented recent applications for financial assistance from the financial assistance/gala budget.

The report recommended:-

that the Committee consider the applications received and agree to award funding based on the recommendations contained within the highlighted column in part A of the table below:-

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

A: Grant Requests For Consideration							
Requests received :							
From	For	Requested Amount £	Recommended Amount £	Financial Assistance £	Community Gala Grants £	Total £	More Detail
Financial Assistance							
Dancesport Scotland	Northern Trophy Day, hire of Beach Ballroom	850	850	850	-	850	Appendix A
Aberdeenshire Cricket Club	Contribution towards drainage works at Morningside Road Cricket Grounds	4,000	2,500	2,500	-	2,500	Appendix B
Aberdeen Lads Club	Play Talk event	1,700	1,700	1,700	-	1,700	Appendix C
Intergenerational National Network	10th Year Anniversary Celebration	1,750	1,750	1,750	-	1,750	Appendix D
Community Gala Grants							
<i>No applications received</i>				-	-	-	
B: For Information							
2016/17 Budget				45,000	10,000	55,000	
Grants Approved to Date				20,927	21,489	42,416	
Budget Remaining						12,584	
Potential Approvals from Above				6,800	-	6,800	
Balance remaining if recommendations approved						5,784	
Approved to date + Recommended Approvals from Table				27,727	21,489	49,216	

The Committee resolved:-

to agree to award small financial assistance grant funding to:-

- Dancesport Scotland - £850;
- Aberdeenshire Cricket Club - £2500;
- Aberdeen Lads Club - £1700;
- Intergenerational National Network - £1750.

FINANCE REGULATIONS, MANAGEMENT AND CONTROL – LOCAL CODE OF PRACTICE UPDATE – CG/16132

17. The Committee had before it a report by the Interim Director of Corporate Governance which outlined the necessary changes to Aberdeen City Council's Financial Regulations following approval of the Aberdeen City Procurement Regulations on 7 June 2016.

The report recommended:-

that the Committee –

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

- (a) approve the updated Aberdeen City Council Financial Regulations as appended to the report; and
- (b) agree to further changes as highlighted through internal and external audit reports without further Committee approval.

The Committee resolved:-

to approve the recommendations.

FINANCING STRATEGY FOR THE CAPITAL PROGRAMMES – CG/16/150

18. The Committee had before it a report by the Interim Director of Corporate Governance which provided details of the outcome of the recent project to obtain a Credit Rating and to secure funding towards the Council's Capital Programmes by issuing bonds up to £370 million in value.

The report recommended:-

that the Committee note the work undertaken and the outcome of the project.

The Committee resolved:-

- (i) to approve the recommendation;
- (ii) to thank officers throughout the Council for their hard work and due diligence in securing the bond;
- (iii) to agree that the Aberdeen the Smarter City programme introduced by the Council in 2012 has contributed significantly to the Council achieving a credit rating AA2 from Moody's and that the issuing of a £370m bond highlights the financial strength of Aberdeen City Council;
- (iv) to agree that the bond allows the Council to part-fund the Capital Programme and assists the Council in moving forward to achieve its objectives in line with the Strategic Infrastructure Plan and Aberdeen the Smarter City;
- (v) to agree that carrying out innovative funding places Aberdeen City Council at the forefront of creative lending solutions and drives Aberdeen City forward as a council for the future;
- (vi) to note the saving to the Council Tax payer of £99.8m; and
- (vii) to note that the Council approved the financial implications of this borrowing having given due consideration to Best Value, Affordability, Investment Strategy, Counterparty List and the Prudential Indicators 2015/16 to 2020/21 at the Council meeting on 17th August 2016.

RELOCATION POLICY – CG/16/135

19. The Committee had before it a report by the Interim Director of Corporate Governance which sought approval for the implementation of a revised Relocation Policy.

The report recommended:-

that the Committee approve the revised Relocation Policy to replace the existing policy (Relocation Scheme) to be implemented from 1 January 2017.

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

The Committee resolved:-

to approve the recommendation.

RE-ENROLMENT UPDATE – CG/16/134

20. The Committee had before it a report by the Interim Director of Corporate Governance which provided an update on re-enrolment following implementation at the Council's Re-enrolment date on 1 June 2017.

The report recommended:-

that the Committee note the update on re-enrolment following implementation, including information on the numbers re-enrolled and the number of opt outs from the pension schemes.

The Committee resolved:-

to approve the recommendation.

TWINNING AND INTERNATIONAL PARTNERSHIPS – OCE/16/039

21. The Committee had before it a report by the Chief Executive which presented applications received for financial assistance from the International Twinning Budget 2016-2017.

The report recommended:-

that the Committee –

approve the following grants from the International Twinning Budget 2016-2017 -

- (a) a contribution of £500 towards a student from the University of Aberdeen undertaking a medical elective in Bulawayo, January-March 2017; and
- (b) a contribution of £4,000 towards delegates from Aberdeen participating in a literary festival in Regensburg, March 10-13 2017;

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) that in relation to (a) above, that officers make a request to the student to pay a visit (if possible) to other Council supported projects in Bulawayo and provide feedback to the Committee in this regard.

DECLARATIONS OF INTEREST

Councillor Dickson declared an interest in the following item of business by virtue of their position as Council appointed Directors to the Board of Sport Aberdeen but chose to remain in the meeting as Sport Aberdeen was a body being a company established wholly or mainly for the purpose of providing services to the local authority, and which had entered into a contractual arrangement with the local authority for the supply of goods

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

and/or services to the local authority, as set out in paragraph 5.18(2)(d)(i) and (ii) of the Councillors' Code of Conduct.

The Convener and Councillor Cameron declared an interest in relation to the following item by virtue of them both being Council appointed Board Members of Aberdeen Sports Village, the Convener considered that the nature of his interest did not require him to leave the meeting, however Councillor Cameron chose to leave the meeting and to no part in the deliberations thereof. Councillor Copland substituted for Councillor Cameron for this item only.

Councillor Taylor declared an interest in relation to the following item of business by virtue of her being a Council appointed member of Aberdeen Snow Sports Centre. She considered that the nature of her interest did not require her to leave the meeting.

ABERDEEN SPORTS FACILITIES STRATEGY

22. The Committee had before it a report by the Director of Education and Children's Services which outlined the Active Aberdeen Partnership's Sports Facility Strategy 2016-2026 for the city, incorporating feedback received following the consultation process.

The report recommended:-

that the Committee -

- (a) note the feedback received by the Active Aberdeen Partnership during the consultation process with relevant agencies and stakeholders;
- (b) note the final version and adopt this Sports Facilities Strategy for incorporation into the city planning framework;

The Committee resolved:-

- (i) to approve the recommendations contained within the report;
- (ii) that in relation to Aberdeen Snow Sports Centre, that officers provide information to Councillor Townson regarding the position of investors other than the Council; and
- (iii) that any significant changes or updates to the strategy be reported back to the Committee.

EU FUNDING IMPLICATIONS POST BREXIT – CHI/16/268

23. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on the implications of Brexit to the Council's existing EU funding projects, and future access to EU funding as part of the wider External Funding Plan.

The report recommended:-

that the Committee -

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

- (a) note the response by officers in response to the Brexit decision; and
- (b) support continued cooperation with existing EU partnerships.

The Committee resolved:-

to approve the recommendations.

TACKLING FOOD POVERTY – UPDATE REPORT – CHI/16/283

24. With reference to article 16 of the minute of the previous meeting of 20 September 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided information on how the Council can help to ensure no child is exposed to hunger during the school holidays.

The report recommended:-

that the Committee –

- (a) agree that Aberdeen City Council pilots a child food poverty holiday meals programme in the Easter and Summer school holidays 2017;
- (b) agree that there is not an existing budget allocation for this so costs are developed for inclusion in the 2017/18 budgeting process;
- (c) agree that a detailed plan is brought back to committee in February 2017 for approval; and
- (d) agree that a response to Rt Hon Frank Field is made on the basis that Aberdeen City Council is committed to piloting child holiday meal provision during 2017.

The Committee resolved:-

to approve the recommendations.

MEMORANDUM OF UNDERSTANDING FOR ADDITIONAL £254M INVESTMENT – CHI/16/275

25. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided details of the Memorandum of Understanding for the £254m additional investment from the Scottish Government, which was announced in addition to the joint UK Government and Scottish Government funding of the Aberdeen City Region Deal.

The report recommended:-

that the Committee –

- (a) approve the Memorandum of Understanding (MOU) for the Aberdeen City Region Deal Additional Investment (Appendix 1 of the report), subject to:-
 - (1) approval of the MOU by Aberdeenshire Council;
 - (2) approval of the MOU by the Scottish Government; and
- (b) delegate authority to the Chief Executive following consultation with the Head of Legal & Democratic Services and the Head of Finance to agree non-material amendments as required due to any changes requested by other parties to the agreement or any amendments which would improve or further safeguard the Council's position, all prior to its signature by a proper officer.

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

The Convener, seconded by Councillor Malik moved:-
that the Committee -

- (1) note the content of the report;
- (2) note that Keith Brown MSP, Cabinet Secretary for the Economy, Jobs and Fair Work indicated at the announcement of the City Deal in January 2016 that the additional funding was to improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt, upgrading the rail line in the Montrose Basin;
- (3) instruct the Chief Executive to write to the First Minister seeking clarification around the proposed £200m rail link fund seeking confirmation if it is still the Scottish Government's intention to upgrade the rail line in the Montrose Basin and if not ask the First Minister to confirm if any of the £200m will be spent within the Aberdeen and/or Aberdeenshire; and
- (4) agree that a further report be brought to the next Finance, Policy and Resources Committee along with any amended Memorandum of Understanding following receipt of clarification from the First Minister.

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

- (1) approve the recommendations contained within the report;
- (2) note that Keith Brown MSP, Cabinet Secretary for the Economy, Jobs and Fair Work indicated at the announcement of the City Deal in January 2016 that the additional funding was to improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt, upgrading the rail line in the Montrose Basin;
- (3) instruct the Chief Executive to write to the First Minister seeking clarification around the proposed £200m rail link fund seeking confirmation if it is still the Scottish Government's intention to upgrade the rail line in the Montrose Basin and if not ask the First Minister to confirm if any of the £200m will be spent within the Aberdeen and/or Aberdeenshire; and
- (4) agree that a further report be brought back to the Finance, Policy and Resources Committee on the response received from the Scottish Government.

On a division, there voted:- for the motion (9) – the Convener and Councillors Allan, Crockett, Grant, Ironside, Laing, Malik, Milne and Taylor; for the amendment (7) – Councillors Cameron, Dickson, Jackie Dunbar, Flynn, Nicoll, Townson and Yuill.

The Committee resolved:-
to adopt the motion.

In terms of Standing Order 36(3), Councillor Dickson intimated he would like this matter to be referred to full Council in order for a final decision to be taken. Councillor Dickson was supported by Councillors Cameron, Jackie Dunbar, Flynn, Nicoll, Townson and Yuill.

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

At this juncture the Clerk intimated that in terms of Standing Order 17(6) Committee meetings shall only continue after five hours from commencement if a decision to that effect is taken by the Committee. The Committee agreed unanimously to continue the meeting following a 15 minute recess.

In accordance with the decision recorded under article 3 of this minute, the following items were considered with the press and public excluded.

COUNCIL GENERAL FUND MONITORING 2016/17 – APPENDIX D

26. The Committee had before it an appendix relating to the General Fund Monitoring 2016/17 report referred to at article 12 of this minute.

The Committee resolved:-
to note the appendix.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as a delay may reduce the Aberdeen City Council and the operators opportunities to discuss and consider improvements that would enhance the customer experience at the new venue through internal layout and design and that a decision was required to allow the transition from the existing to new venue to be undertaken at the nearest available opportunity.

PROCUREMENT FOR THE OPERATION AND MANAGEMENT OF THE EXISTING AND NEW ABERDEEN EXHIBITION AND CONFERENCE CENTRE (AECC) – CHI/16/202

27. The Committee had before it a report by the Interim Director of Corporate Governance which provided details of the preferred operator and management of the existing and new AECC and sought approval to award the contract to the successful participant, outlining the procurement and evaluation process undertaken and financial implications to minimise the operational costs to the Council.

The report recommended:-
that the Committee –

- (a) to note the results of the competitive dialogue tendering exercise for the operation and management of the existing and new AECC;
- (b) to approve the appointment of SMG Europe as the operator of the existing and new AECC;
- (c) to delegate to the unanimous approval to the Head of Legal and Democratic Services, in agreement with the Interim Depute Chief Executive (Director of

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

Corporate Governance) and Head of Finance, the negotiation and approval of the contract documents noted below, and any other contracts, letters or documents which are required to be signed and/or sealed in connection with the appointment of the operator of the existing and new AECC on such terms and conditions, consistent with the key legal and commercial terms referred to above, as they think fit. The contract documents referred to above are:-

- (1) the Transitional Agreement
 - (2) the Concessionary Agreement; and
- (d) to approve the financial commitment of £1.27m per year for 2017/18 and 2018/19 for the operation and management of the existing venue.

The Committee resolved:-

to approve the recommendations.

At this juncture, the Convener proposed that the meeting be adjourned and that all the remaining reports on the agenda be considered at the reconvened meeting on 7 December 2016. This was unanimously agreed by the Committee.

- COUNCILLOR YOUNG, Convener

FINANCE, POLICY AND RESOURCES COMMITTEE
1 December 2016

DRAFT

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

ABERDEEN, 7 December 2016. Minute of Meeting of the FINANCE, POLICY AND RESOURCES COMMITTEE. Present:- Councillor Young, Convener; Councillor Donnelly, Vice-Convener; and Councillors Allan, Cameron, Cooney (as substitute for Councillor Ironside CBE for article 16 and Councillor Lain for article 20), Dickson, Jackie Dunbar, Finlayson (as substitute for Councillor Graham from article 16 onwards), Flynn, Graham (as substitute for Councillor Milne), Greig (as substitute for Councillor Jennifer Stewart), Len Ironside CBE, Laing, Malik (as substitute for Councillor Crockett), Jean Morrison MBE (as substitute for the Vice-Convener from article 15 onwards), Nicoll, Reynolds, Taylor, Townson and Yuill.

The agenda and reports associated with this minute can be found at:-
<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=146&MI d=5548&Ver=4>

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

ANNOUNCEMENT

1. The Convener advised (a) that Councillor Donnelly, Vice Convener had attended the APSE Performance Network awards, at which Aberdeen City Council were finalists in the category for the most improved performer for roads and highway winter maintenance; and (b) that Councillor Jean Morrison MBE had attended the Scottish Public Service Awards, at which Aberdeen City Council were award winners for the Hydrogen Bus Project

ORDER OF AGENDA

2. The Convener requested that item 9.1 (Events Strategy Plan) be taken later on the agenda.

The Committee resolved:-
to concur with the request.

DECLARATIONS OF INTEREST

The Convener and Councillor Flynn declared an interest in relation to the following item of business by virtue of their position as Council appointed members of the Limited Liability Partnership Management Board. Councillor Flynn considered that the nature of his interest required him to leave the meeting and he took no part in the Committee's deliberations

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

thereon. The Convener considered that the nature of his interest did not require him to leave the meeting. Councillor Laing declared an interest in the following item of business by virtue of her position as a Council appointed member of Aberdeen Inspired Board and considered that the nature of her interest required her to leave the meeting and she took no part in the Committee's deliberations thereon. Councillor Cooney substituted for Councillor Laing for this item.

STRATEGIC INFRASTRUCTURE PLAN - CG/16/149

3. With reference to article 15 of the minute of the previous meeting of 20 September 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided details on the delivery of the Strategic Infrastructure Plan and to seek approval for specific actions for funding release from the City Centre Regeneration budget to progress projects within the City Centre Masterplan.

The report recommended:-

that the Committee –

- (a) note the content of the report and the progress made;
- (b) approve expenditure of up to £75k as match funding for the Aberdeen Inspired initiative for a Nuart street art festival in Aberdeen city centre in April 2017;
- (c) approve expenditure of up to £45k per year for 3 years as a contribution to holding the Pearl Izumi Tour Series Cycling Event in Aberdeen City Centre in summer 2017, 2018 and 2019;
- (d) approve expenditure of up to £30k to award a contract to Consultants to prepare a City Centre Living study and report progress back to Finance, Policy and Resources Committee in February 2017;
- (e) approve expenditure of up to £70k to fund two officers as part of the City Warden Team with responsibility for continuation of the City Centre Waste Compliance Project, from March 2017-18;
- (f) delegate authority to the City Centre Director in consultation with the Deputy Leader of the Council, the Convener of Finance, Policy and Resources and the Head of Commercial and Procurement Services to implement the above proposals and award of contracts, following fully compliant procurement exercises; and
- (g) agree that the combined expenditure of up to £310k above be taken from the City Centre Masterplan budget, as agreed at the Council meeting in February 2016.

The Committee resolved:-

to approve the recommendations.

EUROPEAN PROJECT HEATNET - CHI/16/290

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

4. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update in relation to the European Project HEATNET.

The report recommended:-

that the Committee –

- (a) note that on 24 October 2016 Full Council:-
- (1) approved the allocation of £365,000 (at € exchange rates on) from capital project 810K to provide match-funding to allow €608,485 of funding to be secured from Interreg North West Europe HEATNET project - transition strategies for delivering low carbon district heat;
 - (2) approved the utilisation of this funding to support the development of district heating infrastructure in the Torry area subject to the requirements of the funding criteria;
 - (3) instructed the Interim Director of Communities, Housing and Infrastructure to undertake a procurement exercise for the installation of a heat network, in tandem with that for the construction of the Energy from Waste facility, following the completion and submission of the phase 1 report to the Communities, Housing and Infrastructure Committee on 24 January 2017; and to commit funding from the Energy from Waste construction budget included in the Non Housing Capital Programme to phase 1 of the Torry Heat network project;
 - (4) instructed the Interim Director of Communities, Housing and Infrastructure to bring a report providing an update on the above matters to the Communities, Housing and Infrastructure Committee on 24 January 2017;
- (b) approve expenditure for necessary overseas travel for partner meetings and annual conferences connected with the HEATNET project to be funded from identified service budget and the HEATNET funding programme; and
- (c) approve the signing of or entry into any legal agreement or other documentation (whether same are governed by the law of Scotland or the law of another country) subject to approval of the terms by the Head of Legal and Democratic Services.

The Committee resolved:-

to approve the recommendations.

ART GALLERY REDEVELOPMENT FUNDRAISING - ECS/16/078

5. With reference to article 27 of the minute of meeting of 7 June 2016, the Committee had before it a report by the Director of Education and Children's Services which provided information on the fundraising campaign for the redevelopment of Aberdeen Art Gallery and Cowdray Hall.

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

The report recommended:-

that the Committee –

- (a) note the level of public donations and grants received to date;
- (b) note that officers continue to work with the appointed Trustees on the public fundraising campaign;
- (c) note that a further progress report on fundraising will be presented to this Committee in June 2017; and
- (d) otherwise note the contents of the report.

The Committee resolved:-

- (i) to note the contents of the report;
- (ii) to acknowledge the £1.5m contribution from the UK Government towards the Art Gallery Project;
- (iii) to instruct the Chief Executive to write to the First Minister providing details of the £1.5m contribution received from the UK Government towards the Remembrance Hall inviting the First Minister to confirm if it is the Scottish Government's intention to match fund this significant £1.5m contribution from the UK Government; and
- (iv) to instruct the Director to express Aberdeen City Council's interest in being a host City for the 14-18 NOW poppies wave and Weeping Window 2018 and for a report to come back to the appropriate Finance, Policy and Resources Committee on our success or otherwise.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as further changes were required to be made to the report which required consultation with the Convener.

THOMAS GLOVER HOUSE - CHI/16/259

6. With reference to article 23 of the minute of meeting of 7 June 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which detailed the results of the Thomas Blake Glover House Feasibility Study.

The report recommended:-

that the Committee –

- (a) agree the preferred option to reconfigure Thomas Blake Glover House to both safeguard the property itself and deliver a legacy from Thomas Blake Glover;
- (b) note the capital and revenue cost implications of delivering that preferred option; and that this may lead to the opportunity to deliver Option 3 at a later stage;

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

- (c) acknowledge the input of stakeholders, including Aberdeen Asset Management, Robert Gordon University and the University of Aberdeen, to the feasibility study and their continuing interest in the proposals; and
- (d) instruct officers to continue working with these stakeholders and to identify financial sources of funding to deliver the preferred option.

The Committee resolved:-

- (i) to instruct officers to implement option 1 (Refine, Reconfigure and Refurbish Glover House) at an estimated £300,000 with immediate effect using funding already agreed;
- (ii) to note the continued interest of Aberdeen Asset Management in Thomas Glover House;
- (iii) to instruct officers to liaise with Aberdeen Asset Management to ascertain if they are prepared to invest financially in Thomas Glover House, and if so, to what extent and to report back to the next Finance, Policy and Resources Committee;
- (iv) to instruct officers to bring forward a report to the next Finance, Policy and Resources Committee on the feasibility of additional grant funding from external sources including those set out in paragraph 6.3 of the report as well as both Universities; and
- (v) that officers bring back a report to the next Committee meeting on the progress of implementation of option 1.

THE PURCHASE OF AUDIO VISUAL EQUIPMENT FOR SCHOOLS - ECS/16/079

7. The Committee had before it a report by the Director of Education and Children's Services which sought approval to initiate a mini competition to appoint a sole supplier for the provision of audio visual equipment to schools for a period of three years, with an option to extend for two years further.

The report recommended:-

that the Committee –

- (a) recognise that there is an ongoing requirement for the provision of Interactive Audio Visual equipment in schools. This arises from a number of factors including:-
 - (1) Replacement and upgrading of existing equipment
 - (2) Additional equipment required due to expansion of some schools and new builds;
- (b) approve that a mini-competition process is undertaken between the four suppliers in the Scotland Excel "Presentation and Audio Visual Equipment" Framework in line with the Council's Procurement Regulations, Financial Regulations and EU Legislation to appoint a Sole Supplier for the provision of Audio Visual and associated equipment to schools for a period of 3 years (with an option to extend for a further 2 years);
- (c) approve the total estimated expenditure for the 5-year period as outlined in the report (over a 3 year contract with an option to extend for up to 2 years); and

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

- (d) approve the award of the contract in accordance with the criteria stated in the Mini-Competition and subject to the satisfactory conclusion of the contractual documentation.

The Committee resolved:-

to approve the recommendations.

MICROSOFT ENTERPRISE AGREEMENT - CG/16/148

8. The Committee had before it a report by the Interim Director of Corporate Governance which sought approval to renew the Microsoft Enterprise Agreements for a three year period.

The report recommended:-

that the Committee –

- (a) delegate authority to the Head of Commercial & Procurement Services, Head of IT and Transformation and Head of Legal Services to procure, through an appropriate standard procurement framework and to award a contract for a 3 year Microsoft Enterprise Agreement; and
- (b) delegate authority the Head of Commercial & Procurement Services, Head of IT and Transformation and Head of Legal Services to procure, through an appropriate standard procurement framework, and to award a contract for a 3 year Microsoft Education Enrolment Subscription.

The Committee resolved:-

to approve the recommendations.

In accordance with the decision recorded under article 3 of the minute of the adjourned meeting of 1 December 2016, the following items (with the exception of article 20), were considered with the press and public excluded.

CURRENT GAS CENTRAL HEATING MAINTENANCE FRAMEWORK CONTRACT - CHI/16/248

9. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided details on the current and forecast level of spend on the domestic gas central heating (annual servicing, maintenance and repairs) framework and provided an overview of a proposed procurement strategy for the award of a new contract.

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

The report recommended:-

that the Committee –

- (a) in accordance with Regulation 4.1.2 of the Council's new Procurement Regulations, notes the current overspend and approves the forecast overspend on the contract and the reasons for this;
- (b) approve an extension of up to 31 October 2017 for the current Gas Central Heating Maintenance Framework contractor, as a risk control measure. During this time, a fresh tender for the contract which outlines a detailed strategy for procuring a new contractor, assessing tenders based more on quality than price, and allowing for a transition period, will be developed and implemented;
- (c) instruct the Head of Procurement, under Regulation 4.2.2 of the Council's Procurement Regulations to designate the required Delegated Procurer(s) within Communities Housing and Infrastructure, in order to conduct procurements for a new Works contract, and to agree to award, amend or vary the proposed contract detailed in this report;
- (d) to approve the total estimated expenditure for the new contract as detailed in this report, in accordance with Regulation 4.1.1.3 of the Council's Procurement Regulations;
- (e) to note that the Gas and Cyclical Maintenance Team has achieved 100% rating in gaining access to carry out the annual gas checks to each property within 12 months of the previous visit (a statutory requirement) and is anxious not to risk losing this critical performance;
- (f) to note the specific risks associated with this contract, in particular, the risks and potential consequences of not continuing to test 100% of properties annually; and
- (g) to note that in order to move away from accepting unrealistically low tenders, and consequently encountering financial claims and disputes, the Council will likely see a rise in the cost of accepted tender sums.

The Committee resolved:-

- (i) to approve the recommendations;
- (ii) that officers provide information to Councillor Reynolds in relation to whether the VAT element could be claimed back on subsistence for accommodation/meals; and
- (iii) that an update report in relation to the contract be brought back to the Committee on 30 November 2017.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as there is a requirement to pay compensation which, if not considered at this Committee could result in the Council having to defend a Lands Tribunal Case, this increasing potential costs to the Council.

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

PROPERTY UPDATE REPORT - CHI/16/266

10. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on issues affecting the Council's property portfolio, in particular activities in relation to properties which have been declared surplus to the Council's requirements or are currently vacant or unoccupied.

The report recommended:-

that the Committee –

- (a) note the position in relation to all the vacant and surplus assets, as identified in Appendices A, B and C of this Report;
- (b) note the concluded Leases of properties held on the Tenanted Non Residential Portfolio (TNRP) since the Finance, Policy and Resources Committee on 07 June 2016:-

Address	Rent
Unit 44 Howemoss Ave, Dyce	£14,100
Unit 46 Howemoss Ave, Dyce	£14,200
11/13 Belmont Street	£14,000
Office 10, Aberdeen Business Centre	£4,800
424 George Street, Advert site	£2,000
Unit 18 Woodlands Drive, Dyce	£28,000
Unit 40 Howemoss Ave, Dyce	£14,000
101 Kepplehills Road	£10,500
Total	£101,600

- (c) note the concluded sales for the following properties since the Finance, Policy and Resources Committee of 20 September 2016:-
 - Former Toilets Victoria Street, Dyce - £101,234
 - Ground lease, Poynerook Road - £75,000
 Total - £176,234;
- (d) declare surplus to requirements the McClymont Hall, with the future use of the asset assessed in line with the Council's Surplus Asset procedure;
- (e) approve the payment of £906,000 to Sanctuary Housing Association in full and final settlement of all claims arising from "The Aberdeen City Council Access from the North Proposals (Third Don Crossing) Compulsory Purchase Order 2010;
- (f) note the current position regarding the Gospel Hall, New Pier Road, Footdee;
- (g) note the current position regarding the Wallace Tower, Tillydrone Road;
- (h) note the current position regarding the ongoing negotiations regarding the future of the former Bon Accord Baths;
- (i) note the current position regarding the ongoing negotiations regarding the potential lease of the Ferryhill Engine shed;
- (j) note the current position regarding the HMT roof repairs; and
- (k) note the current progress regarding the negotiations regarding the amendments to the Bon Accord and St Nicholas Centre leases.

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) that officers provide further information to Councillor Allan in relation to Torry Academy Lodge.

THOMAS GLOVER HOUSE - APPENDICES

11. The Committee had before it an appendix relating to the Thomas Glover House report referred to at article 6 of this minute.

The Committee resolved:-

to note the appendix.

PURCHASE OF GROUND, WELLINGTON ROAD - CHI/16/281

12. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided information on the outcome of the negotiations in relation to the purchase of ground to Wellington Road to allow future road widening proposals.

The report recommended:-

that the Committee –

- (a) approve the recommendation that the ground detailed within the report is purchased for £230,000; and
- (b) agree that the Head of Legal and Democratic Services is instructed to conclude the purchase of the ground incorporating appropriate clauses to protect the Council's interest.

The Convener, seconded by the Vice Convener moved:-

that the Committee –

- (1) note the content of the report and agree to instruct officers to confirm to the Scottish Government that the Council no longer wishes to proceed with the purchase of this land at a £230,000 valuation but would consider purchasing the land for £1 as an act of goodwill given our £75m contribution towards the AWPR; and
- (2) instruct officers to report back to the Committee on the Scottish Government's response to the request.

Councillor Dickson, seconded by Councillor Jackie Dunbar moved as an amendment:-
that the Committee approve the recommendations contained within the report.

On a division, there voted:- for the motion (11) – the Convener, the Vice Convener and Councillors Allan, Graham, Greig, Ironside, Laing, Malik, Reynolds, Taylor and Yuill; for the amendment (6) – Councillors Cameron, Dickson, Jackie Dunbar, Flynn, Nicoll and Townson.

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

The Committee resolved:-
to adopt the motion.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as the report deals with a number of risks to the to the Council which it is hoped will be transferred. All of these issues have a lengthy lead-in and as such it is imperative that detailed discussions can commence in late 2016 to best manage the risks.

PROPOSED SALE - SITE 16 LANG STRACHT - CHI/16/260

13. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided information on the future of a site at Lang Stracht and advised on a conditional offer received for the site, examining the risks around accepting such an offer.

The report recommended:-
that the Committee –

- (a) accept the offer in principle for the site and instruct the Head of Land and Property Assets to confirm the detailed terms of the offer, providing this committee with an progress report in relation to these issues on a regular basis.
- (b) instruct the Head of Legal and Democratic service to conclude a legal agreement to allow the project to proceed incorporating terms as necessary to protect the councils interest.

The Committee resolved:-
to approve the recommendations.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as Cove Rangers FC are in the process of starting work on their new pitch and stadium early in 2017 and the agreement is needed to ensure that the Council have the secured access in place for Lochside Academy.

LOCHSIDE ACADEMY - PE FACILITIES - ECS/16/082

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

14. The Committee had before it a report by the Director of Education and Children's Services which sought approval to enter into agreement with Cove Rangers FC to secure access rights to their new stadium site adjacent to Lochside Academy.

The report recommended:-

that the Committee –

- (a) agree that the Head of Finance, the Head of Land and Property Assets and Head of Legal and Democratic Services enter into, and complete negotiations on the terms for access rights to the proposed stadium; and
- (b) otherwise note the content of the report.

The Committee resolved:-

to approve the recommendations.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as the subject property is currently vacant in part and has significant holding costs. It is a condition of the funding that the Council are able to make a decision in March 2017. This required the work to be instructed in early December 2016.

PROPOSED FEASIBILITY FUNDING - 87 - 93 UNION STREET AND 1-6 MARKET STREET - CHI/16/306

15. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which (a) outlined discussion between Council officers and the owners of the property Rockspring Hanover Property Unit Trust (Rockspring); (b) described redevelopment options and introduced an opportunity for the Council to participate in a regeneration of the site; and (c) sought approval to jointly commission a feasibility study for the site to look at options to create the best development opportunity.

The report recommended:-

that the Committee –

- (a) carry out a detailed feasibility study for the site in collaboration with Rockspring to look at options to create the best development opportunity; and
- (b) agree a contribution towards the expenditure required for the detailed feasibility study for the site on the terms outlined in paragraph 3 of the report, reporting back to this Committee in February 2017.

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

The Committee resolved:-

- (i) to approve recommendation (a) above;
- (ii) to approve a £50,000 contribution towards the expenditure required for the detailed feasibility study for the site reporting back to this Committee in February 2017; and
- (iii) that officers circulate information to the Committee in relation to the value of Rockspring.

HUMAN CAPITAL MANAGEMENT - CG/16/128

16. The Committee had before it a report by the Interim Director of Corporate Governance which sought approval to undertake a procurement exercise to implement a new Human Capital Management system, which would supersede several existing systems including the current HR and Payroll system known as PSe which is approaching its end of life and is no longer fit for purpose.

The report recommended:-

that the Committee –

- (a) instruct officers of the Head of IT and Transformation and Head of Commercial and Procurement Services to undertake a compliant procurement exercise for a Human Capital Management system; and
- (ii) thereafter to approve the capital spend of £800k for the purchase of a Human Capital Management system from the successful bidder.

The Committee resolved:-

to approve the recommendation.

PROCUREMENT - APPOINTMENT OF CONTRACTOR OR CONTRACTORS FOR THE REPAIR & REFURBISHMENT OF TRNP INDUSTRIAL PROPERTY AT MINTO DRIVE, ALTENS INDUSTRIAL ESTATE, ABERDEEN - CHI/16/238

17. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which sought approval for the Head of Land and Property Assets to instruct the Council's retained Property Consultants, Messrs J & E Shepherd, to undertake a tender process for the procurement and thereafter award a building works contract(s) all as necessary to undertake repair and refurbishment works for TNRP industrial property situated at Minto Drive, Altens, Aberdeen.

The report recommended:-

that the Committee –

- (a) delegate authority to the Head of Land and Property Assets to instruct the Council's retained Property Consultants Messrs J & E Shepherd to undertake a tender process for the procurement and thereafter award of a building works contract/s all as necessary to undertake repair and refurbishment works to the TNRP industrial property situated at Minto Drive, Altens, Aberdeen;

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

- (b) delegate authority to the Head of Land and Property Assets to conclude a contract, in consultation with the Head of legal and Democratic Services, with the successful tender bidder(s) for the purpose of the works; and
- (c) approve the total estimated expenditure for the works to be undertaken, as detailed in the report.

The Committee resolved:-

to approve the recommendations.

LEGAL CASE MANAGEMENT SYSTEM - CG/16/123

18. The Committee had before it a report by the Interim Director of Corporate Governance which sought approval to issue a tender and award a contract for the supply of a Legal Case Management System together with the approval of the total estimated expenditure.

The report recommended:-

that the Committee –

- (a) delegate authority to the Head of Legal and Democratic Services, following consultation with the Head of Commercial Procurement Services to carry out a procurement exercise for a Legal Case Management System and award a contract which complies with the requirements of the Council's Digital Transformation Programme;
- (b) approve the utilisation of the Gov.UK Digital Market Place (G Cloud) as the most efficient tendering process for the system required in order to achieve the timescales required; and
- (c) approve the estimated expenditure for this procurement detailed within Section 3 (Financial Implications).

The Committee resolved:-

to approve the recommendations.

PROCUREMENT OF WORKFORCE MANAGEMENT SOFTWARE - CG/16/096

19. The Committee were advised that this item had been withdrawn.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as urgent committee approval is required so partner planning can commence, and also due to procurement requirements, the programme of events needs to be agreed so the tendering process can commence for event services in 2017.

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

DECLARATIONS OF INTEREST

Councillor Laing declared an interest in relation to the following item of business by virtue of her position as a Council appointed member of Aberdeen Inspired Board. Councillor Laing considered that the nature of her interest required her to leave the meeting and she took no part in the Committee's deliberations thereon. Councillor Cooney substituted for Councillor Laing for this item.

EVENTS STRATEGY PLAN - OCE/16/040

20. The Committee had before it a report by the Chief Executive which provided information on the Aberdeen 365 Events Strategy and sought approval for the 2017-18 City Events Programme.

The report recommended:-

that the Committee –

- (a) approve the Events Strategy detailed in Appendix 1, to allow officers to develop an operational plan and budget to implement it;
- (b) Instruct officers to report to the February Finance, Policy & Resources Committee with a recommended operational plan and budget to implement the Strategy;
- (c) agree the appraisal criteria detailed within this report to inform which events Aberdeen should target;
- (d) applying these, delegate authority to officers with the Head of Legal & Democratic Services and the Head of Finance to negotiate the delivery of a three-year programme of events with SweetSpot and EventScotland to host [an annual] Tour Series Event in Aberdeen; and to develop plans for the Nuart Festival;
- (e) approve the events programme for 2017 – 2018 as detailed in Appendix 2;
- (f) Approve expenditure of £530,000 from the existing Communications & Promotion budget subject to the Council's budgetary process, to be funded as follows:-
 - (1) from the events budget - approximately £140,000 for Security Services per annum for three years with the option to extend for a further year on the 3rd and 4th anniversary of the commencement of the contract ,
 - (2) from the Beach Ballroom budget - £20,000 for Security Services per annum for three years with the option to extend for a further year on the 3rd and 4th anniversary of the commencement of the contract ; and
 - (3) from the events budgets already detailed within Appendix 2 of this report - approximately £110,000 for Production Services per annum for three years with the option to extend for a further year on the 3rd and 4th anniversary of the commencement of the contract .
 - (4) from the existing approved events budgets to meet costs associated with additional events previously approved by committee - additional contractual stewarding spend of £30,000 for the remainder of 2016-17;

FINANCE, POLICY AND RESOURCES COMMITTEE
7 December 2016

- (g) approve the undertaking of competitive tendering exercises via Public Contracts Scotland for both Production Services and Security Services related to the safe organisation and delivery of events in Aberdeen; and
- (h) approve aggregate expenditure of £73,039.51, increased from £55,000 on event security services from Showsec for 2016/17.

The Committee resolved:-

- (i) to approve the recommendations contained within the report;
- (ii) to agree that if the Council and its partners within the City of Aberdeen are to undertake a compelling and sustainable events strategy which supports the Regional Economic Strategy and the City Centre Masterplan, Aberdeen City Council cannot deliver this alone;
- (iii) to note the decision taken by Council unanimously in August 2016 regarding additional powers for Local Government and notes that one way to help contribute for a compelling events strategy is for a tourism levy to be introduced and instructs officers to report back with an analysis of the costs and benefits of a tourism levy; and
- (iv) to agree that as part of the events strategy Council officers fully explore the feasibility of bringing the Tall Ships back to Aberdeen.

- COUNCILLOR YOUNG, Convener

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FINANCE, POLICY AND RESOURCES COMMITTEE

COMMITTEE BUSINESS STATEMENT

March 2017

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

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
1.	Finance, Policy and Resources 3/12/15 Article 11	<p><u>Suzunoya Project</u></p> <p>The Committee agreed to award grant funding of £1,500 to support the development of the Aberdeen Pilot of the Suzunoya project, to create an open house that offers residents with dementia the opportunity to socially interact and enjoy healthy eating, by covering the cost of bringing experts on Suzunoya from Japan to Aberdeen; and to report back to the Committee on the progress of the Suzunoya Project on Dementia.</p>	<p>We have found it challenging to bring an appropriate Japanese colleague over to Aberdeen. However we are in the process of developing a media project on Dementia between Aberdeen and Japan. We are hoping to bring a dementia expert from Nagoya University to Aberdeen in late spring/early summer to help develop this project and with the intention of submitting a larger project to the Diawa foundation for extra funding. As I mentioned in the previous update Mr Katsuyuki Goto from the Japanese media company CBC Television.co. Ltd and Dr Kazuichiro Hori the Deputy Director for Global Expansion Of Japanese Healthcare, Health Policy Bureau are particularly keen to be involved with our</p>	Sally Wilkins - H&SCP		

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			<p>project.</p> <p>We appreciate the council's patience but before spending the monies allocated by ACC we wish to ensure that we collaborate with an appropriate Japanese expert/s in the area.</p>			
2.	Finance, Policy and Resources 19/04/16 article 23	<p><u>Participatory Budgeting</u></p> <p>The Committee resolved to request officers to develop a Corporate Policy for participatory budgeting and report this to the Committee.</p>	<p>Officers have concluded a number of PB projects during 2016/2017 (including HRA funded initiatives and Fairer Aberdeen Fund) with the three Locality PB events concluding at the end of March 2017 which has included the use of online tools to support the process. Through the conclusion of these projects and ongoing work with PB Partners, Officers will deliver a policy based on Scottish wide and global best practice coupled with lessons learnt from PB activities up to March 17. It is worth noting the PB activity to date was nominated for a Public Service award.</p>	Jo Mackie – CH&I		20/9/17
3.	Finance, Policy and Resources 19/04/16 article 29	<p><u>FCHJU Fuel Cell Bus Commercialisation Project</u></p> <p>The Committee resolved, amongst other things,</p>	A report relating to the JIVE project is included within the agenda.	Andrew Win/Emma Watt – CH&I		

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	Communities Housing and Infrastructure 20/01/16 Article 22	<p>(i) to instruct the Director of Communities, Housing and Infrastructure to report back to Finance, Policy and Resource Committee with confirmation that external match funding was secured for the project; and</p> <p>(ii) to instruct the Director of Communities, Housing and Infrastructure to explore the possibility of increasing the number of buses if match funding could be secured and to report back to the next meeting of the Committee on 7 June 2016 in this regard.</p> <p>At its meeting of 20 January 2016, the Committee agreed amongst other things to instruct officers to present a detailed business case for Aberdeen City Council's participation in the commercialisation project under the proviso that European and external funding sources are secured.</p>				
4.	Finance, Policy and Resources 19/04/16 article 30	<p><u>Sport Aberdeen - Contract Revision And Governance Arrangements</u></p> <p>The Committee resolved, amongst other things to, agree that Sport</p>	Meetings to review the service operating agreement are to be held with Sport Aberdeen and Council officers. A report will be submitted to this Committee at its 16 February 2017 (now 09 March	Alistair Robertson – SA (Euan Couperwhite)	20/09/16	09/03/17

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		Aberdeen will lead and complete the review of the Access to Leisure Programme and that the Director of Education and Children's Services report to the Finance, Policy and Resources Committee meeting on 20 September 2016 to provide an update on the review.	2017) meeting to confirm that work is complete and the agreement is ready for signature. A report is included within the agenda.			
5.	Finance, Policy and Resources 19/04/16 article 39	<u>Report on Lease Issues with ALEOs - His Majesty's Theatre Roof Repair</u> The Committee resolved, amongst other things, to request the Director of Communities, Housing and Infrastructure to submit a report regarding the policy in respect of repairs of all leased properties.	There are numerous properties in this category with different leases and management practices. A comprehensive report on the issues is targeted for the 8th June meeting of this Committee.	Stephen Booth – CH&I	20/09/16	08/06/17
6.	Property Sub Committee 02/09/15 article 5	<u>Former Bon Accord Baths Disposal</u> It was agreed to instruct the Head of Land and Property Assets to enter into dialogue with Bon Accord Heritage and report back to this Sub Committee at a future meeting, by 24 May 2016 at the latest, with further detail in relation to their proposals, delivery strategy and timing.	Meeting are being held with Bon Accord heritage on a regular basis to assist them in the development plans for the facility. Detailed survey and inspection works are currently being undertaken which assist in establishing the viability of the project.	Neil Strachan – CH&I	By 24/05/16	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
7.	Property Sub Committee 02/09/15 article 9	<u>Ferryhill Engine Shed – Lease</u> It was agreed to note that the Head of Land and Property Assets will report to the Property Sub Committee on 29 March 2016, with details of what the Trust has provided and a recommendation on a way forward.	Discussions continue with the group to provisionally agree Heads of Terms for a long term lease. Once discussions are concluded a report will be brought back to Committee.	Louisa Ratana-Arporn – CH&I		20/09/17
8.	Property Sub Committee - 17/11/15 (Article 5)	<u>Denburn Car Park Site</u> The Sub Committee agreed to instruct the Head of Land and Property Assets to open discussions with NHS Grampian (The Scottish Ministers) over the future of the Denburn car park site and report back to a future meeting of this Committee.	Discussions are ongoing with NHS Grampian. A joint valuation instruction has been drafted and is with NHS Grampian for review. NHS Grampian remain in the process of relocating their services from the property.	Neil Strachan – CH&I	24/05/16	09/03/17
9.	Property Sub Committee - 17/11/15 (Article 7)	<u>Bon Accord and St Nicholas Shopping Centres</u> The Sub Committee agreed to (a) remit it to the Head of Land & Property Assets to continue the process in (ii) and to report back to future meetings of the Sub-Committee on any significant progress, with the objective that any renegotiation/ simplification of the ground leases/ development agreements should, as a minimum,	A report will be brought forward to the meeting of the Committee on 07/09/16. A report is included within the agenda	Stephen Booth – CH&I	07/09/16	20/09/16

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		leave the City Council in no worse legal/ financial/ property management position than we enjoy at present; and (b) that the Head of Land and Property Assets investigate taking the former indoor bowling centre to the market, reporting to a future meeting of this Committee.				
10.	Property Sub Committee - 17/11/15 (Article 8) Finance Policy and Resources Committee – 20/09/16 (Article 5)	<p><u>Site at Beach Esplanade/ King Street</u></p> <p>The Sub Committee agreed to instruct the Head of Land and Property Assets to market the site for the development of a Muslim and Islamic centre to take account of all aspects surrounding best value including project delivery, governance structure, legal status, community support, technical ability and funding in addition to price reporting back to the 29th March 2016 meeting of this Committee.</p> <p>The Committee agreed to instruct officers to take forward the agreed recommendations of the Council on 16 December 2015 with the founding trustees of the Aberdeen Islamic Charitable Trust and to report back to Council on progress at the meeting on 21 June 2017.</p>	<p>The Committee has agreed for a progress report to be brought back to full Council at the meeting on 21 June 2017. (Recommended for Removal)</p>	Neil Strachan – CH&I		

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		(minute amended at meeting on 1 December 2016)				
11.	Property Sub Committee - 17/11/15 (Article 10)	<p><u>Wallace Tower, Tillydrone</u></p> <p>The Sub Committee agreed to (a) investigate how the potential provision of Community Facilities at and around a redeveloped Wallace Tower will fit into the overall provision of Community Facilities in the Tillydrone area, as envisaged by the CH&I Committee and approved at their meeting on 27 August 2015 (see paragraph 5.12 of the report); and (b) report back to the meeting of this Sub-Committee on 24 May 2016</p>	<p>At present, there's no new information to bring to Members attention. Further information on funding applications will be brought to the 8th June meeting of this Committee.</p>	Jim Argo – CH&I	24/05/16	08/06/17
12.	Finance, Policy & Resources Committee – 07/06/16 Article 14	<p><u>Small Financial Assistance Grants And Gala Funding 2016/17</u></p> <p>The Committee resolved, amongst other things, to instruct the Head of Finance to report on the process and application form for community gala grants at the end of the financial year.</p>	<p>A report is included within the agenda.</p>	Karen Black - CG	08/06/17	09/03/17

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
13.	Finance, Policy & Resources Committee – 07/06/16 Article 25	<p><u>Service To Deliver Mobility Equipment Hire</u></p> <p>The Committee resolved, amongst other things, to instruct officers to periodically update the Committee on the progress of Shopmobility in implementing the scheme.</p>		Derek McGowan – CH&I	09/03/17	08/06/17
14.	Finance, Policy & Resources Committee – 07/06/16 Article 27	<p><u>Art Gallery Redevelopment Fundraising</u></p> <p>The Committee resolved, amongst other things, to note that a further progress report on fundraising would be presented to the Finance, Policy and Resources Committee in November / December 2016.</p>	The Committee considered a report at their meeting on 01/12/16 but agreed to keep this item on the statement.	Euan Couperwhite - ECS		
15.	Finance, Policy & Resources Committee – 07/06/16 Article 32	<p><u>Gospel Hall, New Pier Road, Footdee - Proposed Community Asset Transfer</u></p> <p>The Committee resolved, amongst other things, to remit it to the Head of Land and Property Assets to negotiate appropriate terms and conditions of a Community Asset Transfer and report back to the Committee's next meeting on 7 September, 2016 in order that the Committee might consider the formal approval of same.</p>	<p>Fittie Community Development Trust have asked for further time to identify funding sources for the purchase and redevelopment of the Gospel Hall. Further discussions are also required in relation to the clawback provisions.</p> <p>Officers within Land and Property remain in regular contact and are supporting the community in their aspirations. These issues will come to a head in the next few months and a comprehensive</p>	Stephen Booth – CH&I	20/09/16	08/06/17

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
			report on the case is targeted for the 8th June meeting of this Committee.			
16.	Finance, Policy & Resources Committee – 07/06/16 Article 32	<u>Site 10 Whitemyres Avenue And Site 16 Lang Stracht</u> The Committee resolved, amongst other things, to instruct the Head of Land and Property Assets to report to a future meeting of the Committee on the options for the future use of site 16 Lang Stracht.	The Committee considered a report at their meeting on 01/12/16 but agreed to keep this item on the statement. Negotiations are still ongoing and a report will be brought to a future meeting.	Stephen Booth – CH&I		
17.	Finance, Policy & Resources Committee – 20/09/16 Article 16	<u>Opportunities for Tackling Poverty and Inequality/Tackling Food Poverty</u> The Committee agreed:- (1) to ask officers to report back to Finance Policy and Resources Committee on the 16 February 2017 with an Anti-Poverty strategy on these key themes and provide an action plan to tackle poverty and	These actions will be addressed in the 'Towards a Fairer Aberdeen that Prospers for All 2017-20' report.	Dave Kilgour – CH&I	09/03/17	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		inequality; (2) to instruct the Director of Corporate Governance to ensure that the recommendations if approved contained in agenda item 7.3 (Sustainable Food Cities Tackling Food Poverty) were adopted within the Anti- Poverty strategy that was being reported to the Committee in February; and (3) to instruct the Director of Corporate Governance to bring a report back to the next Finance Policy and Resources Committee on how the Council can help to ensure no child was exposed to hunger during the school holidays and to write to the Rt Hon Frank Field MP DL confirming Council's position.				
18.	Finance, Policy & Resources Committee – 20/09/16 Article 18	<u>Aberdeen Japan Strategy</u> The Committee agreed to accept one further (final) report in January 2017 at the conclusion of the Strategy period, detailing the activity delivered in Year 2 (2016) and evaluating the impact of the Strategy overall.	A report is included within the agenda	Morag McCorkindale/ Matt Lockley – CH&I	09/03/17	
19.	Finance, Policy & Resources Committee – 20/09/16	<u>Review of Access to Leisure Scheme</u> The Committee agreed:-	The FP&R committee report (September 2016) has been sent to the Disability Equity Partnership (DEP) and Grampian Region	Jill Franks - SA	01/12/16	09/03/17

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
	Article 20	(1) to instruct Officers to pass the report in its entirety to the Disability Equity Partnership and Grampian Regional Equality Council for their comments and recommendations; (2) to instruct the Director of Education and Children's Services to bring a final report to the Finance Policy and Resources Committee in December taking cognisance of the comments from the Disability Equity Partnership; and (3) to instruct the Director of Education and Children's Services to set out the Financial Implications of the proposed recommendations contained within the December report.	Equality Council (GREC) for their comments. Representatives from the Access to Leisure Working Group will be attending the DEP meeting on 16 th November 2016. No comments have as yet been received from GREC. There is a significant amount of additional work to address the revised recommendations tabled at the FP&R; therefore the final report will be presented to the February 2017 meeting. A report is included within the agenda			
20.	Finance, Policy & Resources Committee – 20/09/16 Article 26	<u>Property Asset Management Policy and Framework</u> The Committee agreed that a report on the Property Asset Management Strategy be brought to this committee on 8 June 2017.		Alastair Reid – CH&I	08/06/17	
21.	Finance, Policy & Resources Committee – 20/09/16 Article 28	<u>Review of Bookings and Lettings Procedures in Schools and Learning Centres</u> The Committee agreed:- (1) to instruct officers, in partnership with Sport Aberdeen, to investigate the feasibility and	The Bookings and Lettings process is now subject to the work of the Transformation Delivery Board, through the Hive. This review will fundamentally consider all aspects of how customers will interface with the Council to	Andrew Jones – ECS and Kay Diack - CHI	(1)20/09/17 and (2)09/03/17	08/06/17

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		<p>implications of transferring responsibility for administering the bookings and lettings system from Sport Aberdeen to an appropriate team within Aberdeen City Council, and to report their findings and recommendations to Committee in September 2017;</p> <p>(2) to instruct officers, in partnership with Sport Aberdeen, to carry out a detailed analysis of the current charges for bookings and lettings of schools and learning centres, and to report to Committee in February 2017 (now March 2017) with recommendations on any required changes to the scale of charges, to ensure the financial viability of the bookings and lettings system;</p>	<p>book accommodation and set the strategy for the accommodation on offer for public use. Due to these ongoing developments with the review of bookings and lettings, it is not going to be possible to take a paper on the revised let charges to the FP&R Committee in February (Now March). A report will be submitted to the June committee meeting.</p>			
22.	<p>Finance, Policy & Resources Committee – 20/09/16 Article 40</p>	<p><u>Environmental and Flood Prevention Works at Heathryfold Park</u></p> <p>The Committee agreed:-</p> <p>(1) to seek grant funding for the enhanced environmental proposals; and</p> <p>(2) to report back to committee on the outcome of the grant applications, and partnership options, prior to delivery of enhanced improvements.</p>	<p>A report is included within the agenda.</p>	<p>Bill Watson – CH&I</p>		<p>08/06/17</p>

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
23.	Finance, Policy & Resources Committee – 01/12/16 Article 9	<u>Key Achievements of the Committee</u> The Committee agreed to instruct the Depute Chief Executive (Director of Corporate Governance) to bring forward, to the February 2017 meeting of the Committee, a summary report detailing key achievements of the committee since May 2012.	A report is included within the agenda.	Martin Allan/Richard Ellis - CG	09/03/17	
24.	Finance, Policy & Resources Committee – 01/12/16 Article 24	<u>Memorandum of Understanding for Additional £254m Investment</u> The Committee agreed amongst other things that a further report be brought to the next Finance, Policy and Resources Committee along with any amended Memorandum of Understanding following receipt of clarification from the First Minister.	The amended Memorandum of Understanding with the Scottish Government on the £254m of investment for transport, digital and housing developments was approved by the Council at its meeting on 14 December 2017. As such a further report with the amended Memorandum of Understanding is not required at the next Finance, Policy & Resources Committee. The Memorandum has subsequently been signed by the Chief Executives of the Council and Aberdeenshire Council, and civil servants at the Scottish Government. (Request removal from the Statement)	Richard Sweetnam - CHI	09/03/17	
25.	Finance, Policy & Resources	<u>Strategic Infrastructure Plan – City Centre Living Study</u>	Consultants have been commissioned to undertake the	David Leslie/ Marc Cole –	09/03/17	20/09/17

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
	Committee (Reconvened) – 07/12/16 Article 3	The Committee agreed to approve expenditure of up to £30k to award a contract to Consultants to prepare a City Centre Living study and report progress back to Finance, Policy and Resources Committee in February 2017 (Now March 2017)	City Centre Living Study and will complete their work in June 2017. A report on the study and its outcomes will be submitted to the September FP&R Committee.	CH&I		
26.	Finance, Policy & Resources Committee (Reconvened) – 07/12/16 Article 5	<u>14-18 NOW Poppies Wave and Weeping Window 2018</u> The Committee agreed to instruct the Director to express Aberdeen City Council's interest in being a host City for the 14-18 NOW poppies wave and Weeping Window 2018 and for a report to come back to the appropriate Finance, Policy and Resources Committee on our success or otherwise.	A report is included within the agenda.	Dawn Schultz - OCE		
27.	Finance, Policy & Resources Committee (Reconvened) – 07/12/16 Article 6	<u>Thomas Blake Glover House</u> The Committee agreed amongst other things:- (1) to instruct officers to liaise with Aberdeen Asset Management to ascertain if they are prepared to invest financially in Thomas Glover House, and if so, to what extent and to report back to the next Finance, Policy and Resources Committee; (2) to instruct officers to bring forward a report to the next Finance,	A report is included within the agenda.	Angela Taylor, Jamie Coventry – CH&I	09/03/17	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		<p>Policy and Resources Committee on the feasibility of additional grant funding from external sources including those set out in paragraph 6.3 of the report as well as both Universities; and</p> <p>(3) that officers bring back a report to the next Committee meeting on the progress of implementation of option 1.</p>				
28.	<p>Finance, Policy & Resources Committee (Reconvened) – 07/12/16 Article 9</p>	<p><u>Current Gas Central Heating Maintenance Framework Contract</u></p> <p>The Committee agreed amongst other things that an update report in relation to the contract be brought back to the Committee on 30 November 2017</p>		Colin MacIver – CH&I	30/11/17	
29.	<p>Finance, Policy & Resources Committee (Reconvened) – 07/12/16 Article 12</p>	<p><u>Purchase of Ground at Wellington Road</u></p> <p>The Committee agreed to:-</p> <p>(1) note the content of the report and agree to instruct officers to confirm to the Scottish Government that the Council no longer wishes to proceed with the purchase of this land at a £230,000 valuation but would consider purchasing the land for £1 as an act of goodwill given our £75m contribution towards the AWPR; and</p> <p>(2) instruct officers to report back</p>	A letter has been sent to the Scottish Government. If a reply is received this will be verbally reported to the committee.	Neil Strachan – CH&I		

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		to the Committee on the Scottish Government's response to the request.				
30.	Finance, Policy & Resources Committee (Reconvened) – 07/12/16 Article 15	<u>87-93 Union Street and 1-6 Market Street</u> The Committee agreed to (1) carry out a detailed feasibility study for the site in collaboration with Rockspring to look at options to create the best development opportunity; and (2) to approve a £50,000 contribution towards the expenditure required for the detailed feasibility study for the site reporting back to this Committee in February 2017 (Now March 2017)	A report is to be included within the agenda	Stephen Booth – CH&I	09/03/17	
31.	Finance, Policy & Resources Committee (Reconvened) – 07/12/16 Article 20	<u>Events Strategy Plan – Aberdeen 365 Operational Plan</u> The Committee agreed amongst other things to instruct officers to report to the February Finance, Policy & Resources Committee (Now March) with a recommended operational plan and budget to implement the Strategy	A report is included within the agenda.	Dawn Schultz - OCE	09/03/17	
32.	Council 22/02/17	<u>General Fund Revenue Budget 2017/18 to 2021/22 and Non-Housing Capital Programme 2017/18 to 2021/22</u> (1) Council agreed to instruct the Chief Executive to report back to	(1) A report is included within the agenda	Chief Executive	09/03/17	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead officer(s)/ Service(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		<p>Finance, Policy and Resources on 9 March 2017 on the uncommitted funding detailed within the Non Housing Capital Programme; and</p> <p>(2) Council agreed to note the announcement of the Scottish Government proposing additional business rates relief and instruct the Chief Executive to consider this announcement in relation to Appendix 9 of the report and report to the Finance, Policy and Resources Committee on 9 March 2017</p>				

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FINANCE AND RESOURCES COMMITTEE

MOTIONS LIST

March 2016

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

<u>No.</u>	<u>Motion</u>	<u>Date of Council/ Committee Meeting</u>	<u>Committee Motion referred to / date/ decision of Committee</u>	<u>Action taken / Proposed Future Action</u>	<u>Responsible Head(s) of Service</u>	<u>Due Date</u>	<u>Is authority sought to remove motion from list?</u>
1.	<p><u>Motion by Councillor Stewart</u> To instruct the Director of, Communities, Housing and Infrastructure to bring a report to the next meeting of Communities, Housing and Infrastructure on the proposition that where there are unreasonable delays in Capital Programmes of Works attributed to the Contractor, that (i) Council tenants and other affected householders should receive an appropriate payment payable by the contractor (to be provided for in the contract between the council and the</p>	CH&I		At the CH&I meeting of 24 January 2017 the Committee agreed to the terms of the motion reporting to Finance Policy Resources Committee in June.	Head of Communities and Housing	08.06.17	No

<u>No.</u>	<u>Motion</u>	<u>Date of Council/ Committee Meeting</u>	<u>Committee Motion referred to / date/ decision of Committee</u>	<u>Action taken / Proposed Future Action</u>	<u>Responsible Head(s) of Service</u>	<u>Due Date</u>	<u>Is authority sought to remove motion from list?</u>
	contractor) to cover their reasonable losses and/or (ii) other methods of recompense should be made available. The report will also look at best practice adopted in this area by other Scottish local authorities						

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9th March, 2017
DIRECTOR	Richard Ellis, Interim Depute Chief Executive (Director of Corporate Governance)
TITLE OF REPORT	Corporate Governance Performance Scorecard
REPORT NUMBER	CG/17/012
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To present the Committee with (a) key performance information for the Corporate Governance Directorate and (b) an updated Directorate Risk Register.

2. RECOMMENDATION

The Committee are asked to:

Note both the performance report for the Corporate Governance Directorate and its Risk Register and the information contained therein.

3. FINANCIAL IMPLICATIONS

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

4. OTHER IMPLICATIONS

There are no specific legal, resource, personnel, property, equipment, sustainability and environmental, health and safety and/or policy implications arising from this report.

5. BACKGROUND/MAIN ISSUES

Corporate Governance comprises many support functions, enabling frontline teams to deliver excellent service to our internal and external customers. It

provides the backbone of the organisation, not only supporting frontline delivery but also ensuring effective governance across the council.

The directorate is supported by 699 employees and is responsible for the delivery of a wide range of services:

- Commercial & Procurement Services (Currently shared with Aberdeenshire Council)
- Finance (including council tax & benefits)
- Legal and Democratic services (including Archive services)
- Human Resources
- Customer Service
- IT
- Transformation

Corporate Governances' frontline services are largely represented through revenues & benefits, customer services, registrars and the archive service.

Our performance indicators will be used as a benchmark to measure how well we are meeting the needs of our customers and communities.

Audit Scotland in July 2015 published an 'Audit of Best Value and Community Planning' for Aberdeen City Council. The audit recognised that good progress had been made since 2009 in financial planning and management but that more needed to be done to consolidate the improvements (a golden thread reflecting all plans). Of particular relevance to the Corporate Governance Directorate is the increased focus on ensuring the council's overall strategic priorities are translated into objectives and targets which are linked to service plans.

Aberdeen: the Smarter City outlines the Council's policy priorities, included within are 6 'Smarter' themes: Smarter Governance; Smarter Living; Smarter People; Smarter Environment; Smarter Economy & Smarter Mobility.

Corporate Governance's role is to provide efficient and effective support functions. Through the council's organisational plan "Shaping Aberdeen", programmes of work are in place to ensure that we have all the components of a fit for purpose organisation to deliver outcomes. These programmes include modernising, innovating and transforming 'How we do business' and also changing our culture to 'improve customer experience', 'improve staff experience' and 'improve use of our resources'.

As a result, the Council's Strategic Framework has been reviewed and overhauled to make the linkages between policy priorities, strategies and plans clearer and more defined.

We need to measure how successful we are at delivering the Directorate's Business Plan and achieving improved outcomes for our customers. In order to do this we require a strong performance management framework. The Key Performance Indicators will be used to monitor the success of our services and during 2016/2017 we will build on this by reviewing our performance management framework. We will focus on creating a framework which supports improvement across the breadth of our activities, ensuring performance is continually reviewed and monitored by managers and where issues of under-performance emerge, resources and timely remedial action can be targeted effectively. We will also implement a comprehensive and integrated approach to the data and the information we hold, building on our Public Performance Reporting arrangements, allowing the public to hold the council to account and to have the information required to participate in decisions about service redesign.

Timely, accurate performance data supports informed decision-taking, focuses resources on areas for improvement and assists with our commitment to the delivery of Best Value in public service activity. We aim to benchmark as much of our service activity as possible, mainly through our participation in the Scotland-wide Local Government Benchmarking Framework (LGBF) whilst also utilising our involvement in other benchmarking clubs where appropriate.

The Council receives an annual assessment of the strength of our Public Performance Reporting (PPR) arrangements from the Accounts Commission. This covers not only the breadth of services and functions for which we have a statutory requirement to report, but also the style, format and accessibility of the information we provide. Increasingly, auditors are requiring that a range of channels and performance information formats are used, to ensure that information reaches audiences in ways in which it is most useful, easy to understand and best illustrative of the Council's activities.

In order to provide the Committee with an effective analysis of performance and trend analysis in each report, it is intended to move to a quarterly reporting frequency.

The attached performance scorecard uses traffic light symbols to aid the better understanding of direction of travel, where possible:



denotes an indicator which is not meeting target performance;



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



denotes an indicator which is meeting target performance;

Targets

Where possible, services are encouraged to set meaningful performance targets as a means of contextualising performance and driving improvement. These are frequently based on benchmarking activity. The revised scorecard provides an accompanying narrative to provide Committee members with more detail on each of the Key Performance Indicators.

As the scorecard has been revised there are Key Performance Indicators which are being developed at the present moment, however once the ongoing outcomes have been reported then the Committee can compare current outcomes against previous outcomes, against the target. Where this is the case the supporting narrative will explain.

Risk Register

The appended risk register sets out the high-level risks with the potential to impact on the delivery of essential Corporate Governance services and the carrying out of core corporate functions, for which the directorate is responsible.

The register is subject to frequent review and risks are added as new issues emerge as well as being removed when the source of the risk is no longer current or when control effectiveness reduces the assessment a level which the directorate is prepared to tolerate. Risks around the delivery of a balanced budget and the council tax increase and adjustment of bandings, have been effectively managed following the completion of these pieces of work. They are detailed here to inform the Committee of that process.

Corporate Governance is leading on the delivery of key business transformation programmes, which underpin the improvement agenda. The risks which have the potential to impact negatively on those programmes have been added to the register.

6. IMPACT

Improving Customer Experience –

The Corporate Governance Service Plans (of which the key performance indicators are a part) will improve the Customer Experience by providing support functions in the roll out of the Customer Experience Programme, leading to:

- Improved customer satisfaction
- Improved customer service- efficiently managed customer data and greater understanding of customer needs
- Improved use of resources through efficiencies in customer management
- Increased access to services digitally (24/7)

Improving Staff Experience –

The Corporate Governance Service Plans (of which the key performance indicators are a part) will improve the Staff Experience by providing support functions in the roll out of the Staff Experience Programme, leading to:

- Increased staff satisfaction as measured through pulse checks and Employee Opinion Survey
- Reduced Sickness Absence
- Alignment of Shaping Aberdeen vision with recruitment, development and internal promotion
- Increased staff retention
- Ability to recruit better staff

Achieve Times 100 best organisations to work for.

Improving our use of Resources –

The Corporate Governance Service Plans (of which the key performance indicators are a part) will improve the Improving our use of Resources Programme by providing support functions in the roll out of the Programme, leading to:

- Improved use of resources impacting positively on all finance and corporate financial KPI's and reducing finance risks
- Improved customer satisfaction ratings from CG customer survey
- New medium term financial plan and long term financial plans developed
- Improved financial processes, reducing bureaucracy and delivering efficiencies
- Improved customer satisfaction ratings from Finance budget holder survey

Corporate –

From a corporate point of view a Performance Management Framework (PMF) has been agreed by the Committee (at its meeting in June 2016). This work is included in the wider Transformation Programme. The purpose of the project is to implement the corporate performance management framework for the Council to:

- i. ensure the Council's priorities are clearly articulated and delivered through effective service planning and allocation of resources;
- ii. motivate staff by ensuring that individuals are aware of their own targets and goals and how these contribute to achieving the Council's vision;
- iii. ensure that significant risks to the achievement of objectives are identified and managed;
- iv. provide early warning, and rectification, of poor performance;
- v. provide a strong evidence base for improved decision making; and
- vi. through all of the above, improve services and outcomes for local people.

The Framework is designed to make best use of all our resources in a co-ordinated way to ensure effective monitoring of priorities, resulting in better outcomes for our customers and communities.

7. MANAGEMENT OF RISK

The report identifies areas of performance which are aligned to the achievement of priorities. With service planning and risk identification and management now fully aligned, reviews of the risk register will draw on effective horizon-scanning, risk assessment, mitigation and assurance.

8. BACKGROUND PAPERS

Aberdeen City Council Strategic Business Plan Refresh
Corporate Governance Directorate Plan

9. REPORT AUTHOR DETAILS

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

Corporate Governance Performance Scorecard



Page 67











Improving Customer Experience

Ref.	KPI Name	2015/16	Q3 2016/17		Nov 2016		Dec 2016		Jan 2017		2016/17		2016/17 Target
		Value	Value	Status	Value	Status	Value	Status	Value	Status	Value	Status	
1.1	Late committee reports (all committees) as a percentage of total reports due (quarterly)	15.71%	22.55%										5%
1.2	Percentage of incoming calls answered within 30 seconds (Customer Contact Centre) (monthly)	68.28%			62.37%		77.22%		66.04%				60%
1.3	Incoming calls abandoned as a percentage of total calls to the Customer Contact Centre (monthly)	11.02%			11.1%		5.95%		12.76%				8%
1.4	Time taken (days) from unconditional job offer to issuing of employment contract (monthly)				1.79		1.3		1.5				10
1.5	Internal customer satisfaction rate		82.61%										85%
1.6	External customer satisfaction rate		83.18%										85%
1.7	Average time taken in calendar days to process all new claims and change events in Housing Benefit (monthly)	10			9.58		9.67		Not yet available				10
1.8	Correct amount of Housing Benefit paid to customer	91.77%			93.26%		93.26%		93.34%				95%
1.9	7c) The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid.	98.04%			94.6%		98.78%		91.4%				98%

Improving Staff Experience

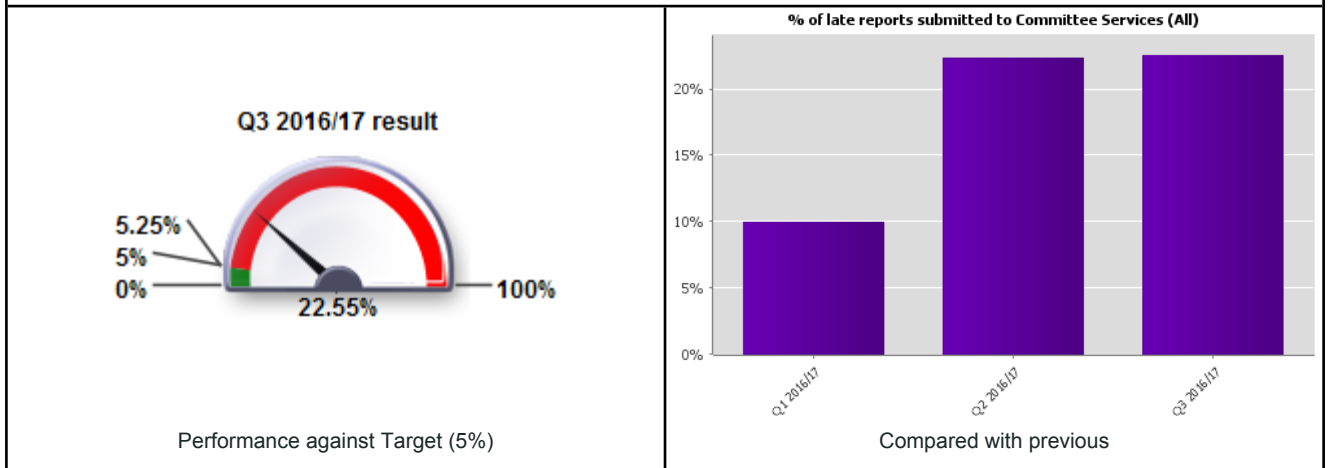
Ref.	KPI Name	2015/16	Q3 2016/17		Nov 2016		Dec 2016		Jan 2017		2016/17		2016/17 Target	
		Value	Value	Status	Value	Status	Value	Status	Value	Status	Value	Status		
2.1	Staff sickness absence - days per annum per employee (rolling 12 months)	6.6			6.7		6.7		6.6				5.85	
2.2	Number of Agency Staff				11		10		11				8	
2.3	Overtime Expenditure (non-cumulative)	£204,603			£3,650		£7,086		£7,545				£10,111	
2.4	Retirement Benefits – Notification of Actual within 5 working days as a %	93.18%	95.58%											90%
2.5	Retirement Benefits - Notification of estimate within 10 working days as a %	92.76%	99.55%											90%
2.6	Percentage of staff turnover (rolling 12 months)	9.54%			10.37%		10.53%		9.78%				8-15%	
2.7	Staff Engagement (Employee Opinion Survey - % who feel engaged)											55%		55%
2.8	Compliance with the Health & Safety Matrix (monthly)	92%			87%		86%		89%				100%	

Improving Our Use of Resources

Ref.	KPI Name	2015/16	Q3 2016/17		Nov 2016		Dec 2016		Jan 2017		2016/17		2016/17 Target
		Value	Value	Status	Value	Status	Value	Status	Value	Status	Value	Status	
3.1	Cumulative savings vs target				66.75%		75.09%		83.33%				83.33%
3.2	Off-contract spend as a percentage of total supplier spend (quarterly)				Not currently available								10%
3.3	Percentage of Critical system availability - average (monthly)				99.6%		99.86%		99.9%				99.5%
3.4	Agreed internal audit recommendations (corporate) implemented as a percentage of total due for implementation (quarterly)		79.29%		Not currently available								100%
3.5	Council Tax Cash Collected (In Year)	£104.7m			£82.5m		£91.5m		£101m				£102m

Improving Customer Experience

Late committee reports (all committees) as a percentage of total reports due (quarterly)



Why is this important?

Receiving and issuing committee reports on time ensures that we are meeting our statutory responsibilities in terms of making copies of reports available and open to inspection by Elected Members and members of the public. It is essential for good governance and for the efficient and effective running of the Council. It also facilitates greater transparency, accountability and openness across the Council's decision making processes.

Operationally, receiving committee reports on time means that the proper checks can be made in relation to whether the report contains exempt information, whether an equalities and human rights impact assessment is required, or whether the appropriate consultation has been undertaken.

At Elected Member level, late committee reports mean less time available for scrutiny prior to the Committee meeting.

Benchmark Information:

Benchmarking has shown that information on this KPI is not currently collected by our comparator authorities; however it is proposed that contact be made via the SOLAR group to ask that other authorities participate in a benchmarking exercise around late reports so that we can see how performance in Aberdeen compares to other local authorities.

Target:

5%.

Intelligence:

The percentage of late reports across all Directorates is 22.55%. The performance is marginally in line with the previous quarter. 'Late' reports are all reports that miss the 10am deadline for submission, whether they make the original agenda circulation or not.

That reflects 76 late reports across all Directorates at both draft and final report stage out of a total of 337 committee reports for the quarter (October to December 2016)

- Late reports at draft stage – 41
- Late reports at final stage – 35

As can be seen from the list of reports below, the above figures may include some 'double counting' of reports if they have been late at both draft and final stage. Committee Services record the reasons provided by report authors for lateness of reports, and these are detailed below. A report went before CMT last year which highlighted the poor performance and it was agreed that Directorates would set a target of no more than 5% of reports being late. The performance is still some way off this target and will continue to be monitored.

The late reports are broken down as follows:-

COUNCIL

- Governance Review – Interim Revisions to SOs and Scheme of Delegation (Draft) - CG - Report was requested to ensure that certain amendments to the SOs and Scheme of Delegation were undertaken so that the Chief Executive had sufficient powers in the event of any emergency situation. The consultation on the report began later than anticipated.
- Education and Children's Services Committee – External Appointments (Draft) - CG - Report did not exist at the draft stage
- Bond Financing Strategy – Implications for the Council (Draft) - CG - Report did not exist at the draft stage
- Shaping Aberdeen Housing LLP Business Plan Update (Draft) - CHI - Report did not exist at the draft stage
- Signing of MoU between Aberdeen and Mokpo (Draft) - CHI - Report did not exist at the draft stage
- Aberdeen Renewable Energy Group Agreement (Draft) - CHI - Report did not exist at the draft stage
- Bond Financing Strategy – Implications for the Council (Final) - CG - Due to the emerging nature of the subject matter and extensive consultation, officers were working on the report until the last minute
- Aberdeen Renewable Energy Group Agreement (Final) - CHI - Due to protracted consultation and extensive feedback received
- Publication of the Report of the Joint Inspection of Health and Social Work (Draft) - HSCP - Report did not exist at the draft stage
- UNISON Ethical Care Charter (Draft) - CG - Report did not exist at the draft stage
- Future Primary Education in Tillydrone and Old Aberdeen (Draft) - ECS - Report did not exist at the draft stage
- City Centre Masterplan Project Broad Street Design (Draft) - CHI - Report did not exist at the draft stage
- General Fund Revenue Budget Projections (Draft) - CG - Report did not exist at the draft stage
- Appointments (Draft) - OCE - Report did not exist at the draft stage
- UNISON Ethical Care Charter (Final) - CG - The report was requested by Councillors at a late stage
- Future Primary Education in Tillydrone and Old Aberdeen (Final) - ECS - The report was requested at the Education and Children's Services Committee on 8 September 2016, however some considerable time was needed to investigate and pull together the detail which was required
- City Centre Masterplan Project Broad Street Design (Final) - CHI - Officers were working extensively with external consultants and Sustrans on the design and cost plan which needed additional time
- General Fund Revenue Budget Projections (Final) - CG - To ensure members were given the latest information in relation to financial projections and likely timescales for receiving settlement figures from the Scottish Government
- Appointments (Final) - OCE - Changes to appointments requested by Councillors after the agenda had been issued

AUDIT RISK AND SCRUTINY

- ALEO Governance Hubs (Final) - CG - Awaiting final approval of minutes from the individual ALEOs
- Annual Audited Accounts 2015/16 (Final) - CG - Final amendments to the accounts
- Corporate Investigation Team Update (Draft) - CG - None provided
- Corporate Investigation Team Update (Final) - CG - None provided
- Third Don Crossing (Draft) - CG - Waiting for confirmation from Head of Finance
- Education and Children's Services Risk Register (Draft) - ECS - ICT issues, report locked on user's PC
- Internal Audit Report – Data Protection (Draft) - Audit - Awaiting agreement from Service
- Internal Audit Report – Budget Monitoring (Draft) - Audit - Awaiting agreement from Service
- Internal Audit Report – Bank Reconciliations (Draft) - Audit - Awaiting agreement from Service
- Internal Audit Report – Following the Public Pound (Draft) - Audit - Awaiting agreement from Service
- Internal Audit Report – Cash Receipting System (Draft) - Audit - Awaiting agreement from Service
- Internal Audit Report – Purchasing and Creditors (Draft) - Audit - Awaiting agreement from Service
- Internal Audit Report – CareFirst (Draft) - Audit - Awaiting agreement from Service
- Solar Photovoltaic Agreement (Draft) - CHI - None provided

COMMUNITIES, HOUSING AND INFRASTRUCTURE

- Gas Central Heating Maintenance Contract Procurement (Draft) - CHI - Sitting with Director for approval

- Developer Obligations Procedure (Draft) - CHI - Unsure if going to November or January cycle
- Aberdeen Crematorium Performance Assurance (Draft) - CHI - Awaiting approval
- Berryden 78-90 Powis Terrace Demolition Tender (Draft) - CHI - Awaiting approval
- Broad Street / Queen Street Traffic Order (Draft) - CHI - Awaiting approval
- Houses in Multiple Occupation (Draft) - CHI - Awaiting legal advice
- Leased Community Centres (Draft) - CHI - Sitting with Director for approval
- Future Rent Policy (Draft) - CHI - Awaiting finance advice
- ALEO Governance Update – AECC (Final) - CHI - Comments by clerk had not been actioned and report needed to be adjusted when it was received at final stage
- Various Small Scale Traffic Management – Stage 1 (Final) - CHI - Went out late for consultation

EDUCATION AND CHILDREN'S SERVICES

- Naming of the New Academy South of the City (Draft) - ECS - To enable the consultation process to finish and the votes to be collated
- Naming of the New Academy South of the City (Final) - ECS - To enable the consultation process to finish and the votes to be collated
- 2016/17 General Fund Revenue and Capital Monitoring (Final) - ECS - Redrafting covering report following pre agenda meeting

FINANCE, POLICY AND RESOURCES

- Events Strategy Plan (Draft) - OCE - Awaiting information from Economic Development
- Visit Aberdeenshire – 6 month progress (Draft) - CHI - ACC needed to wait for approval of Shire 's Visit Aberdeenshire progress report as their outcomes would affect our own recommendations and objectives
- FCHJU JIVE Business Case (Draft) - CHI - Discussions between Cllrs and Management on the report's recommendations caused delays and decisions on the business case budget.
- MoU for Additional £254m investment (Draft) - CHI - Awaiting information from the leaders of both Councils
- Site 10 Whitemyres Avenue and Site 16 Lang Stracht (Draft) - CHI - Finance implications and the confidential nature of the report were delaying management decision
- Aberdeen Community Energy – Community Bond Issue (Draft) - CHI - The report came from a referral from CHI which met on 1st Nov and had to be prepared in the intervening period
- Union Street / Market Street / The Green Redevelopment Proposals (Draft) - CHI - Finance implications and the confidential nature of the report were delaying management decision
- Financing Strategy for the Capital Programmes (Draft) - CG - The report was requested by the Convener. The report could only be checked by Head of Finance today due to other diary commitments.
- Lochside Academy (Draft) - ECS - Officers had a meeting with reps from Cove Rangers FC on 23rd November and work was required to prepare the report
- Events Strategy Plan (Final) - CHI - Consolidation of two reports by CH&I and OCE was required
- Strategic Infrastructure Plan (Final) - CG - Information was not available until after the Committee deadline
- Procurement for the Operation of the AECC (Final) - CHI - Scoring of the tender submissions had to be completed
- Union Street / Market Street / The Green Redevelopment Proposals (Final) - CHI - Finance implications and the confidential nature of the report were delaying management decision
- Site 10 Whitemyres Avenue and Site 16 Lang Stracht (Final) - CHI - Due to the progress of negotiations to buy the site and a view that some external advice would be required
- FCHJU JIVE Business Case (Final) - CHI - Discussions between Cllrs and Management on the report's recommendations caused delays and decisions on the business case budget
- Lochside Academy (Final) - ECS - Officers had a meeting with reps from Cove Rangers FC on 23rd November and work was required to prepare the report

LICENSING

- Taxi Fare Review (October meeting) (Final) - CG - Finalising report following Taxi Consultation Group on 5 October 2016 and consultation required as per Standing Orders
- Taxi Fare Review (December meeting) (Final) - CG - Awaiting end of statutory consultation period

PLANNING DEVELOPMENT MANAGEMENT

- Union Bridge (Final) - CHI - Final internal checks and editing were required before being sent to Committee Clerk
- 3 South Avenue (Final) - CHI - Late comments received by Legal had to be added to the report
- West Huxterstone (Final) - CHI - Officer thought she had sent the report, but this had not been done
- 14 The Chanonry (Final) - CHI - Workload pressures
- 24 Wallacebrae Road (Final) - CHI - Workload issues and final sign off by line manager
- 2 Desswood Place (Final) - CHI - Officers are working to tight deadlines on all applications with requirements also for reports to be checked off by senior officers and that in many cases late information coming forwards. It wasn't possible to complete the reports by the deadline for these reasons. The Council has a statutory duty to determine applications expediently. These applications if held back to the next cycle would have extended the decision making timescale on the application by 6 weeks, which is poor both in terms of customer service and our own decision making timescales that are being monitored by the Scottish Government and for which the Council could be penalised significantly financially in terms of the reduced fee penalty
- 13 Whitehall Road (Final) - CHI - Reason as above
- Burnside Gardens (Final) - CHI - Reason as above
- Marischal Square (Final) - CHI - No reason given

URGENT BUSINESS COMMITTEE

- Local Government Boundary Commission Review – Polling Place Changes (Final) - OCE - Reports at UBC are generally always late. In this instance the report was submitted to the UBC meeting due to a deadline set by the ERO without much notice
- Fuel Cells and Hydrogen Joint MoU (Final) - CHI - Reports at UBC are generally always late. In this instance the report was tabled at the meeting as officers were working on it until the last minute
- Aberdeen City Region Deal Financial Agreement (Final) - CHI - Reports at UBC are generally always late. In this instance the report was tabled at the meeting as officers were working on it until the last minute

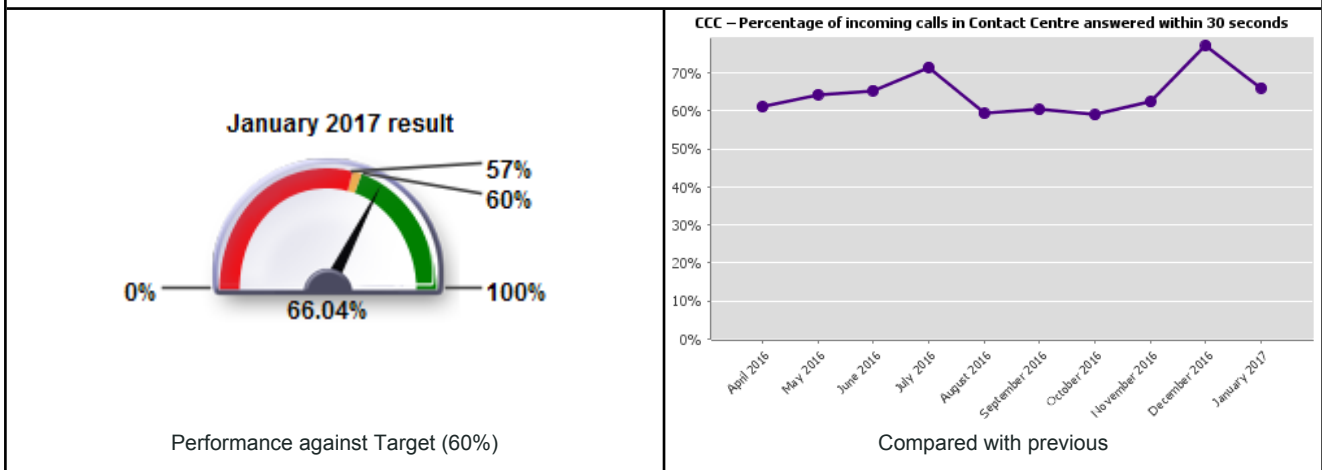
Responsible officer:

Last Updated:

Stephanie Dunsmuir

Q3 2016/17

Percentage of incoming calls answered within 30 seconds (Customer Contact Centre) (monthly)



Why is this important?

Why is this measured? This key performance indicator is an industry standard contact centre measure. It defines the effectiveness of ACC Customer Contact Centre Customer Service Advisors answering a telephone call that is delivered to them via the telephony system and the skill based routing system we have in place.

How calculated? It is calculated as a % of all answered calls within 30 seconds and it is taken from the telephony system reporting suite.

Target - 60%

Benchmark Information:

Customer contact telephony is benchmarked against a range of other local authorities across the UK. Average answering times at the most recent benchmarking exercise which published in January 2016 was 59% of calls within 30 seconds. A target of 60% for this indicator has therefore been set for 2016/17 which is very achievable within the Shaping Aberdeen portfolio of work.

Target:

60%

Intelligence:

Whilst the figure has decreased since Dec 2016 (77%) it is still comfortably above the 60% target at (66%) and calls have increased from 18,994 in Dec 16 to 26,721 in January. This is still looking at a consistent level that was achieved throughout 2016. There were 3 members of staff on council tax training from the 1st week in January through till the 1st week in February. With over 60 team members attending State of the union briefings over a two week period. It is still pleasing to surpass the target but will need to improve this figure by ensuring continuity of experience and ability with a flow of training, mentoring and coaching.

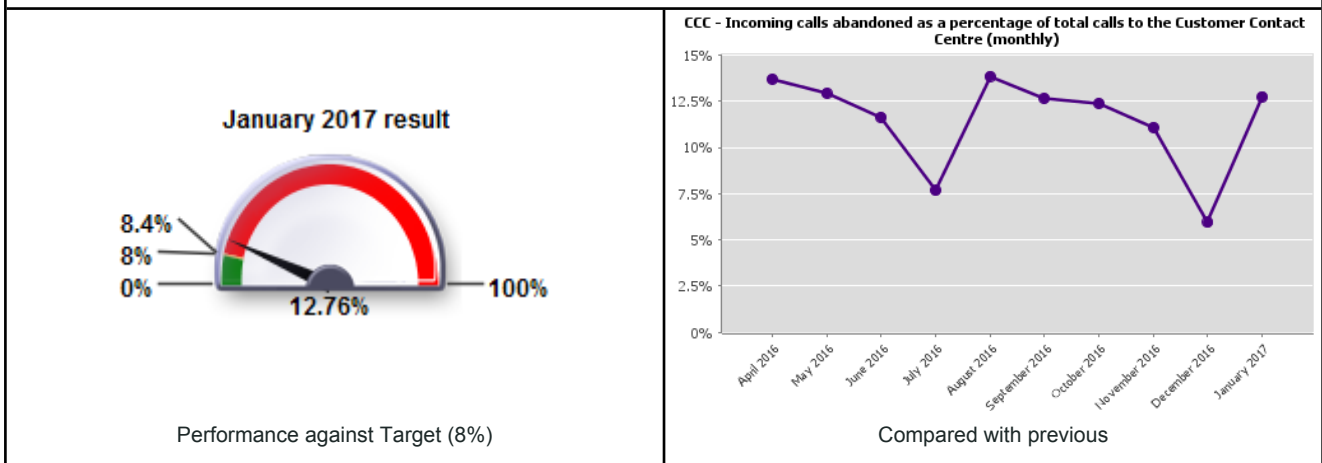
Responsible officer:

Allan MacCreadie

Last Updated:

January 2017

Incoming calls abandoned as a percentage of total calls to the Customer Contact Centre (monthly)



Why is this important?

Why is this measured? This key performance indicator is an industry standard measure and is used to determine the effectiveness of the workforce planning to ensure the availability of Customer Service Advisors is matched to customer demand.

How calculated? It is calculated as the volume of calls which have been classed as 'abandoned/customer has hung up' before being answered by a Customer Service Advisor divided by the total number of calls offered, expressed as a percentage.

Target - 8%

Benchmark Information:

Our target of 8% compares to an average of 12% for other local authorities **. This is achievable within the Shaping Aberdeen portfolio of work and would place Aberdeen City Council within the top 50% of local authorities. ** figures taken from the Oct-Dec 2015 Local Authority Contact Centre Benchmarking Group.

Target:

8%

Intelligence:

Unfortunately the abandoned rate appears to have reverted back to the 2016 average as the calls have increased and the staff have been away at training sessions, briefings and seasonal sickness issues also prevail. The positive from this is that the Jan 16 abandoned rate was at a level of 27% and 8,312 calls the Jan 17 calls abandoned was 3,409 and 12.76% and whilst the total calls has reduced 17% year on year the abandoned call rate has reduced 41% for the same year on year figure.

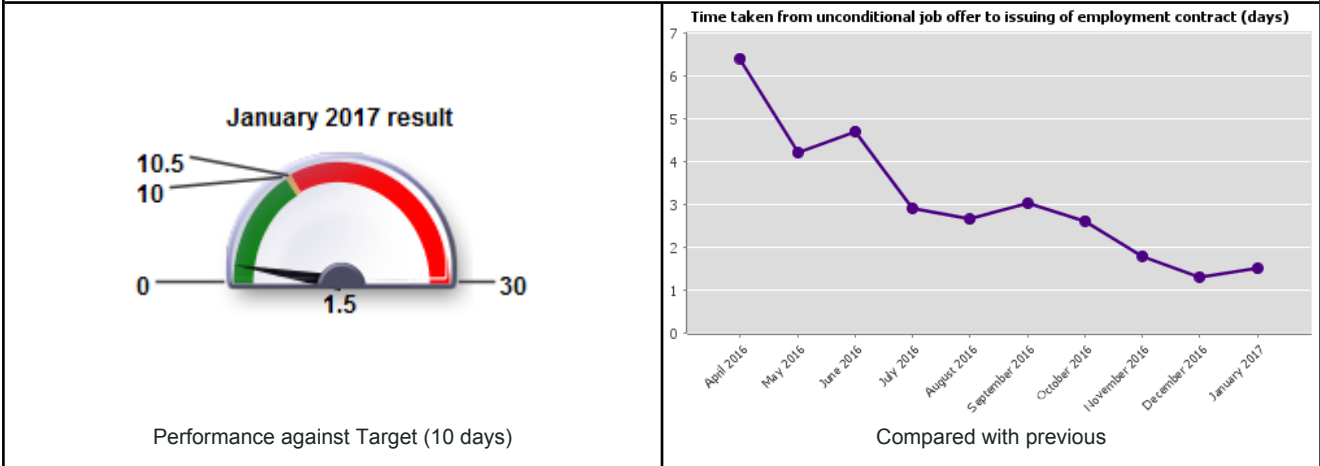
Responsible officer:

Allan MacCreadie

Last Updated:

January 2017

Time taken (days) from unconditional job offer to issuing of employment contract (monthly)



Why is this important?

An employer is legally required to give employees a 'written statement of employment particulars' if their employment contract lasts at least a month or more. This must be provided to the employee within 2 months of the start of employment. This written statement includes the employee's main conditions of employment including job title, continuous service date, how much and how often an employee will get paid, hours of work, holiday entitlement, notice periods, collective agreements and pension. It forms an agreement between an employer and employee and is the basis of the employment relationship.

Benchmark Information:

There is a statutory benchmark that applies to all employers regardless of sector, namely a requirement to provide new employees with a written Statement of the main terms and conditions of employment within two calendar months of starting work.

Target:

10 days

Intelligence:

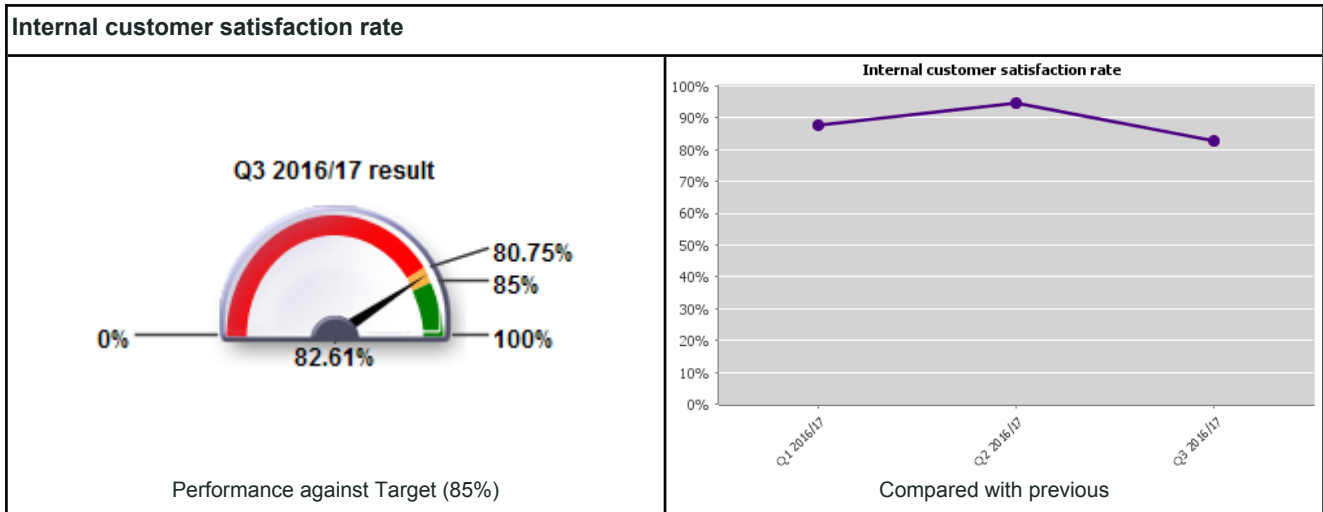
147 contracts issued. The legal requirement is to provide a new start with a written statement of employment particulars within 2 calendar months of their start date. Therefore, the average time being taken from unconditional offer to issue an employment contract not only meets our 10 day target but also comfortably meets our statutory duty.

Responsible officer:

Mike Lawson

Last Updated:

January 2017



Why is this important?

Measuring internal customer satisfaction gives us an assessment of customer experience from an internal perspective and enables us to measure how effectively we are delivering services within Corporate Governance. By measuring internal customer satisfaction, we can also assess the impact of implementing service improvements, e.g. the Customer Service Charter and Standards.

The data for this performance indicator will be gathered from responses to the aligned 'overall satisfaction' question which is included in the following customer surveys:-

- . Annual Corporate Governance internal customer satisfaction survey
- . HR Internal Customer Satisfaction Survey
- . IT Internal Customer Satisfaction Survey
- . Any additional internal survey introduced within Corporate Governance

The volume of satisfied customers will be aggregated to establish an overall annual satisfaction score (%) for Corporate Governance.

The Members Enquiries satisfaction survey results will not be included in the measure as although the Members Enquiries function sits within Corporate Governance, the process involves services from across the organisation and therefore the satisfaction measure is not purely based on Corporate Governance performance.

The performance indicator will be measured using the following calculation:-

$$\% \text{ satisfied customers} = \frac{\text{total number of satisfied responses}}{\text{total number of respondents to all surveys}} \times 100$$

Benchmark Information:

There is no benchmark information for this performance indicator at present

Target:

A target for this performance indicator will be set during 2016/17 once data is available to baseline. A target will be identified annually thereafter whilst acknowledging that there could be external factors which impact the customer satisfaction rate.

Intelligence:

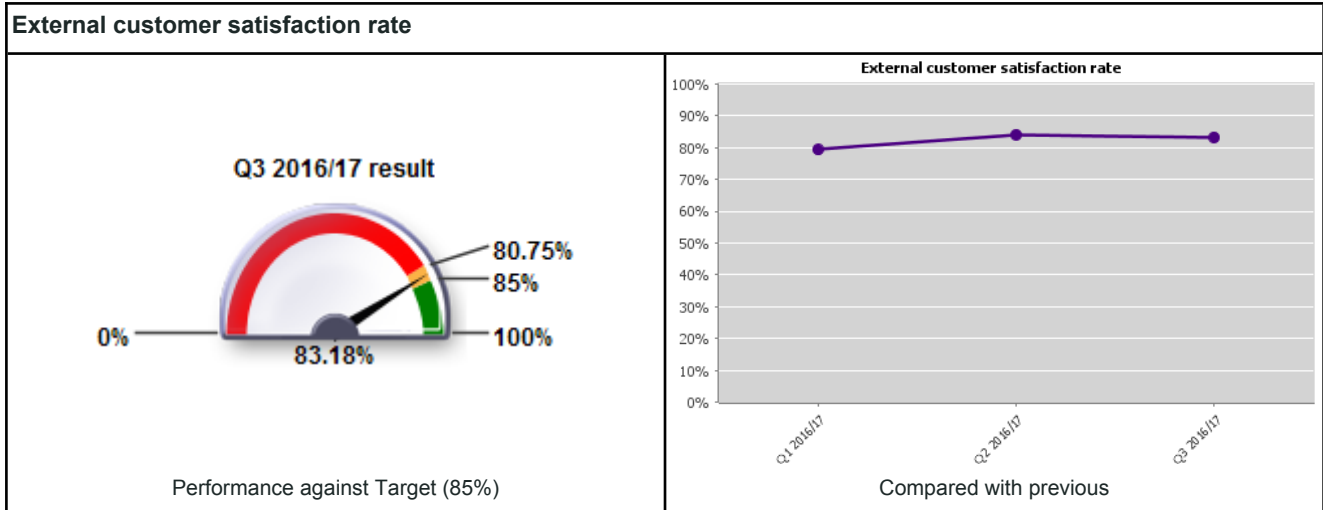
The data is taken from the on-going HR customer satisfaction survey (72 responses of which 68 were satisfied with the overall service received) and the IT satisfaction survey results for December 2016 which has been live since then (8 out of 10 respondents were satisfied with the overall service received) There are no other on-going internal surveys within CG therefore the figure is not truly representative of the directorate as a whole.

Responsible officer:

Lucy McKenzie

Last Updated:

Q3 2016/17



Why is this important?

Measuring external customer satisfaction gives us an assessment of customer experience from an external perspective and enables us to measure how effectively we are delivering services within Corporate Governance. By measuring external customer satisfaction, we can also assess the impact of implementing service improvements, e.g. the Customer Service Charter and Standards.

The data for this performance indicator will be gathered from responses to the aligned 'overall satisfaction' question which is included in the following customer surveys:-

- . Customer Service Centre Customer Satisfaction Survey
- . Customer Contact Centre Customer Satisfaction Survey
- . Customer Access Point Customer Satisfaction Survey
- . Any additional external survey within Corporate Governance

The complaints satisfaction survey and MP/MSP satisfaction survey results will not be included in the measure as although the functions sit within Corporate Governance, the process involves services from across the organisation and therefore the satisfaction measure is not purely based on Corporate Governance performance.

The performance indicator will be measured using the following calculation:-

$$\% \text{ satisfied customers} = \frac{\text{total number of satisfied responses}}{\text{total number of respondents to all surveys}} \times 100$$

Please note that the number of satisfied responses will include all satisfied and very satisfied responses plus all responses to the Contact Centre Survey between 3 and 5 on the 5 point scale.

Benchmark Information:

There is no benchmark information for this performance indicator at present.

Target:

A target for this performance indicator will be set during 2016/17 once data is available to baseline. A target will be identified annually thereafter whilst acknowledging that there could be external factors which impact the customer satisfaction rate.

Intelligence:

The data is taken from the aggregated scores from the on-going Customer Contact Centre external customer satisfaction survey (82.75%) and the Customer Service Centre external customer satisfaction surveys, but only the services delivered by Corporate Governance teams (Registrars 84.21% and Customer Service 94.06%). Survey uptake at the Customer Service Centre has almost doubled since last quarter which is positive. However, considering the footfall, uptake is still very low (less than 1%) and therefore potentially not a true reflection of customer satisfaction levels. Survey uptake at the Contact Centre for Q3 was 4.1%.

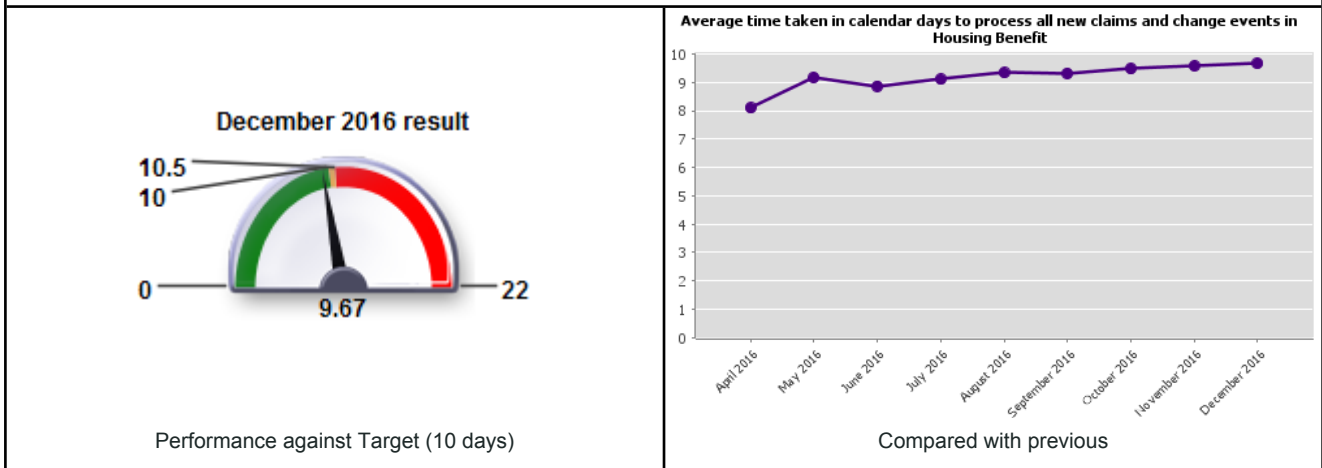
Responsible officer:

Last Updated:

Lucy McKenzie

Q3 2016/17

Average time taken in calendar days to process all new claims and change events in Housing Benefit (monthly)



Why is this important?

When customers claim benefit, it is a time of financial uncertainty for them and, as such, it is essential that the service has sufficient fully trained and effective benefit processors in place that can make informed decisions on complex benefit claims and pay benefit promptly. Measuring the time taken to process all new claims and change events in Housing Benefit demonstrates how speedily the benefit service pays Housing Benefit to its customers.

Benchmark Information:

Suitable benchmarking intelligence will be sourced for this indicator and presented in future reports.

Target:

10 days

Intelligence:

Analysis - Performance of this indicator for December is 9.67 days which exceeds the target of 10 days. Performance for the same period last year was 10.04 days.
Action - Continue to monitor and allocate resources to this important area of our business

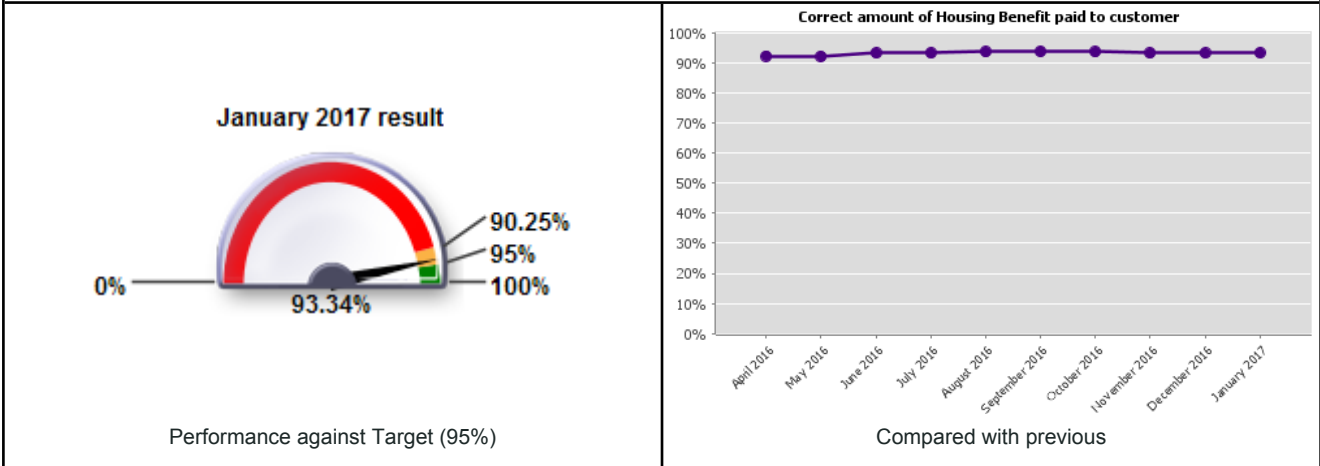
Responsible officer:

Helen Moir

Last Updated:

December 2016

Correct amount of Housing Benefit paid to customer



Why is this important?

When customers claim benefit, it is a time of financial uncertainty for them and, as such, it is essential that the service has sufficient fully trained and effective benefit assessors in place that can make informed decisions on complex benefit claims and pay benefit accurately. The accurate and secure administration of Housing Benefit is a key priority for every council and to support this a robust quality assurance framework is required to ensure performance is measured correctly.

Benchmark Information:

Suitable benchmarking for this indicator will be sourced.

Target:

95%

Intelligence:

Current performance of this indicator is 93.34%. It is slightly down from last month due to the inclusion of new members of staff performance which is slightly lower than experienced staff. Performance for the same period last year was 92.26% an improvement of 1.08%. Actions that continue to be taken to improve performance are :

Extra targeted quality assurance checks /Refresher training/ Performance Improvement Plans for those who are performing below the acceptable standard/Clarification given on areas where errors are occurring/Desk Aids, Posters and quizzes

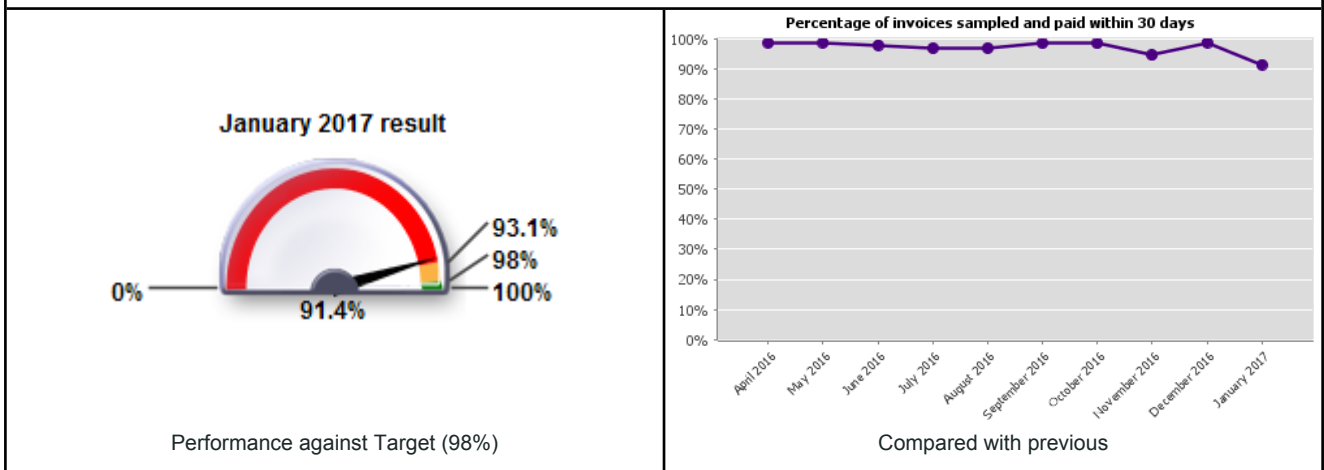
Responsible officer:

Wayne Connell

Last Updated:

January 2017

7c) The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid.



Why is this important?

This indicator shows the percentage of invoices paid by the Council within 30 calendar days. It supports the Council's role as a major purchaser and therefore the economic health of the city and region. Good performance will therefore show consistently high levels of invoices paid within this timeframe. Some invoices will not be paid within 30 days where they are in dispute so 100% will not be recorded.

Benchmark Information:

This indicator is benchmarked against all 32 Scottish local authorities through the Local Government Benchmarking Framework (LGBF). Aberdeen City Council recorded 98% invoices paid within timescale for the 2015/16 reporting year which reflects the current target. The average for Scotland as a whole was 93%.

Target:

98%

Intelligence:

This is a dip in performance. Overtime has currently ceased. We will monitor workload to establish if overtime is required on the lead up to end of financial year. Measures have been put in place to help processes and customer services.

Responsible officer:

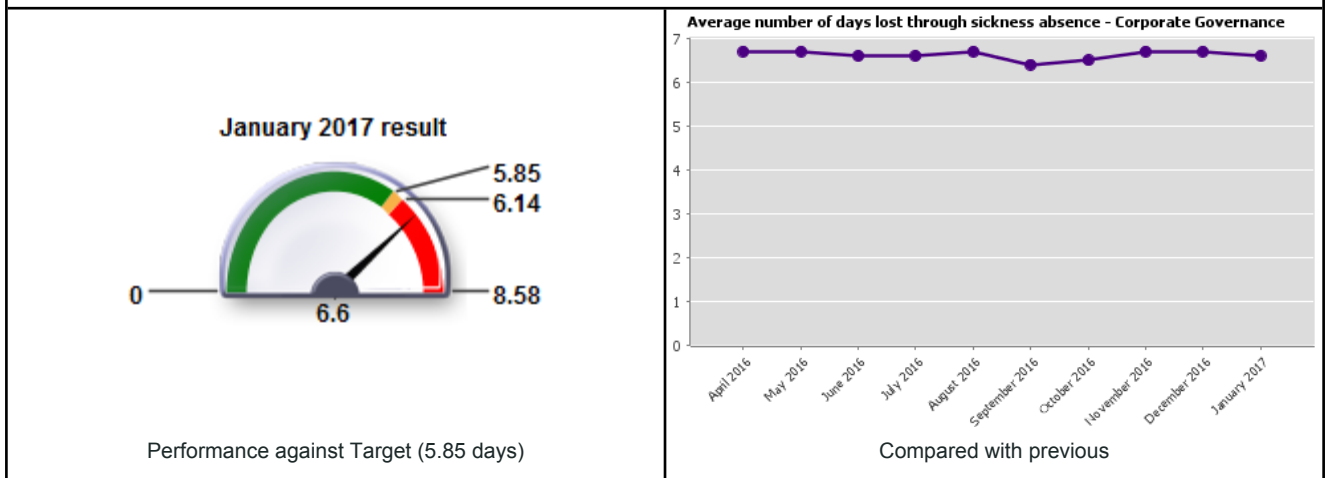
Carol Wright

Last Updated:

January 2017

Improving Staff Experience

Staff sickness absence - days per annum per employee (rolling 12 months)



Why is this important?

Why is this measured? The indicator highlights absence information within the Directorate. While recognising that some sickness absence is unavoidable and the Council has a duty of care to employees' health and wellbeing, high sickness absence impacts negatively on our ability to deliver our key services and functions efficiently and effectively. Good performance against this indicator will show reducing levels of absence.

How calculated? This indicator reports a rolling 12 months average number of days sickness absence per employee.

Target - The target for 16/17 has been set as 5.85 days reflecting the directorate's commitment to reduce sickness absence levels by 10%.

Note - Data from March 2015 onwards is taken from the provisional allocation held within PSE following the restructure within Corporate Governance.

Benchmark Information:

Employee sickness absence is benchmarked with all Scottish Councils through the Local Government Benchmarking Framework (LGBF). The average number of days lost to sickness by non-teaching staff for Scotland for 2015/16 was 10.63 whilst ACC recorded an average of 11.97 days. The target for Corporate Governance is 5.85 days, reflecting the drive to reduce absence by 10% as part of our commitments under the Health, Safety & Wellbeing Improvement Plan.

Target:

5.85 days

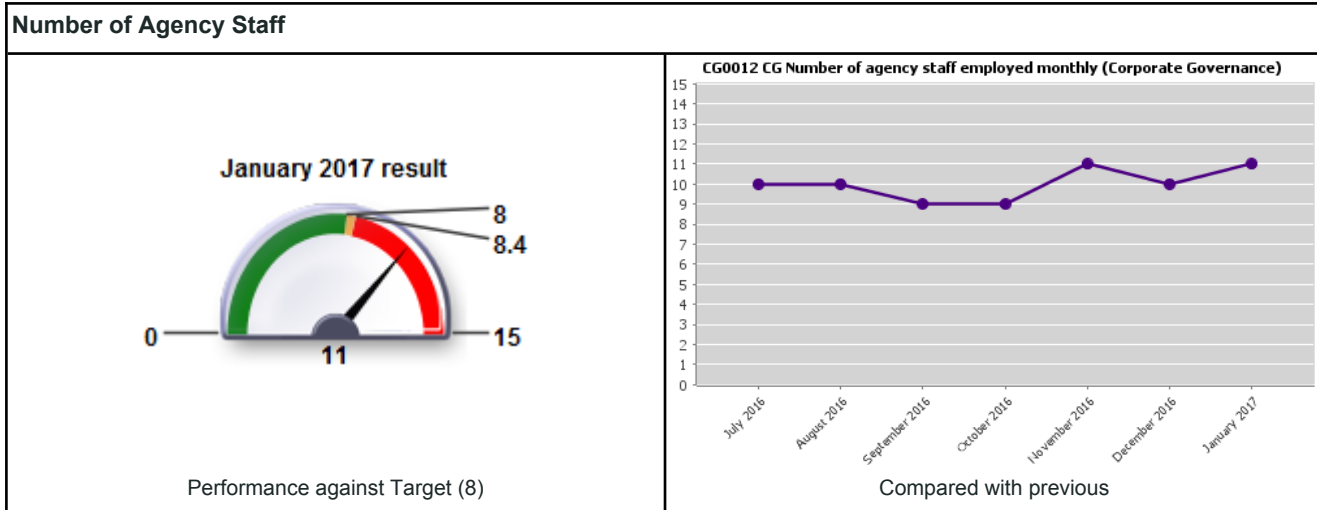
Intelligence:

Responsible officer:

Neil Yacamini

Last Updated:

January 2017



Why is this important?

Use of external staff resource is sometimes unavoidable, for example where permanent employees are absent due to long-term ill-health. In general terms however, use of external support should be minimised and more efficient methods of filling essential posts for prolonged periods found. For this reason, the target for the indicator has been set at 8 for 2016/17 for the Corporate Governance directorate. Managers will receive this performance information monthly and can monitor the Directorate's compliance with the Council's policy towards use of external support.

Benchmark Information:

At present, there is no benchmark information available on this indicator. As will all reportable indicators, efforts continue to be made to source comparative data from our peer organisations against which our relative performance can be assessed.

Target:

8

Intelligence:

The figure of 11 has been derived from an audit undertaken by officers in Corporate Governance to provide a consistent approach to the recording and payment of agency staff in the service. The Interim Depute Chief Executive (Director of Corporate Governance) is holding regular 1-2-1 meetings with his Heads of Service whereat the figures of agency staff (and other performance data) are discussed and scrutinised. The Heads of Service have now got service level performance dashboards in place which they will use at their management team meetings to analyse the data and challenge their service managers.

The figure for January is 11 which is higher than the target (8). The greater scrutiny on this area through the Finance, Policy and Resources Committee and Officers' 1-2-1's will provide more focussed analysis, and any use of agency staff will have been properly scrutinised and a business decision taken on the continuation of the contract. The Corporate Governance Directorate will continue to scrutinise the use of agency staff to drive the figure down.

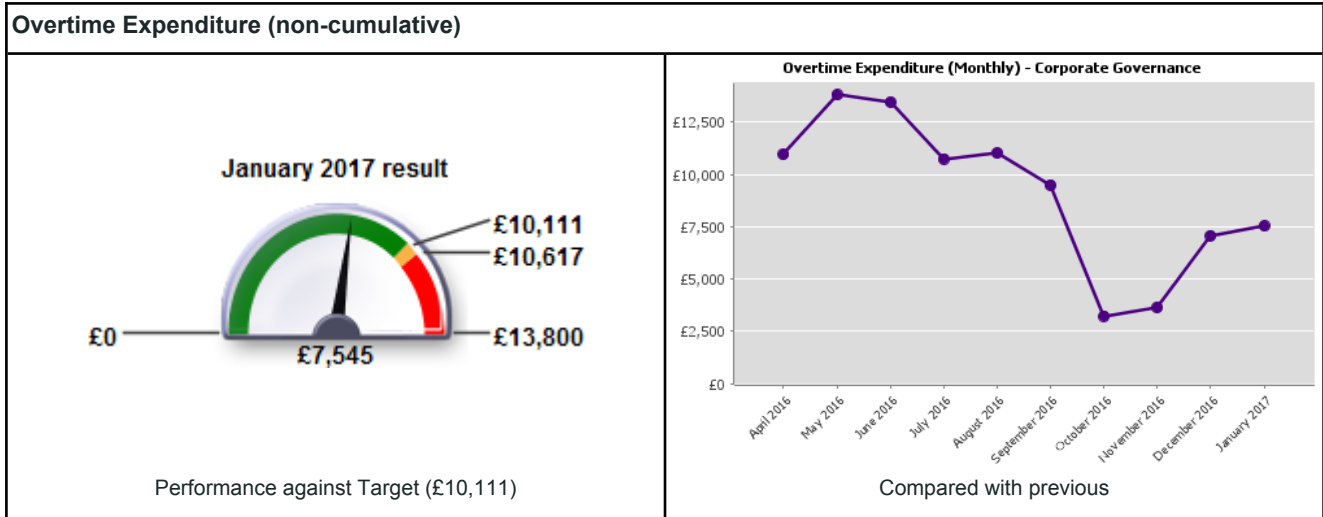
The Interim Depute Chief Executive (Director of Corporate Governance) has undertaken a further audit of the agency staff in the service which has looked at the end dates for the contracts in place. It is predicted that the figure will reduce early in the New Year as the contracts end.

Responsible officer:

Martin Allan

Last Updated:

January 2017



Why is this important?

Why is this measured? It is essential to monitor expenditure on overtime in terms of ensuring that there is efficient allocation of resources to meet demand.

How calculated? It is based on the number of hours worked above and beyond contracted hours and outwith the flexi period and expenditure is governed in keeping with terms and conditions of employment.

Target - For 16/17 a target of £182k has been set and profiled as £10,111 per month (that being £182k less 1/3 divided by 12)

Benchmark Information:

None

Target:

The target is to reduce actual expenditure to within two thirds of the £182k budget.

Intelligence:

Overtime is worked according to business need which may include dealing with peaks in workload, emergencies or for services outside normal working hours such as a weekend wedding.

January overtime cost £7.5k, December overtime cost £7.1k whereas November cost £3.6k and October cost £3.2k, showing a reduction from September with £9.5k and £11k in August.

Budget holders are expected to contain expenditure within the approved budget and with £91k overtime expenditure to period 10 compared to £169k in the same period in the previous year, indicating that the required levels of savings are being achieved to date in the current financial year which has an annual budget of £152k.

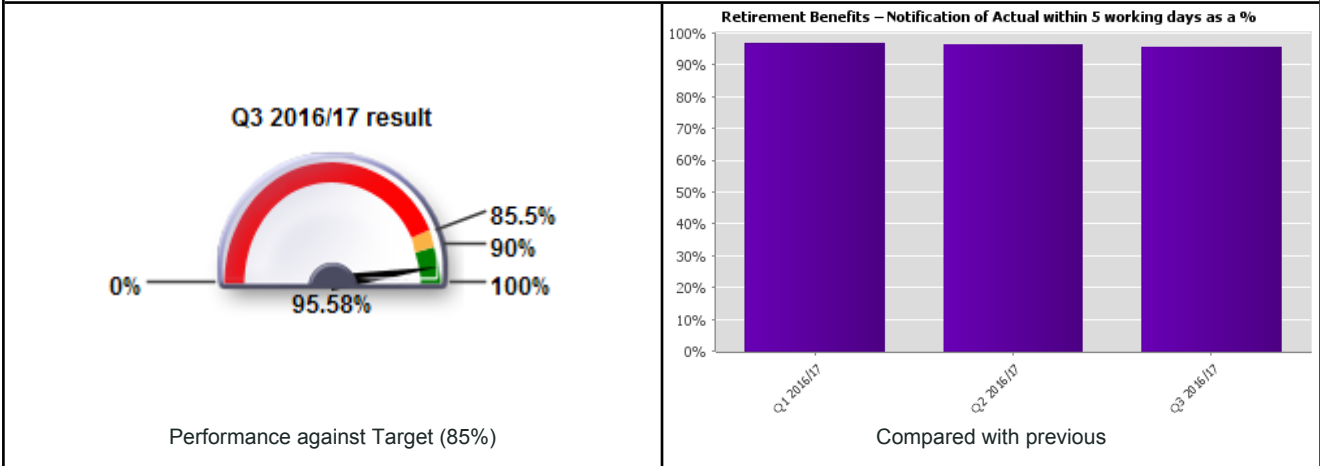
Responsible officer:

James Hashmi

Last Updated:

January 2017

Retirement Benefits – Notification of Actual within 5 working days as a %



Why is this important?

This indicator shows the percentage of actual retirement benefits processed by NESPF within 5 working days. Performance could fluctuate if bulk estimates are requested by a participating employer as part of an early retirement/voluntary severance exercise.

Benchmark Information:

5 working days is an industry standard set by the Local Government Pensions Committee and is used to compare administering authority performance for exercises such as CIPFA benchmarking.

Target:

85%

Intelligence:

Third quarter processing of actual retirements within 5 working days at 95.6% is similar to 96.4% achieved last quarter. The amount of actual retirements processed in third quarter increased from 306 last year to 339 this year. Performance is 5.6% above benchmark set at 90%.

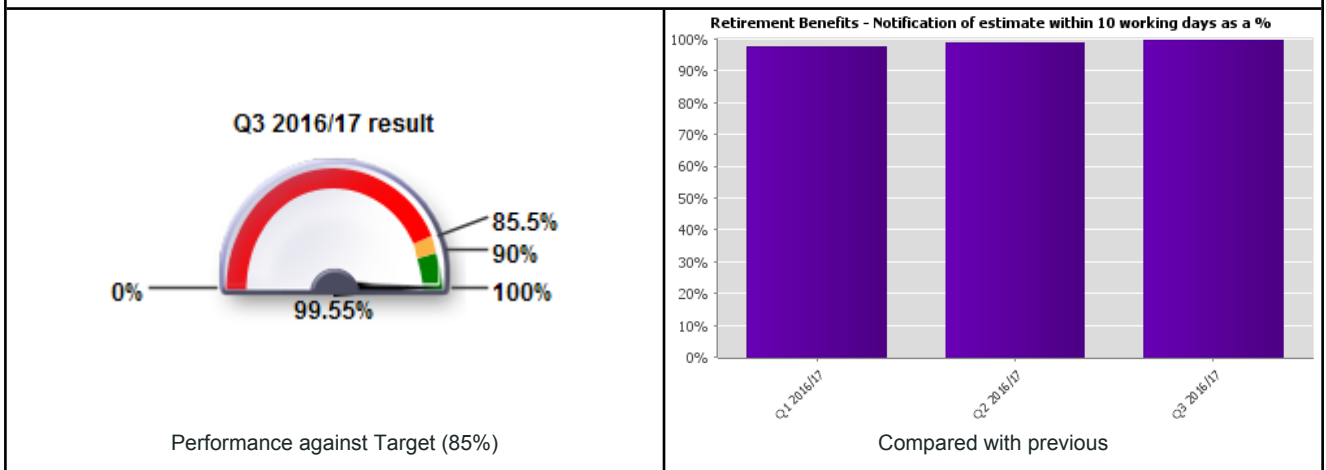
Responsible officer:

Gary Gray

Last Updated:

Q3 2016/17

Retirement Benefits - Notification of estimate within 10 working days as a %



Why is this important?

This indicator shows the percentage of retirement benefit estimates processed by NESPF within 10 working days. Performance could fluctuate if bulk estimates are requested by a participating employer as part of an early retirement/voluntary severance exercise. This performance measurement is part of our Pensions Administration Strategy and is reported throughout the year to Pensions Committee/Board and included in the Pension Fund annual report.

Benchmark Information:

10 working days is an industry standard set by the Local Government Pensions Committee and is used to compare administering authority performance for exercises such as CIPFA benchmarking.

Target:

85%

Intelligence:

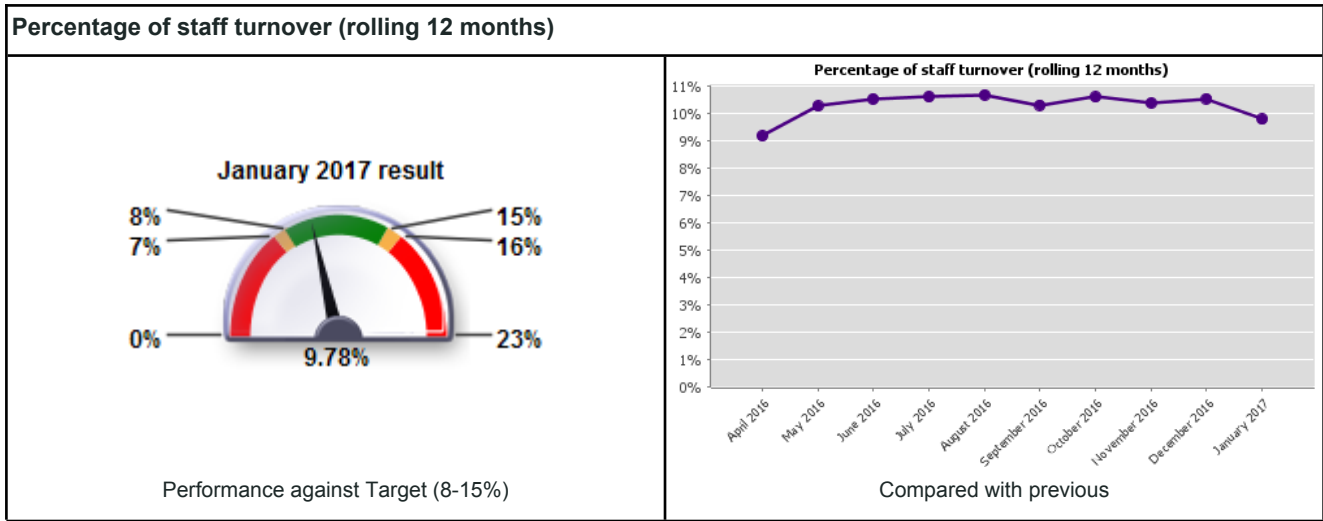
Third quarter processing of retirement estimates within 10 working days at 99.5% is higher than 91% achieved last year but similar to 98.6% achieved last quarter. The amount of estimates processed increased from 208 last year to 224 this year. Performance is 9.5% above benchmark set at 90%.

Responsible officer:

Gary Gray

Last Updated:

Q3 2016/17



Why is this important?

Why is this measured? The indicator highlights staff turnover rates within the Directorate and provides information on the health of the staff profile relative to accepted industry turnover standards.

How calculated? By taking the number of staff leaving the directorate compared to the total headcount on a rolling 12 month basis.

Target - For 16/17 a target of between 8-15% has been set which is based on industry standard for an organisation of this size.

Benchmark Information:

A target range of between 8% and 15% is considered a healthy rate of staff turnover. Turnover below this range may indicate good retention levels but fewer new employees who could have a positive impact on internal culture and practices. Turnover exceeding 15% may indicate the Council is failing to maintain a position as an employer of choice.

Target:

8% - 15%

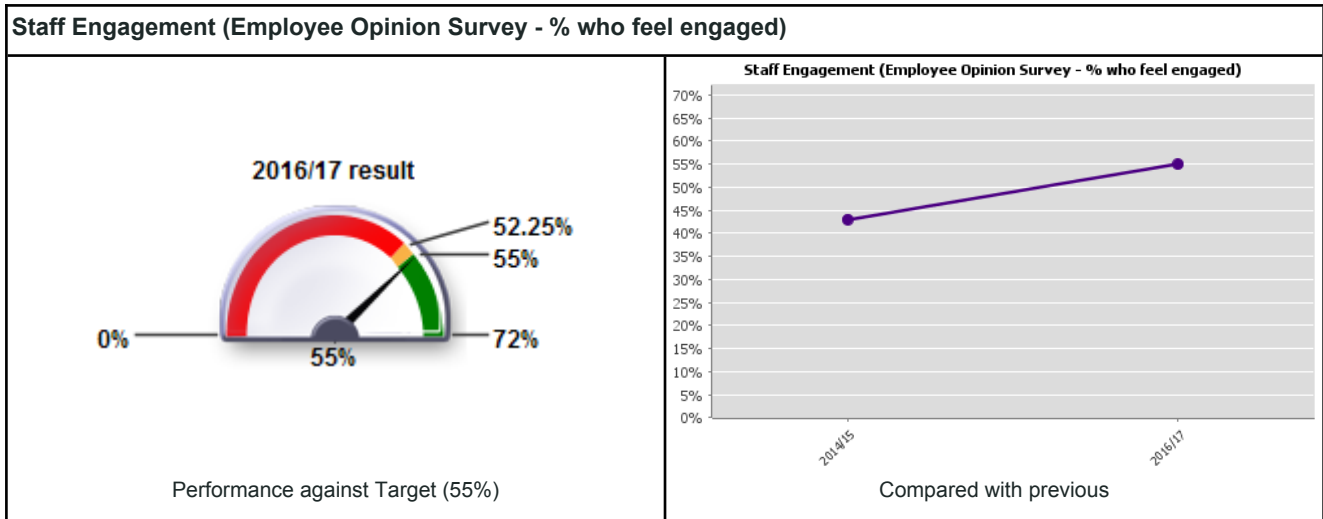
Intelligence:

Responsible officer:

Neil Yacamini

Last Updated:

January 2017



Why is this important?

Why is this measured? An engaged workforce supports the achievement of our strategic and service objectives.
How calculated? This indicator will be populated every 2 years on the completion of the council's Employee Opinion Survey.
Target - 55%

Benchmark Information:

This indicator is benchmarked by the contractor undertaking the survey. The benchmark is sourced from an average of the percentage of staff who feel engaged with their employing organisation. Organisations include local authorities, housing associations, police forces, government departments and publicly funded bodies, throughout the UK. The average score is 39% and a stretched target for this indicator has been set at 55%.

Target:

55%

Intelligence:

In the Employee Opinion Survey conducted in 2016, the % of engaged staff in CG had increased to 55% (compared to 43% in 2014). The number of staff in CG who are partially engaged was 38% with 7% disengaged. The target % for engaged staff in CG was set at 55% however the service will work on the successes achieved in this area to further increase the engagement of staff and their experience. The CG/OCE Staff Engagement Hub has a role to play in further increasing the % and will be consulting and engaging with staff in CG on the different events and activities planned throughout the next year.

BMG's (the company who undertook the survey) benchmark score for staff engagement is 43%. Again this is pleasing that staff in CG are more engaged than the benchmark but further work requires to be done to maintain and increase this %.

Across the Council the engagement figures were 49% engaged, 41% partially engaged and 10% disengaged.

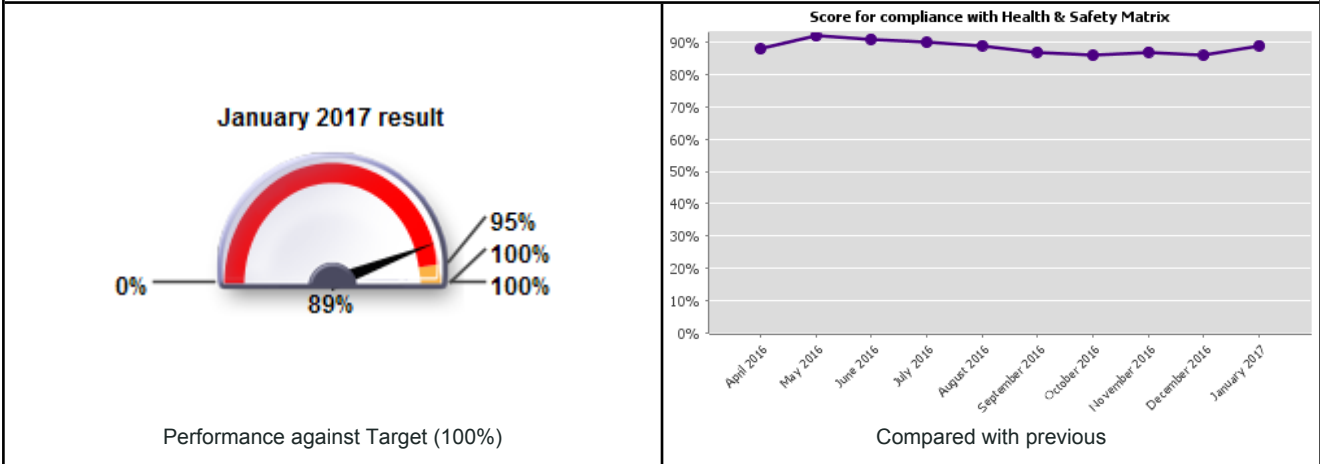
Responsible officer:

Martin Allan

Last Updated:

2016/17

Compliance with the Health & Safety Matrix (monthly)



Why is this important?

Why is this measured? This indicator measures the effectiveness and strength of the Directorate's compliance with a range of controls around Health and Safety. The Council's duty of care towards its employees and customers is of primary importance.

Factors such as staff turnover can affect key controls such as the number of available fire wardens in each part of the Directorate and is reflected in fluctuating performance. This performance assists managers in addressing these issues timeously to ensure compliance continues to be robust.

How calculated? Compliance is calculated by scoring the number of Risk Assessments, 1st Aid Provisions, Accident Recordings and Workplace Inspections carried out within the directorate each month compared to expected.

Target - 100%

Benchmark Information:

There is no current benchmarking capacity out with ACC.

Target:

100%

Intelligence:

The overall trend is that the compliance % is at the high 80% compliance which is lower than the % was at the start of 2016.

In terms of addressing the % of compliance the quarterly meetings of the Corporate Governance and OCE Health and Safety Committee scrutinises the data contained in the matrix and challenges the Heads of Service to act upon areas where compliance is lower. A meeting of the Cttee was held on the 1st of February. The matrix was part of the agenda and the Committee scrutinised the matrix and challenged the Heads of Service to provide updates on areas of lower compliance.

The Heads of Service in Corporate Governance now have the figures for their service contained in their Head of Service dashboard which they can use at their management team meetings to analyse the figures of compliance and challenge their service managers to undertake the action required to increase compliance in their area.

CG SMT received the latest matrix at its meeting on 24th January, 2017 and encouraged service areas to action those areas where there are gaps in compliance.

Specifically, looking at where the gaps are, the following can be provided:

The main gap is in relation to the provision of DSE assessors which is reasonable easy to rectify ie services identify staff to be trained and then arrange the training.

In terms of Commercial and Procurement Services, officers are awaiting details from Aberdeenshire colleagues as to the number of First Aiders and DSE assessors at Woodhill House. Once these details have been confirmed the compliance score for that area will increase.

Responsible officer:

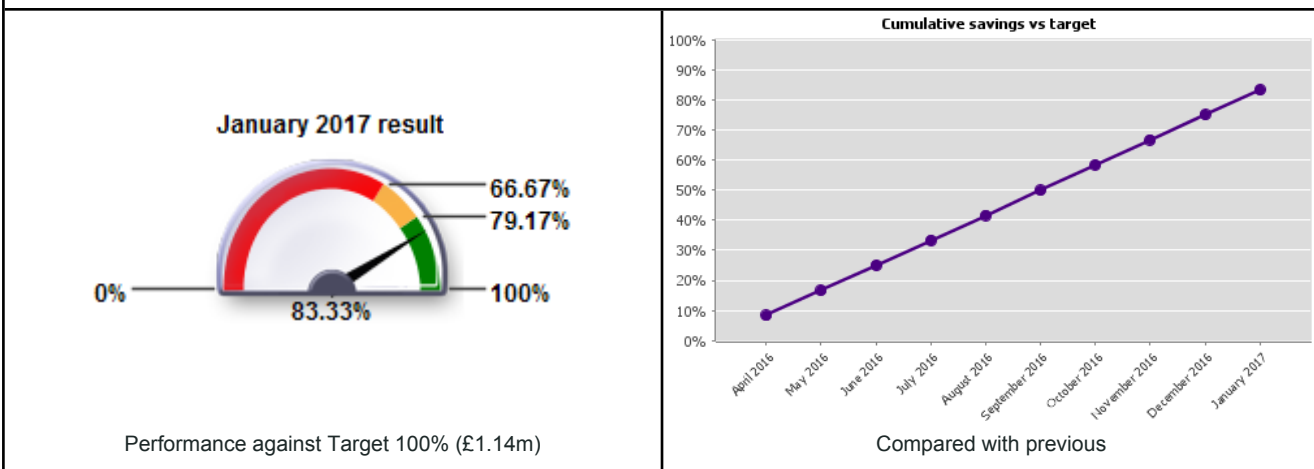
Martin Allan

Last Updated:

January 2017

Improving Our Use of Resources

Cumulative savings vs target



Why is this important?

£1.5m of savings have been incorporated into the 2016-17 Corporate Governance Net Expenditure Budget of £26m. Budget holders will have to manage their services within available resources.

Benchmark Information:

Budget savings would be reflected in actual year to date expenditure and income and forecast outturns in line with the revised budgets incorporating the savings.

Target:

100% (£1.14m)

Intelligence:

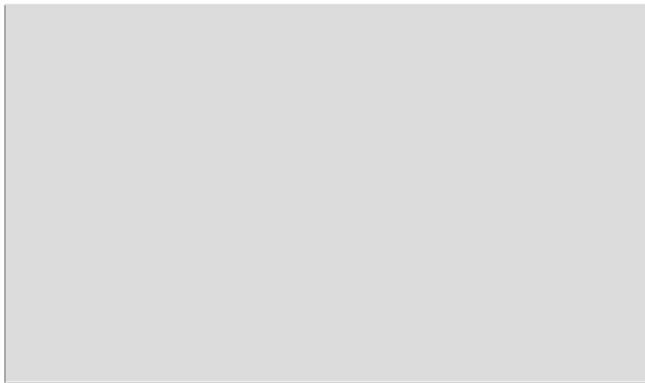
There is an expectation that this savings target will be met given the year to date actuals and the closeness to year end.

Responsible officer:

James Hashmi

Last Updated:

January 2017

Off-contract spend as a percentage of total supplier spend (quarterly)	
Performance against Target (10%)	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; margin: 0;">Off-contract spend as a percentage of total supplier spend (quarterly)</p>  <p style="text-align: center; margin: 0;">Compared with previous</p> </div>

Why is this important?

Use of contracts and framework agreements maximises the achievement of value for money in the Council's procurement activity. off-contract spend will always be required in some circumstances but should be minimised as far as possible. Good performance in this indicator will show reducing levels of off-contract expenditure when compared with the overall level of expenditure.

Benchmark Information:

Initially benchmarking against Aberdeenshire and Highland Councils as part of the shared arrangement; as there is assurance that we would be comparing like for like data.

Target:

10%

Intelligence:

This is a work in progress and links to the 2017/18 budget setting process where all approved contract spend will be robustly aligned to the correct cost centre. At present we can only capture accurately on/off spend where this is the case. It is a cumbersome task to validate spend down to line item detail. Whilst a contractor may appear to be an off contract supplier, as not recorded in the Contract Register, they may be supplying goods and services which have gone through due process, as not recorded in the Contract Register.

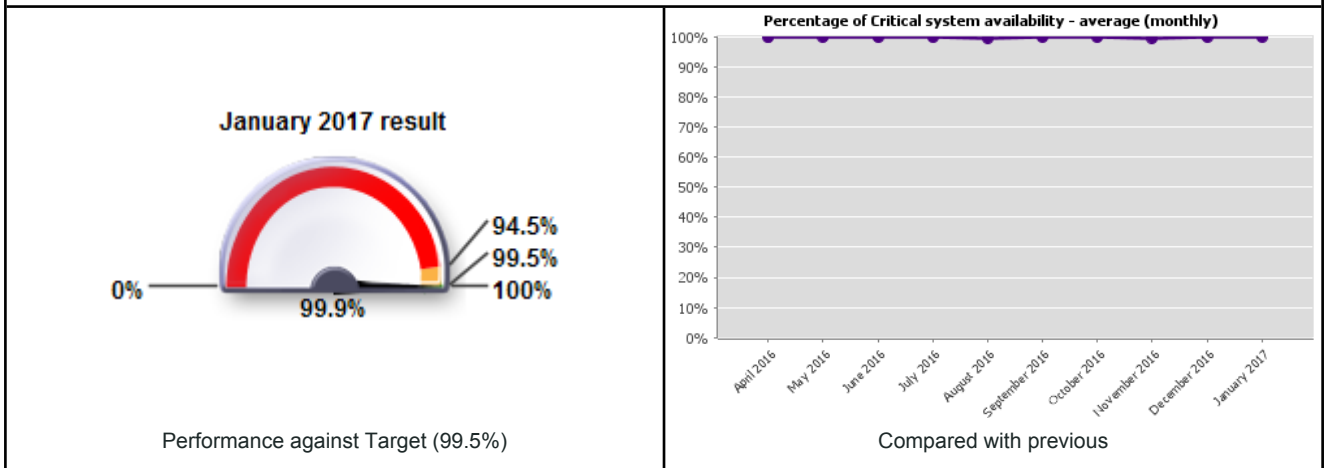
Responsible officer:

Craig Innes

Last Updated:

Q3 2016/17

Percentage of Critical system availability - average (monthly)



Why is this important?

System availability refers to the overall availability of the core corporate network, which is key to the day to day running of all council ICT reliant infrastructures.

Benchmark Information:

Efforts will be made to source benchmark information for this indicator to make available in future reports.

Target:

99.5%

Intelligence:

Of the 59 systems, the January average availability was 99.9%. January saw a total of three system outages, however their individual availability never dropped below 95%.

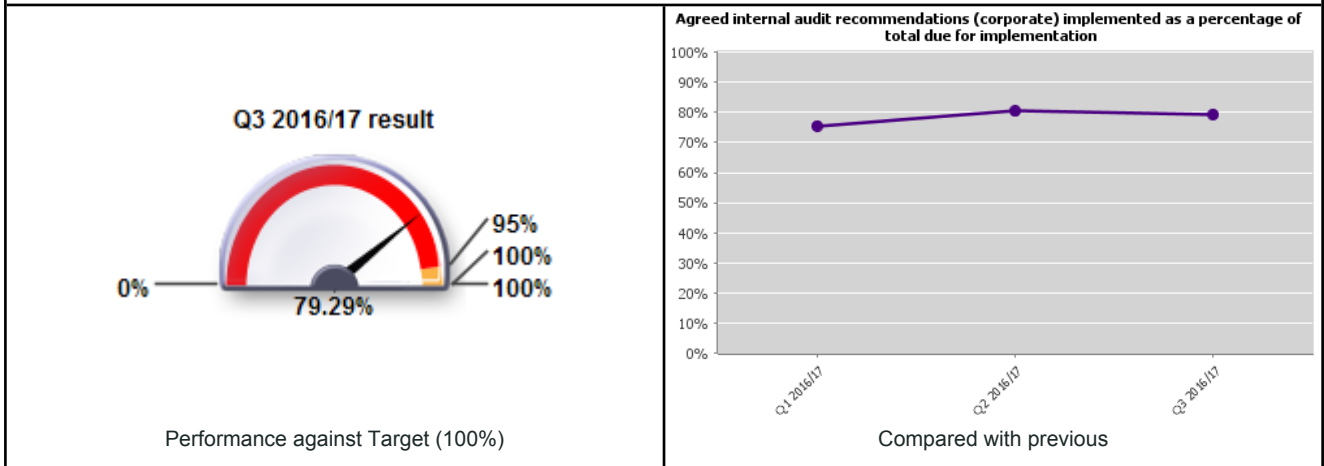
Responsible officer:

Jamie Kirkwood

Last Updated:

January 2017

Agreed internal audit recommendations (corporate) implemented as a percentage of total due for implementation (quarterly)



Why is this important?

The implementation of agreed internal audit recommendations gives risk based assurance to Elected Members and Senior Officers that the Council’s processes are as effective as possible, that the Council is delivering value for money and is demonstrating quality and continuous improvement. The measurement allows the Committee to scrutinise the level of compliance.

Benchmark Information:

Officers are currently analysing the best way of benchmarking this measure. Further details will be provided in future summary sheets.

Target:

100%

Intelligence:

For this quarter the level of compliance is just under 80% which is below the required target of 100% but is an increase from Q1 (75%). In terms of improving the % the CG/OCE Business Manager has been liaising with his equivalents in other services to follow up on the recommendations which will be reported to the Audit, Risk and Scrutiny Committee via Internal Audit to further formalise arrangements across all services. A summary of recommendations provided by Internal Audit has been submitted to the Business Support Managers to circulate around services to receive updates in advance of the Committee. If services are unable to provide updates in advance then they will take steps to ensure appropriate officers are in attendance to provide explanations thus reducing the frustrations often expressed by members of the Committee in recent cycles.

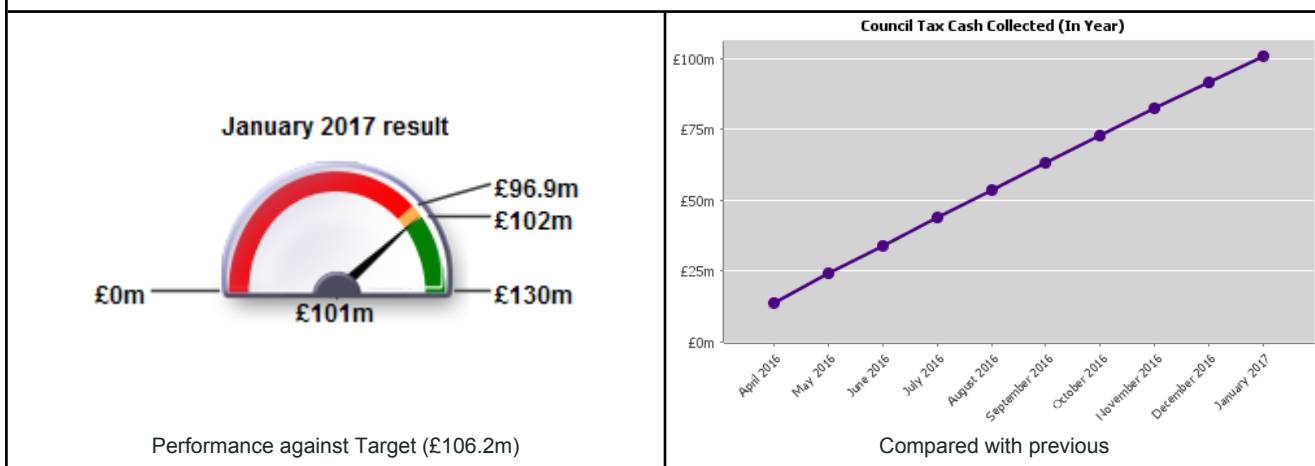
Responsible officer:

Martin Allan

Last Updated:

Q3 2016/17

Council Tax Cash Collected (In Year)



Why is this important?

It is important to monitor Council Tax collection as this is a major income stream to the Council and is set against the budget figure for income from Council Tax. This measures the Council Tax cash collected for both in year and previous years.

Benchmark Information:

Benchmarking this indicator is not appropriate as all councils have different cash sums to collect in year. Benchmarking intelligence is available for the % of council tax due which is collected in year, through the Local Government Benchmarking Framework (LGBF). For 2015/16, the average collection rate for Scotland was 96%, whilst ACC recorded a figure of 95%.

Target:

This is a new Performance Measure. For 2016/17 the target is £106.2m

Intelligence:

The cash collected is down by £940,695 when compared against the target.

Responsible officer:

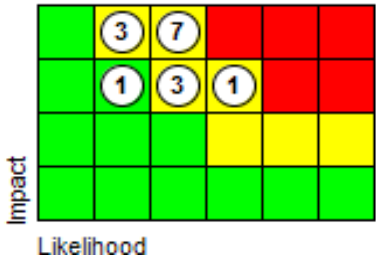
Wayne Connell

Last Updated:

January 2017

Corporate Governance Risk Register

Generated on: 03 February 2017



Drivers	Smarter Governance - Participation				
Code	CG001	Risk that Business Continuity Planning is not managed or tested			
Definition	Effective and robust Business Continuity Planning and Disaster Recovery arrangements are essential to safeguard public services and to protect communities.				
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
Internal: <ul style="list-style-type: none"> Inability to operate key systems (IT, Financial, HR, Legal and Commercial and Procurement. Inadequate disaster recovery. Inability to collect revenue Inability to pay creditors Reputational damage External: <ul style="list-style-type: none"> Serious harm / loss of life to members of the community. Essential frontline services not delivered 	<ul style="list-style-type: none"> Absence of effective Business Continuity Planning Policy No clear ownership of BCPs or review by management No review programme No regular testing of BCPs Inadequate disaster recovery planning across the range of Corporate Governance business critical and non-critical functions. Disaster Recovery and BCP not adequately audited Non-critical functions not covered by BCPs Poor governance (committee assurance) of BCP 	Clear ownership of BCPs	Fully Effective	1	<p>Likelihood</p>
		Quarterly review by SMT	Partially Effective	1	
		Robust disaster recovery arrangements and structures in place	Fully Effective	1	
		Regular Internal audit of BC Planning and Disaster recovery.	Fully Effective	2	
		Annual assurance by Audit, Risk and Scrutiny Committee.	Partially Effective	1	
		Suite of BCPs in place for all non-critical CG functions	Not Effective	2	
Mitigating Actions					Residual Risk Assessment
<ul style="list-style-type: none"> Embed BCP ownership and accountability Implement rigorous testing regime to support continuing fit for purpose BCM Establish quarterly reporting to SMT Overview of critical and non-critical BCPs to be reported to AR&S Review regime for critical BCPs to be devised. 					<p>Likelihood</p>
					Very serious
					Low
					Very serious
					Almost Impossible

Risk Owner	Richard Ellis	Risk Manager	Martin Allan;
Latest Note	<p>A Desktop testing exercise undertaken in September by the Emergency Planning Manager outlined action points to be undertaken by BCP owners. It also identified corporate actions to be undertaken by the Emergency Planning Manager. The Business Manager for CG is facilitating the progress of these actions.</p> <p>As a result of the Testing exercise 2 of the controls have increased in the level of effectiveness.</p>		22 Nov 2016

Drivers	All Smarter Aberdeen priorities				
Code	CG002	Risk of poor performance management structures			
Definition	Performance management supports an effective compliance culture and change and improvement processes				
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> • Inability to measure effectiveness of impacts and outcomes • Inconsistent approach to the transformation and improvement agendas • Censure by government agencies • Reputational damage • Inability to evidence Best Value delivery • Public Performance Reporting falls short of acceptable standards • Governance –assurance and accountability absent 	<ul style="list-style-type: none"> • Lack of buy-in to robust performance culture • Accounts Commission Guidelines not met • Inconsistent performance reporting framework KPIs do not support service improvements • Poor benchmarking activity • Inadequate target-setting • KPIs do not inform service improvements • Performance management is not aligned to Strategic priorities • Committees do not oversee performance management and improvement 	Management buy in to performance management is embedded	Fully Effective	1	<p>Likelihood</p>
		Consistent corporate performance management and reporting framework embedded at all levels	Fully Effective	1	
		Strong benchmarking activity leading to robust target-setting	Partially Effective	1	
		KPIs established to support plan delivery	Fully Effective	2	
		'Golden thread' ensures strategic priorities are properly measured	Fully Effective	1	
		Robust governance structure at committee level	Fully Effective	1	
Mitigating Actions					Residual Risk Assessment
<ul style="list-style-type: none"> • Implement consistent performance reporting framework covering SMT, CMT, 1-2-1 and committee levels • Embed robust performance indicator identification which supports business priorities, outcome evidencing and transformation • Establish proper sourcing of benchmarking information to support stretching targets • All service planning follows 'Golden Thread' between objectives and priorities 					<p>Likelihood</p>
					Serious
					Very Low

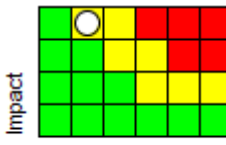
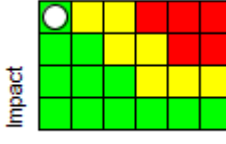
Risk Owner	Richard Ellis	Risk Manager	Martin Allan;
Latest Note	<p>The Performance Management Framework Project team have the following remit:</p> <p>The purpose of Aberdeen City Council's PMF is to:</p> <ul style="list-style-type: none"> • ensure the Council's priorities are clearly articulated and delivered through effective service planning and allocation of resources; • motivate staff by ensuring that individuals are aware of their own targets and goals and how these contribute to achieving the Council's vision; • ensure that significant risks to the achievement of objectives are identified and managed; • provide early warning, and rectification, of poor performance; • provide a strong evidence base for improved decision making; and • through all of the above, improve services and outcomes for local people. <p>The Framework is designed to make best use of all our resources in a co-ordinated way to ensure effective monitoring of priorities, resulting in better outcomes for our customers and communities.</p> <p>The Project team have met twice since September and another meeting is planned for the 12th of December. Progress has been made on a number of the above workstreams, including the issuing of service plan templates and guidance; a 3 day ECMT budget planning session to inform the service plans, the confirmation of consistent performance management across services through Committee and through 121's with Senior Management.</p> <p>Next steps include that the Project Team be permanent once the workstreams have been completed so that any future amendments can be dealt with by the Project Team who have the expertise on the Framework. It has also been agreed that improvement methodology be developed into the Framework.</p>		22 Nov 2016

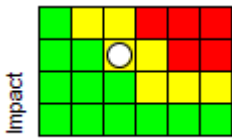
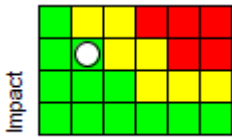
Drivers	All Smarter Aberdeen priorities				
Code	CG004	Risk of poor financial compliance			
Definition	The Council is bound to comply with financial stewardship requirements				
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> • Inability to deliver essential services • Government censure • Special measures • Reputational damage • Negative financial impact 	<ul style="list-style-type: none"> • Failure of council tax billing / collection • Failure of NDR billing / collection • Qualified accounts • Failure to set balanced budget • Critical financial procedures not followed 	Key financial procedures adhered to	Fully Effective	1	 Likelihood Very serious Very Low
		Annual corporate budget-setting process.	Fully Effective	1	
		Internal and external audit assurance	Fully Effective	1	
		Governance – assurance framework / robust delegated powers framework	Partially Effective	1	
Mitigating Actions					Residual Risk Assessment
<ul style="list-style-type: none"> • Reviewed and embedded scheme of delegation in place (Governance Review) • CIPFA FM • Financial Regulations • Governance Review 					 Likelihood Very serious Almost Impossible
Risk Owner	Steve Whyte		Risk Manager	Steve Whyte	
Latest Note	The Scheme of Delegation which is being considered as part of the Governance Review, is still out for comment until late August 2016. Further developments will be recorded against this risk.				04 Aug 2016

Drivers	All Smarter Aberdeen priorities					
Code	CG005	Risk of inadequate information and data management				
Definition	The Council is required by law to evidence that appropriate management of its information and Data protection legislation binds the Council to hold data securely and only for the purpose it was collected.					
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment	
		Control	Control Assessment	Weight		
<ul style="list-style-type: none"> • Service disruption • Inadequate performance information • Inability to share services • Reduced capability to deliver customer facing services • Unlawful disclosure of sensitive information • Individual placed at risk of harm • Prosecution –penalties imposed • Reputational damage 	<ul style="list-style-type: none"> • Inconsistent approach to information and data management and security • Lack of capability and / or non-compliance by individuals • Lack of connectivity between corporate information management requirements • Inadequate information management systems 	Establishment of comprehensive Information Governance Board	Fully Effective	1	<p>Likelihood</p>	
		Monitoring and reporting of mandatory training and compliance exceptions	Partially Effective	1		
		Embedded Senior Information Risk Officer role	Fully Effective	1		
		Quarterly SIRO reporting to CMT	Fully Effective	1		
					Very serious	
					Low	
Mitigating Actions					Residual Risk Assessment	
<ul style="list-style-type: none"> • Embed SIRO role including reporting relationships and structures • Council-wide training and awareness programme • Implement Master Data Management programme • Establish comprehensive Information Governance Board • Implement Information Management Strategy programme • Establish reporting relationship between SIRO and Responsible Officer • Modernise the corporate record stores 					<p>Likelihood</p>	
						Very serious
						Very Low
Risk Owner	Simon Haston	Risk Manager	Simon Haston			
Latest Note	The service now employs an Information Security Officer who is driving several areas of information governance improvements, monitored by the Information Governance Group. The IGG also reviews and inputs to the SIRO report to CMT and Audit, Risk and Scrutiny Committee.				23 Nov 2016	

Drivers	Smarter Living - Quality of Life				
Code	CG006	Risk of non-compliance with health and safety management system			
Definition	The Council is required by law to safeguard its employees and members of the public to ensure their health and safety through effective implementation of the Health and Safety Policy.				
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> • Fatality or serious injury to employee or member of the public • Corporate Health and Safety Policy breached • Increase costs due to absence levels and agency costs • Prosecution for failings (criminal) • Compensation claims (civil) • Enforcement action – cost recovery of regulator time • Poor service delivery due to high absence levels • Reputational damage 	<ul style="list-style-type: none"> • Lack of control management of H&S Risk • Lack of identification and completion of suitable training • Poor communication and co-ordination of H&S risk • Non-reporting and recording of incidents and near misses • Poor or no investigation resulting in identification of remedial action to prevent reoccurrence • Compliance with health and safety management system is not monitored • No realistic targets set for Improvement • Poor health and safety culture of organisation • Lack of acceptance of responsibility for health and safety through employees, managers, HOS, directors – elected members. 	Plan, Do, Check, Act approach based on known risk adopted in the Health and Safety Policy	Partially Effective	1	<p>Impact</p> <p>Likelihood</p>
		Effective training regime in place for all key staff	Partially Effective	1	
		Implemented Directorate Health, Safety and Wellbeing Improvement Plans including embedded reporting and recording arrangements	Partially Effective	1	
		Corporate health, safety and wellbeing development programme contributes to a competent workforce	Partially Effective	1	
		Proactive and reactive monitoring of health and safety performance management e.g. Management assurance provided via Directorates and HSW team	Partially Effective	1	
		Positive H&S risk-aware culture	Partially Effective	1	
		Health and Safety Committee structure in place for co-ordination and consultation process	Fully Effective	2	
Mitigating Actions					Residual Risk Assessment

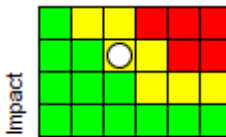
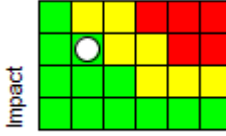
<ul style="list-style-type: none"> • Ensure all incidents competently investigated • Embed regular review of risk assessments • Ensure electronic reporting consistently used • Implementation of Maximising Attendance Improvement Plan • Performance indicators used to measure implementation of improvement plan actions • Create a culture of H&S competence throughout workforce • Establish management assurance of control of risk; • Identify exact H & S training needs for every employee from job profiles; • Develop and implement electronic management system to ensure identified actions closed off; 			
		Very serious	
		Almost Impossible	
Risk Owner	Ewan Sutherland	Risk Manager	Mary Agnew
Latest Note	The H&S Management Framework Review is under way but in its early stages. The outputs of the review will continue to inform this risk. One output has found that the Plan, Do, Check control is not fully effective and has been downgraded to partially effective. The Health and Safety Committee control has been revised to a weight of 2. All other controls remain of equal weight to this risk.		04 Aug 2016

Drivers	Smarter Governance - Participation					
Code	CG007	Risk that legislative and policy changes are not anticipated or planned for				
Definition	The Council must be aware and plan for changes in legislation and policy and ensure that risks to functions and services are managed and opportunities seized.					
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment	
		Control	Control Assessment	Weight		
<ul style="list-style-type: none"> The potential impact will relate to the nature of policies or legislation on which the Council engages, or does not engage. Non compliance with legislative requirements is, clearly, highly significant legally and also potentially in terms of service to customers, reputation and finances. Opportunities to influence policy and legislation is also highly context specific in terms of impact. 	<ul style="list-style-type: none"> Poor horizon-scanning Dysfunctional relationships with legislative bodies Absence of clear negotiation opportunities with Scottish Government over fiscal matters Lack of robust internal communication processes Poor strategic and service planning processes 	Embedded legislation and policy tracking	Fully Effective	1	 <p>Likelihood</p>	
		Effective consultation with legislative and policy-making bodies which draws on both member and officer input	Partially Effective	1		
		Effective communication between directorates and from OCE & Legal Services	Fully Effective	1		
		Robust 1-2-1 structure (CE-Director) which includes legislation / policy monitoring	Fully Effective	1		
		Understanding of and willingness to embrace opportunities arising from legislation	Partially Effective	1		
					Very serious	
					Very Low	
Mitigating Actions					Residual Risk Assessment	
<ul style="list-style-type: none"> Ensure the culture supports key managers respond timeously and comprehensively to consultations Political sign-off from key elected members is received , where required, before responses are delivered to legislators and policy makers. Internal communications plan to improve internal comms processes over the next 18 months. CMT horizon-scanning at each "Strategic" CMT. 					 <p>Likelihood</p>	
						Very serious
						Almost Impossible
Risk Owner	Richard Ellis	Risk Manager	Martin Murchie			
Latest Note	Legislation and Consultation Trackers are now in place across services and key officers in each service have been tasked with providing service updates on issues disseminated through this means.				25 Jan 2017	

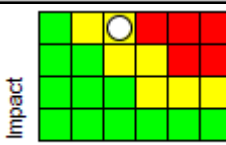
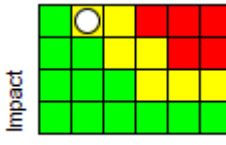
Drivers	All Smarter Aberdeen priorities				
Code	CG008	Risk that workforce planning is ineffective			
Definition	The quality of the workforce is key to the delivery of high quality services and to implementing the transformation and improvement agendas.				
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> Service quality deteriorates Workforce attrition Over-reliance on agency support Council not seen as an employer of choice. Inability to recruit key senior managers. Inability to deliver essential services. 	<ul style="list-style-type: none"> Workforce planning is not aligned with business need Absence of development opportunities leads to poor morale and retention deficits Recruitment practices are flawed Training is not aligned to business need Knowledge capture processes not in place 	Workforce Planning Strategy	Fully Effective	1	 <p>Likelihood</p>
		Workforce planning fully aligned with financial and business planning	Partially Effective	1	
		Service workforce plans in place and fully implemented	Partially Effective	1	
		Recruitment practices are based on sound training	Partially Effective	1	
		PR&D process supports effective staff development	Partially Effective	1	
		Staff turnover falls within 'healthy' ratio in key occupational categories	Partially Effective	1	
					Serious
					Low
Mitigating Actions					Residual Risk Assessment
<ul style="list-style-type: none"> Deliver corporate overview of workforce planning focussing on established corporate actions Build workforce planning into financial planning Build workforce planning into business planning Monitor completion of recruitment training for new managers Monitor through performance management staff turnover ratio Continue to develop and improve PR&D process. New agency to support recruitment. 					 <p>Likelihood</p>
					Serious
					Very Low
Risk Owner	Ewan Sutherland	Risk Manager	Mike Lawson		

Drivers	All Smarter Aberdeen priorities				
Code	CG009	Risk of poor employee engagement levels			
Definition	Internal and external influences on the management of change in the delivery of services and core functions may impact negatively on workforce morale.				
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> Poor retention levels Difficult to attract / recruit key staff Deteriorating service quality Increased customer complaints 	<ul style="list-style-type: none"> Lack of development opportunities Reducing financial resources – heavy workloads Increasing customer demands – increasing workloads Poor management / supervisory skills 	Robust career progression levels	Partially Effective	1	<p>Likelihood</p>
		Appropriate training modules responding to identified skills gaps through PR&D process	Partially Effective	1	
		Reward system which identifies and responds positively to good achievers	Partially Effective	1	
		Engagement culture focussing on inclusive approach to decision making	Partially Effective	1	
		Healthy staff turnover ratio appropriate to key occupational categories	Fully Effective	1	
		Strong management abilities and practices.	Partially Effective	1	
		Internal comms and engagement programme	Partially Effective	1	
					Serious
					Low
Mitigating Actions					Residual Risk Assessment
<ul style="list-style-type: none"> 21 key occupational categories identified – services supported to manage workforce planning specific to these areas. Reward and recognition system Transformation engagement system re ‘good ideas’ taken forward Training needs identified from PR&D aligned with provision and monitored for delivery Monitor and report staff engagement levels through opinion surveying against improvement target. 					<p>Likelihood</p>
					Serious
					Very Low

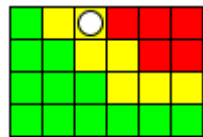
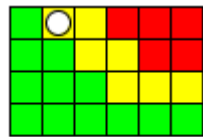
Risk Owner	Ewan Sutherland	Risk Manager	Mike Lawson
Latest Note	'Mood checks' were introduced at the last Town Hall briefing. If these continue, the output can be factored into this risk. The Employee Opinion Survey will take place in late 2016 and again will inform the effectiveness of controls on this risk.		04 Aug 2016

Drivers	All Smarter Aberdeen priorities					
Code	CG010	Risk that change is not delivered or managed effectively				
Definition	The Council is committed to a culture where transformation, innovation and improvement are forefront in delivering services in a constantly changing environment.					
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment	
		Control	Control Assessment	Weight		
<ul style="list-style-type: none"> Strategic and service commitments not met Poor outcomes for local people Scarce resources used ineffectively Firefighting required to rescue service delivery failures Increased costs Increased financial pres 	<ul style="list-style-type: none"> Lack of support for transformation and improvement agendas Transformation and improvement workstreams not aligned with business planning Poor information management Poor workforce planning Inconsistent approach to programme management Poor cross-service levels of understanding 	Effective and dynamic leadership of a transformational and innovative culture which embraces transformational projects	Partially Effective	1	 <p>Impact</p> <p>Likelihood</p>	
		Proactive approach to change projects in the budget setting process	Partially Effective	1		
		Information and data management supports business intelligence approach to decision making	Partially Effective	1		
		Visionary forward planning which takes account of projected workforce and skills needs	Partially Effective	1		
		Sound governance and structures supporting transformation	Partially Effective	1		
					Serious	
					Low	
Mitigating Actions					Residual Risk Assessment	
<ul style="list-style-type: none"> Ensure all projects sit within a unified PMO governance structure Ensure collaborative, cross-cutting delivery embedded Ensure robust performance management of delivery established SMT oversight of delivery Implement change management toolkit Review of Internal Audit effectiveness 					 <p>Impact</p> <p>Likelihood</p>	
						Serious
						Very Low
Risk Owner	Richard Ellis	Risk Manager	Martin Allan; bsm bsm			
Latest Note	The creation of the Transformation Delivery Board provides new focus for the Corporate Governance Directorate's role in coordinating and managing the various programmes of work which together comprise the comprehensive transformation of core services and				03 Feb 2017	

	functions across the Council. These programmes are subject to risk management in their own right and the output of this approach will inform the management of this high-level risk over the coming months.	
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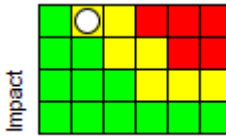
Drivers	All Smarter Aberdeen priorities					
Code	CG011	Risk of poor contract management				
Definition	An effective and properly maintained contracts register underpins good supplier management and efficient use of resources					
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment	
		Control	Control Assessment	Weight		
<ul style="list-style-type: none"> Essential services not supported Scarce resources inefficiently used Duplication of effort Negative audit outcomes Pool of suppliers reduces Litigation Reputational damage Financial targets not met 	<ul style="list-style-type: none"> Absence of properly maintained contracts register Contract expirations not managed Poor supplier relationship management Poor contract management skills levels 	Regularly updated contracts register	Partially Effective	1	 <p>Likelihood</p>	
		Delegation of powers in standing orders to ensure correct authorisation levels in place	Fully Effective	1		
		Contract management procedures	Partially Effective	1		
		Robust skills in place for contract managers including commercial awareness / understanding of framework agreements	Partially Effective	1		
		Focus on continuous improvement and cost reduction	Partially Effective	1		
					Very serious	
					Low	
Mitigating Actions					Residual Risk Assessment	
<ul style="list-style-type: none"> Identify key personnel and deliver contracts management OIL training Ensure contracts management procedures focus on business critical contracts Complete population of contracts database Launch procurement website Deliver reduction in off-contract spend Embed HOS responsibility for contracts Embed SMT oversight of CG contracts management 					 <p>Likelihood</p>	
						Very serious
						Very Low
Risk Owner	Craig Innes		Risk Manager	Craig Innes		
Latest Note	The Governance Review includes a comprehensive overhaul of the framework for the effective governance of our relationship with Arms				03 Feb 2017	

	Length External Organisations, These relationships are fundamentally contractual in nature. A review of ALEO Service Level Agreements and the governance structures around monitoring of ALEO performance, is under way and progress will be recorded against this risk.	
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Drivers	All Smarter Aberdeen priorities				
Code	CG012	Risk that Strategic and Directorate Business Plan commitments are not delivered			
Definition	The Strategic, Directorate and Team Plans set out our commitments to improved service delivery and the achievement of better outcomes in a Best Value culture.				
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> Service delivery deteriorates Staff are disengaged from stated commitments Reputational damage Resources are wasted / used ineffectively Improved outcomes are not achieved 	<ul style="list-style-type: none"> Objectives and actions are unrealistic or badly scoped Performance measures are inadequate to evidence improved outcomes The 'golden thread' is absent and required linkages are not made Consideration of risk is not properly taken Staff are not fully engaged with Planning Performance management frameworks (CMT, SMT, 1-2-1, committees) do not support delivery Transformation and innovation workstreams are not aligned with plans 	Objectives are SMART	Partially Effective	1	 <p>Likelihood</p>
		Performance management framework supports effective strategic and service planning	Partially Effective	1	
		Governance arrangements serve to maintain momentum of plan delivery	Partially Effective	1	
		Risk management framework is fully aligned with business planning cycle and includes clear appetite statement	Partially Effective	1	
		Effective employee engagement strategies in place	Partially Effective	1	
		Accountabilities are clear and in place and PR&D objectives are linked to strategic and service planning	Partially Effective	1	
		Governance arrangements serve to maintain momentum of strategic plan delivery	Partially Effective	1	
Very serious					
Low					
Mitigating Actions					Residual Risk Assessment
<ul style="list-style-type: none"> Implement consistent performance management reporting framework Ensure all required reporting matters are covered in corporate reporting framework Ensure 'golden thread' is present in all strategic planning activity and reporting Revise risk management framework and scope risk appetite Align PR&D objectives with strategic planning 					 <p>Likelihood</p>

			Very serious
			Very Low
Risk Owner	Richard Ellis	Risk Manager	CG SMT
Latest Note			

Drivers	All Smarter Aberdeen priorities				
Code	CG013	Risk that financial resources are not managed effectively			
Definition	The Council faces continuing and increasing pressure to deliver services in an environment of reducing financial resources				
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> Major capital projects are not delivered effectively Capital budgets are not controlled or managed effectively Investment opportunities are missed. Censure by government and its agencies Reputational damage Essential service delivery jeopardised through poor management of finances Strategic Planning objectives are not achieved 	<ul style="list-style-type: none"> Inadequate communication between capital project management and Corporate Governance. Lack of project and risk management skills in major projects. Inadequate lead-in to capital project planning. Political influence disrupts proper capital planning over the medium term. Poor adherence to collaborative planning, budgeting and forecasting requirements. Last minute borrowing requirements mean poor investment planning Internal / external audit assurance absent. Poor governance of strategic planning by senior managers 	Strong reporting framework which identifies emerging risk	Fully Effective	1	
		Projects only allocated to officers with appropriate skills.	Partially Effective	1	
		Adequate lead-in time to support accurate forecasting.	Partially Effective	1	
		Effective negotiating and influencing skills in place to ensure capital planning process adhered to.	Partially Effective	1	
		Enforced financial procedures compliance.	Fully Effective	1	
		Robust planning for borrowing ensuring proper treasury investment can be maximised.	Partially Effective	1	
		Risk based internal audit plan.	Fully Effective	1	
		1-2-1 process includes coverage of capital projects.	Partially Effective	1	
Mitigating Actions					Residual Risk Assessment

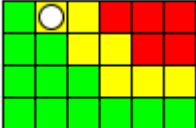
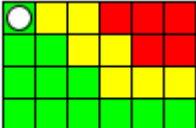
<ul style="list-style-type: none"> • Embed effective project management skills across the organisation • Embed Director / CE 1-2-1 process to cover all key capital projects. • Embed adequate lead-in time frame to support robust forecasting. 			 <p>Impact</p> <p>Likelihood</p> <p>Very serious</p> <p>Very Low</p>
Risk Owner	Richard Ellis	Risk Manager	
Latest Note	Work is underway to align with major capital project risk management with the corporate financial role. 1-2-1s between Director and HOS will include a core suite of financial indicators, which will also inform management discussions at the HOS tier.		04 Aug 2016

Drivers	Smarter Mobility - Transport and ICT				
Code	CG014	Risk of major IT business systems failure			
Definition	Secure, well-functioning business systems are critical to carrying out statutory functions, providing essential services and ensuring legal compliance.				
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> • Customers cannot contact the CCC • Essential services not delivered • Critical functions including payroll not carried out • Suppliers not paid • Contracts not managed • Workforce not managed • Reputational damage 	<ul style="list-style-type: none"> • Inadequate firewalls to protect internal systems from attack • System obsolescence • Power fluctuations • Communications systems failure • Inadequate backups • Poor IT skills base • Poor processes for data storage • Systems housed in poor environments 	Best practice security controls	Partially Effective	1	<p>Impact</p> <p>Likelihood</p>
		Regular business systems review	Partially Effective	1	
		Full, maintained contracts register	Partially Effective	1	
		Tested Business Continuity Plans in place	Partially Effective	1	
		Robust Disaster Recovery arrangements (including testing)	Partially Effective	1	
		Robust customer-led governance structures	Partially Effective	1	
		IT staff trained in all essential skills areas	Partially Effective	1	
		Regular business systems reviews	Partially Effective	1	
				Very serious	
				Low	
Mitigating Actions					Residual Risk Assessment
<ul style="list-style-type: none"> • Upgrade of core infrastructure as part of digital strategy • Ensure application reviews and resilience testing in place • Implement new governance model for IT • Ensure total cost of ownership • Implement Best practice life cycle management 					<p>Impact</p> <p>Likelihood</p>
					Very serious

<ul style="list-style-type: none"> • Rationalise applications and upgrade aging systems • Ensure secure network engineering 		Very Low
Risk Owner	Simon Haston	Risk Manager Sandra Massey
Latest Note		

Drivers	All Smarter Aberdeen priorities				
Code	CG016	Risk that the Council is ill-equipped to deal with a council tax increase in 2017/18			
Definition					
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> • Lower collection rates. • Increased cost of recovery. • Poor media impact. • Uncertainty over Scottish Government guidance on future of council tax. • Uncertainty over alignment of council tax revenue with budget planning. • Lower grant revenue from SG. • Negative impact on local economy. 	<ul style="list-style-type: none"> • Council implements 3% council tax increase permitted by SG. • System challenges on managing banding changes. • Staff inexperienced in delivering council tax increase. • Inexperience in factoring additional revenue into budget forecasting. 	Consultation with Scottish Government policy-makers	Partially Effective	1	<p>Likelihood</p>
		Communication with sytem suppliers	Partially Effective	1	
		Communication between Revenues and Benefits and Accountnacy Teams	Fully Effective	1	
		Communication between Services	Fully Effective	1	
		Performance Management monitoring on collection rates, cash collected and costs	Fully Effective	1	
					Serious
					Significant
Mitigating Actions					Residual Risk Assessment
					<p>Likelihood</p>
					Serious
					Very Low
Risk Owner			Risk Manager		
Latest Note	<p>The Revenues and Benefits Team have a risk assessed plan for the implementation of annual council tax billing 2017/18. This was updated 22/12/16 and is due for revision February 2017. It includes the following mitigating actions: Ensuring key staff have remote access (Business continuity). Monitor server cloning (Business continuity).</p>				19 Jan 2017

	<p>Ensure knowledge transfer for effective future planning. Confirm Disaster Recovery capability to take account of Revs and Bens needs. Confirm bulk printing capacity with Xerox and contingency at alternative site - close liaison to be maintained. Ensure availability of up to 20 staff at Marischal for enveloping in the event of mechanical failure at Woodhill House. QA of ctax banding change calculation in advance of billing. Full testing of new software (Academy) to take account of changes in conjunction with all relevant staff. (Other operational measures are in process to ensure the mitigation of this risk).</p>	
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Drivers	All Smarter Aberdeen priorities				
Code	CG017	Risk that the Council does not deliver a balanced budget for 2017/18			
Definition					
Potential Impact	Causes	Control Effectiveness			Current Risk Assessment
		Control	Control Assessment	Weight	
<ul style="list-style-type: none"> • Council fails to meet its statutory obligations. • Essential services not delivered. • Serious reputational damage. • Staff morale deficit. 	<ul style="list-style-type: none"> • Political failure to support properly costed affordable budget options.. • Absence of a risk-based approach to growth • Lack of prioritisation • No awareness of timescales 	Robust MTFP procedures	Fully Effective	1	 Likelihood
		Effective annual corporate budget-setting process	Partially Effective	1	
		Effective negotiating and influencing skills in play between key managers and elected leaders	Partially Effective	1	
		Effective approach to costing growth and minimised underspend	Partially Effective	1	
				Very serious	Very Low
				Very Low	
Mitigating Actions					Residual Risk Assessment
<ul style="list-style-type: none"> • Corporate Governance Timetable prepared • Regular budget slots at Senior Management Team meetings • Head of Service Budget Meetings included in timetable 					 Likelihood
					Very serious
					Almost Impossible
Risk Owner			Risk Manager		
Latest Note	Risk updated with revised mitigating actions 18/8/16.				06 Sep 2016

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ABERDEEN CITY COUNCIL

COMMITTEE	COUNCIL
DATE	22 February 2017
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Common Good Budget 2017/18 to 2021/22
REPORT NUMBER	CG/17/016
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This report provides the draft Common Good budget for 2017/18 to 2021/22, for consideration by elected members.

2. RECOMMENDATIONS

It is recommended that the Council: -

- a) approves the Common Good budget for 2017/18 as detailed in Appendix 1 to this report;
- b) approves the recommendation that the Head of Finance be asked to undertake a comprehensive review of Common Good assets; and
- c) considers and makes a decision on each of the new requests for funding which are detailed at Appendix 3 to this report.

3. FINANCIAL IMPLICATIONS

- 3.1 The report outlines proposals for the Common Good budget for the financial year 2017/18.
- 3.2 It also contains details of the value of the Common Good's cash balances.
- 3.3 A full review of the Common Good budget has been undertaken.

4. OTHER IMPLICATIONS

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

5. BACKGROUND/MAIN ISSUES

Introduction

- 5.1 In preparing a draft Common Good budget for 2017/18, the financial strategy approved by the Finance & Resources Committee of 6th December 2012 has been applied.
- 5.2 Generally, requests for funding from the Common Good need to comply with two conditions, namely;
- (1) That the Common Good must be applied for the benefit of the community; and
 - (2) That the Council must in each case use reasonable judgement in allocating Common Good funding.

Projected Out-turn 2016/17

- 5.3 The projected outturn for 2016/17 shows a surplus of £232,000 compared with a budgeted surplus of £72,000.
- 5.4 The favourable movement of £160,000 comparing budget to out-turn is primarily due to underspends in staffing within Civic Support; an underspend in Civic Receptions due to fewer applications being received; and an underspend in the repairs and maintenance budget due to less repairs work being carried out on properties.

Draft Budget 2017/18

- 5.5 In developing the draft Common Good budget for 2017/18, input has been sought from those external bodies currently supported by the Common Good and from various Council officers responsible for the different expenditure and income lines. The draft budget is shown in Appendix 1 below.
- 5.6 Rental income is based on projections provided by the Asset Management team within Communities, Housing & Infrastructure.
- 5.7 The Council's legal team has fully reviewed all items currently funded by the Common Good in terms of fulfilling the criteria summarised in 5.2 above. The items which they suggest do not fulfil the criteria are:

	£000
Official Catering	17
Bulawayo Trust	45
Gomel Trust	22
Mary Garden Prize	2
Events Team	50
	136

- 5.8 These items have been removed from the draft budget and are shown as cost pressures in the Council's revenue budget.
- 5.9 Appendix 3 outlines those new items for which requests for funding have been received. These items are not currently included in the draft budget, and as such, if approved, will reduce the level of surplus shown in Appendix 1. The current budgeted position for 17/18 is a surplus of £472,000.

Investment Strategy & Cash Balances

- 5.10 In December 2012 the Finance, Policy & Resources Committee agreed an investment strategy to ensure the long term financial viability of the Common Good. Given the continued economic conditions and also the increased level of cash reserves that the Common Good has through the sale of land it is important that this strategy is reviewed regularly.
- 5.11 In February 2016, Council agreed to the following:
1. A review of Asset Class and Investment Portfolio be reported back to Committee in due course;
 2. The principal of ensuring that cash balances be increased annually to take account of inflation should be adhered to;
 3. The principal of adhering to maintaining the principal cash held (that is, cash balances should increase in value and should not be utilised) and that interest earned is the only cash made available as part of the budget process; and
 4. Over the medium term (5 years) all spend, which does not relate to the running or maintenance of the Common Good Fund, should be non-recurring.
- 5.12 The asset portfolio is comprised of land and buildings, and cash. The current position (31st March 2016) is as follows:

	£'000
Land and Buildings	95,531
Investment in Loans Fund	<u>16,881</u>
Total Long Term Assets	112,412

- 5.13 These assets generate in excess of £3 million per annum in income, which is used to fund the spend shown in Appendix 1.
- 5.14 A major criterion of the investment strategy has to be to ensure that the assets held by the Common Good are fit for purpose in the 21st century. The Council is custodian of these assets, and capital preservation should be the main priority.
- 5.15 An investment strategy needs to assess each of the categories of assets and ensure that they are fit for purpose and offering the best possible return on investment.

- 5.16 It is therefore recommended, and taking cognisance of the additional responsibilities imposed by the Community Empowerment Act, that the Head of Finance be asked to prepare a comprehensive asset register and to review all Common Good investments, using expertise from fund managers as appropriate.
- 5.17 Members will wish to note that the Minister for Local Government and Housing has confirmed the intention to publish guidance on the procedures to be followed when creating Common Good registers and the management and use of Common Good property as envisaged in Part 8 of the Community Empowerment (Scotland) Act 2015. Draft guidance for consultation will be published soon after the Local Government Elections in May 2017. Reports on these matters will be brought to Committee as and when required.

6. IMPACT

Improving Customer Experience –

Accurate budget setting and financial planning assists the Council in planning and designing our future service delivery.

Improving Staff Experience –

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

Improving our use of Resources –

It is the duty of the Council as trustees of the Common Good to ensure that the cash balances are maintained, and that the Common Good is preserved for future generations.

7. MANAGEMENT OF RISK

- 7.1 Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by elected members. This report is part of that framework.

8. BACKGROUND PAPERS

Finance, Policy and Resources Committee 6th December 2012
(CG12/1024)

9. REPORT AUTHOR DETAILS

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Common Good Fund Budget					*	*	*	*
Appendix 1		2016/17	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Note		Budget	Outturn	Budget	Budget	Budget	Budget	Budget
		£000	£000	£000	£000	£000	£000	£000
	General Properties/Estates							
1	Insurance Costs	17	13	17	17	17	17	17
2	Repairs and Maintenance	85	50	85	85	85	85	85
		102	63	102	102	102	102	102
	Other Expenses							
3	St Nicholas Carillon	6	6	6	6	6	6	6
4	Printing and Other Sundries	3	3	0	0	0	0	0
5	Official Catering	17	12	0	0	0	0	0
		26	21	6	6	6	6	6
	Donations, Grants, Contributions							
6	Aberdeen Citizen's Advice Bureau	298	298	301	304	307	310	310
7	Twinning Activities	137	124	137	137	137	137	137
8	Contributions to Trusts & Festivals	325	325	325	325	325	325	325
9	Techfest	37	37	37	37	37	37	37
10	Satrosphere Rent	42	42	42	42	42	42	42
11	Bulawayo Trust	45	45	0	0	0	0	0
12	Gomel Trust	22	22	0	0	0	0	0
13	Mary Garden Prize	2	2	0	0	0	0	0
14	Quincentenary Prizes	3	3	0	0	0	0	0
15	Aberdeen Performing Arts Contribution - Stage 1 Agreement	75	75	75	75	75	75	75
16	Aberdeen Safer Community Trust (ABSAFE)	68	68	68	70	70	60	60
17	Youth Activities Small Grant Funding	50	50	50	50	50	50	50
18	Castlegate Arts Rent	8	8	8	8	8	8	8
19	Events	61	61	65	61	61	61	61
20	Community Galas	10	10	10	10	10	10	10
21	Lemon Tree Rent	36	36	36	36	36	36	36
22	Lemon Tree Office Rental	10	10	10	10	10	10	10
23	Crematorium Bus	46	46	46	46	46	46	46
24	Christmas & Hogmanay Celebrations	200	200	225	200	200	200	200
25	Hazlehead Park - Maintenance & Upgrade Works	30	30	30	30	0	0	0
26	Commonwealth Travel Bursary Scheme	20	20	0	0	0	0	0
		1,525	1,512	1,465	1,441	1,415	1,408	1,408
	Promoting Aberdeen							
27	Festive Community Grants	4	4	4	4	4	4	4
28	Civic Support	248	211	262	262	262	262	262
29	Christmas Illuminations and Festivals	173	157	184	179	179	179	179
30	Entertainment for Elderly/Disabled Citizens	50	50	0	0	0	0	0
31	Older Persons Development Officer	19	19	0	0	0	0	0
32	Civic Receptions	150	120	150	150	150	150	150
33	Civic Hospitality	20	12	20	20	20	20	20
		664	573	620	615	615	615	615
	Other Expenditure							
34	Archivist Unit	188	188	211	211	211	211	211
35	Central Support Services	120	120	120	120	120	120	120
		308	308	331	331	331	331	331
	Other Projects							
36	Home Safety Check Scheme	71	71	71	71	71	71	71
37	Charity Shop	16	16	16	16	16	16	16
38	Community Safety Initiatives (ABSAFE)	2	2	2	2	2	2	2
		89	89	89	89	89	89	89
	Other Recurring Expenditure							
39	Civic Gift Fund	18	15	18	18	18	18	18
40	Lord Lieutenancy and other duties	7	4	7	7	7	7	7
41	Armistice Day Expenses	6	6	6	6	6	6	6
42	Picture Loan Scheme	15	15	15	15	15	15	15
43	Business Investment Fund	15	15	0	0	0	0	0
44	Duthie Park Capital Charges	126	126	126	126	126	126	126
		186	181	171	171	172	172	172
	Recurring Expenditure	2,900	2,747	2,783	2,755	2,729	2,722	2,722
	Non Recurring Expenditure Items							
45	Lord Provost Portrait	5	5	5	0	0	0	0
	Upkeep of March Stones	10	10	0	0	0	0	0
	Contribution to Ferryhill Railway Heritage	10	10	0	0	0	0	0
	Contribution to Kirk of St Nicholas	10	10	0	0	0	0	0
	Contribution to Castlegate Arts (subject to Service Level Agreement)	40	40	0	0	0	0	0
	Contribution to Aberdeen Street Pastors	9	8	0	0	0	0	0
	Grant to Celebrate Aberdeen	20	20	0	0	0	0	0
	ACC Asset Management - Brimmond Hill - cattle grids/fencing	10	0	0	0	0	0	0
	ACC Asset Management - Bucksburn Farm - bollards	2	0	0	0	0	0	0
	ACC Asset Management - Smithfield Farm - roof repairs	10	10	0	0	0	0	0
	ACC Asset Management - Jessefield Farm - house doors	3	3	0	0	0	0	0
	Balnagask Community Centre	0	5	0	0	0	0	0
		129	121	5	0	0	0	0
	ORDINARY EXPENDITURE	3,029	2,868	2,788	2,755	2,729	2,722	2,722
46	Inflationary Charge - Increase in Cash Balance			168	175	183	191	200
	TOTAL EXPENDITURE	3,029	2,868	2,956	2,930	2,912	2,913	2,922

Common Good Fund Budget					*	*	*	*
Appendix 1 (cont)		2016/17	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Note		Budget	Outturn	Budget	Budget	Budget	Budget	Budget
		£000	£000	£000	£000	£000	£000	£000
47	Income from Properties and Estates	(2,900)	(2,900)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)
48	Interest on Invested Funds	(130)	(130)	(158)	(204)	(207)	(251)	(286)
49	Lands of Skene/Torry (Share of Surplus)	(70)	(70)	(70)	(70)	(70)	(70)	(70)
	ORDINARY INCOME	(3,100)	(3,100)	(3,428)	(3,474)	(3,477)	(3,521)	(3,556)
	TOTAL INCOME	(3,100)	(3,100)	(3,428)	(3,474)	(3,477)	(3,521)	(3,556)
	Net (Surplus)/Deficit	(72)	(232)	(472)	(545)	(566)	(608)	(634)

Appendix 2

Notes to accompany the Common Good Budget

Note 1

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

Note 2

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

Note 3

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

Note 4

This budget is for items including the printing of the Town House brochure and promoting the Office of the Lord Provost. The budget has been removed from the Common Good as the service has agreed to absorb the cost.

Note 5

This budget is to provide refreshments during official City Council business. Legal Services advises that this does not fit the criteria for the Common Good and the budget has been included as a cost pressure in the General Fund.

Note 6

This represents core funding for Aberdeen Citizen's Advice Bureau. The increase represents a 1% inflationary increase.

Note 7

This funding is for the provision of financial and organisational support to people, communities and organisations in the City wishing to become involved in twin city projects, and also contributes to the costs of a Twinning Officer.

Note 8

This is a contribution towards the costs of Aberdeen International Youth Festival (£65,000), Aberdeen Performing Arts (£225,000) and Peacock Visual Arts (£35,000).

Note 9

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

Note 10

This is a grant to cover the cost of Satrosphere's rental of premises from Aberdeen City Council.

Note 11

This is a contribution towards the Aberdeen Bulawayo Trust, which provides support to people in Bulawayo, primarily focusing on the development of self-sustaining market gardens and the repair and maintenance of homes and shelters. Legal Services advises that this does not fit the criteria for the Common Good and the budget is included as a cost pressure in the General Fund.

Note 12

This is a contribution towards the Aberdeen Gomel Trust, which addresses and helps to resolve the medical, nutritional, social and spiritual problems experienced by the people of Gomel. Legal Services advises that this does not fit the criteria for the Common Good and the budget is included as a cost pressure in the General Fund.

Note 13

This is funding for the Mary Garden Prize, currently presented as part of the Aberdeen International Youth Festival. Legal Services advises that this does not fit the criteria for the Common Good and the budget is included as a cost pressure in the General Fund.

Note 14

This budget covers 3 annual £1,000 awards for the Quincentenary Prize, presented by the University of Aberdeen since 1995 to commemorate the 500th Anniversary of King's College. Legal Services advises that this does not fit the criteria for the Common Good. Following discussion with the University of Aberdeen it has been decided to discontinue the funding of the prizes.

Note 15

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

Note 16

This represents core funding for Aberdeen Safer Community Trust.

Note 17

This is funding for the City Council youth activity small grants scheme. This scheme offers young people opportunities to contribute to their own communities and to the life of the city.

Note 18

This is a grant to cover the cost of the rental of the Arts Centre.

Note 19

This is funding towards the costs of organising specific events as details in the events programme. The increased cost is due to the cost of the shed being replaced in the Nativity scene due to its dilapidated state – approved, subject to the budget process, at FP&R Committee on 1st December 2016.

Note 20

This is for grants towards community galas held in the city.

Note 21

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

Note 22

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

Note 23

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

Note 24

This is to fund the City's Christmas and Hogmanay celebrations. The increase is due to the increased cost of the Hogmanay celebrations – approved, subject to the budget process, at F, P&R Committee on 1st December 2016.

Note 25

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

Note 26

This is to fund the Diamond Jubilee Commonwealth Travel Bursary for young people. The 5 years commitment ceases 2016/17.

Note 27

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

Note 28

This is a budget for the Civic Support team, incorporating the Lord Provost's secretariat, Town Sergeants and civic transportation. The increase is due to increased salary costs.

Note 29

This is a budget for the cost of the Christmas illuminations. The increase is due to the start of a new contract which may require possible enhancements.

Note 30

This is a budget to cover the costs of administering and delivering the 50+ development programme and entertainment for the elderly and disabled. The programme is no longer being delivered as it was and the officer has moved to the Council's Events Team and the budget is included as a cost pressure in the General Fund.

Note 31

This is a budget to cover the salary costs of a development officer to work with elderly citizens. This has been removed from the Common Good as the service has agreed to absorb this cost.

Note 32

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

Note 33

This is a budget for promotional civic hospitality.

Note 34

This is a contribution towards the costs of running the City Archive Unit. The increased cost is due to salary increases.

Note 35

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

Note 36

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

Note 37

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

Note 38

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

Note 39

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

Note 40

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

Note 41

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

Note 42

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

Note 43

This is a fund towards the costs of the Depute Provost's activities in building and enhancing business links for the benefit of the City of Aberdeen. This has been removed from the Common Good as the service has agreed to absorb the cost.

Note 44

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

Note 45

These items are one-off items approved by Council for expenditure in 2016/17.

Note 46

This is a provision to protect the Fund's cash balances by inflation.

Note 47

Around 100 properties have registerable leases on land owned by the Common Good. In addition to this, the Common Good owns land at Brimmond Hill, Hazlehead, Hilton, Hillhead of Pitfodels, Kincorth, Kepplehills, Tullos and Mastrick, all of which generate income for the Common Good and which is reflected in this budget.

Note 48

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

Note 49

The Common Good owns 51% of the Lands of Torry Trust and 30% of the Lands of Skene Trust. These trusts earn income in rents and interest from investment.

Appendix 3	
Items for Consideration for 2017/18 - One off Items	
Contribution towards Rob Roy Statue	£30,000
Befriend A Child Support Worker	£5,040
Aberdeen & North East Scotland Family History Society - Broad Street Exhibition	£7,000
RNLI - Contribution towards new Inshore lifeboat	£5,000
Aberdeen Illness & Disability Advice Service - payment of rent & overheads	£18,140
Aberdeen Performing Arts - replacement lift at HMT	£80,000
Homestart - contribution to rent of the charity shop	£5,000
	<u>£150,180</u>

Contribution towards Rob Roy Statue

The Rob Roy Preservation Trust seeks a contribution of £30,000 towards the total costs of £46,100 for the production and installation of a replacement Rob Roy statue to be sited above the Culter Burn.

Legal Services advises that support towards the proposal could meet the criteria of the Common Good.

Befriend a Child

A request for £5,040 being the costs of a support worker working with 14 families during 2017 is made by the Befriend a Child charity. While Children's Social Work colleagues are supportive of the work undertaken by Befriend a Child, they point out that the charity currently receives £40,000 a year from the Children's Social Work budget and are involved in work currently underway in relation to Public Social Partnership commissioning.

Legal Services advises that support towards the proposal could meet the criteria of the Common Good.

Aberdeen & North East Scotland Family History Society

The Family History Society seeks funding of £7,000 towards a research project exploring the lives of the people who lived and worked on Broad Street 100 years ago. The proposal is to have materials ready for exhibition at the time of the re-opening of Provost Skene's House.

Legal Services advises that support towards the proposal could meet the criteria of the Common Good.

Aberdeen Lifeboat Station

The RNLI is currently fundraising the sum of £52,000 to cover the costs of a new inshore lifeboat that will come into service in Aberdeen in 2018. It is suggested that a contribution of £5,000 would be appropriate should the Council wish to provide support.

Legal Services advises that support towards the proposal could meet the criteria of the Common Good.

Aberdeen Illness and Disability Advice Service

A request for funding of £18,140 has been made by the above towards the costs of office overheads (£14,300) and a part time appeals support worker (£3, 840). The Service receives an annual grant of £32,600 from the Fairer Aberdeen Fund but has recently lost the support of commercial sponsors that previously covered the organisation's office overheads. The Service offers support to clients from Aberdeenshire and Moray as well as those from Aberdeen City.

Legal Services advises that support towards the proposal could meet the criteria of the Common Good.

Aberdeen Performing Arts

APA requests a grant of £80,000 to cover the total cost of a replacement passenger lift at His Majesty's Theatre. With all available reserves committed to the Music Hall redevelopment, there are no funds available for the work required at HMT. Members will be mindful that APA receives £346,000 a year from the Common Good towards its costs.

Legal Services advises that support towards the proposal could meet the criteria of the Common Good.

Home-Start Aberdeen Charity Shop

A contribution of £5,000 is sought towards the costs of rental of the shop used by the organisation in George Street as a lease is agreed with a new landlord. The shop provides income towards the work of the Home-Start charity which is currently supporting over 200 families.

Legal Services advises that support towards the proposal could meet the criteria of the Common Good.

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	9 March 2017
DIRECTOR	Richard Ellis
TITLE OF REPORT	2016/17 Financial Monitoring–Corporate Governance
REPORT NUMBER	CG/17/013
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- i) Inform the Committee of the 2016/17 revenue and capital budget's financial performance for the period to 31 January 2017 for the services within Corporate Governance;
- ii) Advise on any areas of risk and management action;

2. RECOMMENDATION(S)

2.1 It is recommended that the Committee:

- i) Note this report and the information on management action and risks that is contained herein;
- ii) Instruct that officers continue to review budget performance;

3. FINANCIAL IMPLICATIONS

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

4. OTHER IMPLICATIONS

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

5. BACKGROUND/MAIN ISSUES

5.1 This report provides a high level summary of expenditure as at the end of January 2017, shown in Appendix A.

5.2 The forecast net outturn under spend is £1.4m across the current net budget of £30m. The following items are of note and they have been incorporated into the forecast outturn:-

- Staff costs budgeted at £28m are forecast to be overspent by £243k, including £204k related to staff exit costs. Pressure areas include agency expenditure offset by vacancy savings across the service.
- Forecast variances in a range of accounts within Administration Costs total as underspends of £341k, with the main forecast underspend being £190k for courses and £84k for printing, copying and stationery.
- Transport costs have a pressure area with vehicle insurance forecast to have an adverse variance of £200k. Driver training is ongoing within services aimed at reducing accident levels.
- Supplies and Services are forecast to be underspent by £237k with £160k forecast underspend in hardware maintenance and £81k forecast underspend in other expenditure.
- Income is forecast to be greater than budgeted by £1.3m with the largest areas of favourable variance being forecast recharges above budget of £219k to Aberdeenshire Council and Highland Council of £61k largely for procurement and other shared services, £67k for payroll services to Police Scotland, Legal Services recharges in relation to Right to Buy of £54k, £271k for recharges to Trading and £197k for recharges to the HRA and £109k for recharges to Capital. Unbudgeted income of £50k is forecast to be earned from Sport Aberdeen for providing IT Services. The Employee Benefits Scheme is forecast to generate income above budget of £150k.
- Other smaller variances within non-staff budgets account for the remainder of the movement from budget.

Ear-marked Reserves

5.3 Included at Appendix B is a table of projects funded by Earmarked Reserves.

Capital

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

6. IMPACT

Improving Customer Experience –

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

Improving Staff Experience –

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

Improving our use of Resources –

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

Corporate -

Aberdeen the Smarter City:

Smarter Governance (Participation)

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

Smarter Living (Quality of Life)

Corporate Governance services contribute to all services provided by ACC.

Public –

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

7. MANAGEMENT OF RISK

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

8. BACKGROUND PAPERS

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

8. REPORT AUTHOR DETAILS

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Appendix A

As at Period 10 2016/17	Year To Date			Forecast to Year End			
	Revised Budget	Actual Expenditure	Variance Amount	Full Year Revised Budget	Forecast Actual	Variance Amount	Change from previous forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Finance	6,126	5,001	(1,125)	6,306	6,134	(172)	(48)
Legal & Democratic Services	1,269	1,015	(254)	1,549	1,344	(205)	34
HR, Organisational Development & Customer Services	6,016	5,465	(551)	7,189	6,581	(608)	16
Commercial & Procurement Services	3,253	3,562	310	3,918	3,933	15	(30)
IT & Transformation	7,928	7,558	(370)	9,509	9,078	(431)	(139)
Housing Benefits	990	867	(122)	1,188	1,188	0	0
Total	25,581	23,468	(2,113)	29,659	28,258	(1,401)	(167)

As at Period 10 2016/17	Year to Date			Forecast to Year End			
	Revised Budget	Actual Expenditure	Variance Amount	Full Year Revised Budget	Forecast Actual	Variance Amount	Change from previous forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff	23,314	23,513	199	28,044	28,286	243	193
Property	525	518	(7)	627	618	(9)	(4)
Administration	2,101	1,711	(390)	2,734	2,393	(341)	(36)
Transport	461	640	178	553	775	221	7
Supplies and Services	5,423	5,176	(247)	6,494	6,257	(237)	(197)
Transfer Payments	42,254	48,193	5,939	50,705	50,701	(4)	0
Gross Expenditure	74,078	79,751	5,673	89,158	89,030	(127)	(36)
Government Grants	(41,895)	(47,957)	(6,062)	(50,273)	(50,276)	(3)	(2)
Grant/Reimbursement/Contribution	(1,953)	(2,217)	(264)	(2,388)	(2,732)	(344)	5
Customer & Client Receipts	(1,073)	(1,137)	(64)	(1,287)	(1,400)	(112)	5
Interest	(20)	(14)	6	(24)	(18)	6	0
Recharges to Other Heads	(2,915)	(4,210)	(1,295)	(4,756)	(5,270)	(514)	(118)
Other Income	(642)	(748)	(106)	(770)	(1,077)	(307)	(20)
Total Income	(48,497)	(56,283)	(7,786)	(59,499)	(60,772)	(1,274)	(131)
Net Expenditure	25,581	23,468	(2,113)	29,659	28,258	(1,401)	(167)

Appendix B

As at Period 10 2016/17	Balance b/f 1 April 2016	Forecast for Year	(Unrequired) Amounts	New Amounts	Projected c/f 31 March 2017	Details (reason for holding, plans for using, assumptions on new amounts and reasons for unrequired amounts)
	£'000	£'000	£'000	£'000	£'000	
<i>Projects:</i>						
New Microphones	37	22	0	0	15	Microphones/ web cam for Council Chambers. Carry forward as per FP&R report of 29th June 2016.
Business Plan Service Options	340	340	0	0	0	3 Information Management staff, Information Records Store Officer, 4 fixed term Analysts and Customer Service experience £25k.
Employee Benefit Scheme	77	77	0	0	0	Potential VAT liability for bus to work scheme .
Health & Safety Training programme for Managers	25	0	(25)	0	0	Funding for Institute of Occupational Health & Safety training programme for managers. As tender not been issued, this will be funded from the H&S training budget in 17/18.
ICT projects	47	47	0	0	0	To fund ICT investment projects
ICT Rolling Programme	76	76	0	0	0	Revenue contribution to projects
Total	602	562	-25	0	15	

As at Period 10 2016/17 Corporate Governance	Figures for Total Project			Pr	Cu
	Approved Budget	Expenditure to Date	Forecast Expenditure		
	£'000	£'000	£'000		
Data Centre Transition & Infrastructure Transformation	3,000	1,228	2,992	G	G
Technology Investment Requirements & Digital Strategy	4,557	278	4,557	G	G
	7,557	1,505	7,549		

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	9 th March 2017
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Council General Fund Monitoring 2016/17
REPORT NUMBER:	CG/17/004
CHECKLIST RECEIVED:	Yes

1. PURPOSE OF REPORT

This report provides an opportunity to consider the current financial position for the Council and the forecast outturn for the financial year 2016/17, highlighting assumptions made, areas of risk identified and management action to mitigate these risks.

2. RECOMMENDATION(S)

It is recommended that the Committee:-

- i) note the financial position contained within this report

3. FINANCIAL IMPLICATIONS

3.1 The financial position as at the end of January 2017 can be seen at Appendix A.

3.1.2 Current indications are that an underspend of £1.9m against budget is achievable.

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

3.1.4 In arriving at the forecast outturn, a number of assumptions have been made based on currently available data. In addition, a number of key areas have been identified as requiring further in depth analysis by the Service and Finance to understand and assess the impact of demand changes on forecast outturns.

3.1.5 Appendix B provides details of these assumptions and areas of risk.

- 3.1.6 The council has a number of earmarked reserves for specific projects. It is currently predicted that £11million of these will be used during 2016/17.
- 3.1.7 Included within earmarked reserves is the Financial Risk Fund of £8.3 million, as agreed during the budget process to provide financial resilience against growing cost pressures. Whilst all mitigating actions will be taken to control expenditure and maximise income, it may be necessary to utilise this reserve to ensure the revenue budget remains in at least a balanced position.

3.2 Capital

- 3.2.1 The financial position as at the end of January 2017 can be seen in Appendix C.
- 3.2.2 As the majority of capital projects span more than one financial year, the focus when considering the position of the capital programme takes account of the whole life of projects rather than just the in year position. The exception to this is the rolling programmes which are shown separately in the appendix.
- 3.2.3 Funding comes from a number of sources, including the Scottish Government General Capital Grant, other third party grants and contributions, capital receipts, revenue contributions, usable capital reserves and borrowing. These are managed each year to ensure capital investment is funded in the most effective way, both in year and in planning for the future.
- 3.2.4 At this stage there are a few variances in the programme details of which are provided at Appendix C.

3.3 Reserves

- 3.3.1 The recommended level of uncommitted general fund revenue reserves of £11.3 million, as approved by committee in October 2012, will continue to be maintained. This ensures the Council can deal with unexpected and unplanned expenditure should it arise.
- 3.3.2 The Council sets aside funds for specific projects and for specific purposes. These are commonly referred to as “earmarked reserves” and fall into specific categories – financial risks; specific contingent risks; unspent grant income; specific projects; and the Devolved Education Management scheme.
- 3.3.3 Earmarked reserves include the investment strategy and it is recommended that any uncommitted revenue surplus be set aside for this purpose.

4. OTHER IMPLICATIONS

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

5. BACKGROUND/MAIN ISSUES

- 5.1 This is the third opportunity for the committee to consider the overall financial position, with specific reference to the General Fund, for the financial year 2016/17.
- 5.2 Specific service reports are presented to the relevant service committees and can be referred to for further detailed information.
- 5.3 In addition, the Common Good position is presented to the committee whilst the Housing Revenue Account is considered by the Communities, Housing and Infrastructure committee.
- 5.4 The financial position, assumptions, risks and management actions are detailed in Appendices A, B and C to this report.

6. IMPACT

Improving Customer Experience –

No direct impact arising from this report.

Improving Staff Experience –

No direct impact arising from this report.

Improving our use of Resources –

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

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

Corporate -

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

Public –

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

7. MANAGEMENT OF RISK

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

8. BACKGROUND PAPERS

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

9. REPORT AUTHOR DETAILS

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Aberdeen City Council

Corporate Financial Reporting Summary 2016/17

APPENDIX A

As at end of January 2017 Accounting Period 10	Year to Date			Forecast to Year End			
	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Full Year Revised Budget £'000	Forecast Outturn £'000	Variance Amount £'000	Variance Percent % £'000
Services							
Office of Chief Executive	2,642	2,925	283	3,183	3,477	294	9.24%
Corporate Governance	25,581	23,468	(2,113)	29,660	28,258	(1,402)	(4.73%)
Communities, Housing & Infrastructure	72,376	71,817	(559)	86,851	87,588	737	0.85%
Education & Children's Services	186,599	185,803	(796)	218,447	219,765	1,318	0.60%
Adult Social Care (IJB)	71,916	71,712	(204)	86,296	86,296	0	0.00%
Total Service Budgets	359,114	355,725	(3,389)	424,437	425,384	947	0.22%
Total Corporate Budgets	(15,590)	(13,872)	1,718	12,755	9,473	(3,282)	(25.73%)
Total Net Expenditure	343,524	341,853	(1,671)	437,192	434,857	(2,335)	-0.534%
Funding:							
<u>Government Support:-</u>							
Revenue Support Grant & Non Domestic Rates	(275,799)	(272,505)	3,294	(330,958)	(330,958)	0	0.00%
<u>Local Taxation:-</u>							
Council Tax & Community Charge Arrears	(88,528)	(99,090)	(10,562)	(106,234)	(105,728)	506	(0.48%)
Total Funding	(364,327)	(371,595)	(7,268)	(437,192)	(436,686)	506	(0.12%)
Net Impact on General Fund (Surplus)/Deficit	(20,803)	(29,742)	(8,939)	0	(1,829)	(1,829)	

APPENDIX B

ASSUMPTIONS & RISKS			
Service	Budget Description	Details	Mitigation/Action Required
Corporate Governance (CG)	Housing Benefits	This is a demand led service which is largely funded by the DWP and Scottish Government (SG). The main area of risk for this budget is Discretionary Housing Payments (DHP) which is experiencing a high level of demand but with only some elements of the scheme likely to be fully funded by DWP/SG monies. It has been assumed that spend will be fully offset by income received. There is a risk this may not be the case.	Actively manage the award of those elements of the scheme for which external funding is unlikely to be received. Contact SG to make the case for additional DHP funding. Make use of the £2m sum earmarked for Welfare Reform.
Office of the Chief Executive (OCE)	Marketing	Many companies within the oil industry were previously the participants of sponsorship scheme to sponsor roundabouts throughout the City. The decline in the industry has seen a fall in income from this sector. With work being undertaken to identify alternative sources of income it is currently assumed that the 2016/17 budget will not be achieved.	Seek alternative sources of income outwith the oil and gas sector.
Communities, Housing Infrastructure (CH&I)	Housing Support/Access	The Council have a statutory obligation to meet specific needs of the homeless. As such this is a demand led service which can fluctuate. To meet the needs of the growth in the number of homeless presentations there are several cost pressures, including the increased costs of property rentals, use of B&B facilities, and commissioning costs to agencies/charities. This represents a risk of overspend as forecasts include assumptions on level of activity.	Continued monitoring of the activities is required for the service to control costs and ensure funds are spent in most efficient method. Due to the downturn in the rental market the service manager is exploring options to provide a more cost effective service.

Service	Budget Description	Details	Mitigation/Action Required
	Design Team	A statutory requirement to upgrade of IT systems and additional consultants fees will put pressure on this budget.	Additional income has been identified which will offset this pressure. The detail behind consultants fees is being reviewed with a view to limiting spend where possible.
	Fleet	An improvement process is ongoing within Fleet to upgrade their vehicles and develop staff. There are currently a number of budget pressures within Fleet in hires and materials.	Measures are being taken by the service to bring the out turn in line with budget including investment in new fleet. Personnel from Finance are working closely with Fleet to assist in the delivery of the improvement plan.
	Waste	A new waste disposal contract has been entered into, which will provide refuse derived fuel and material recycling capabilities. A delay in the start of the contract has resulted in an overspend position due to the additional costs of landfill and reduced market price of recyclates. This is a short term issue which will cease once the new site at Altens East is operational.	Further detailed work is ongoing to assess the impact of absorbing cost pressures to provide greater clarity on which areas of the waste budget can be controlled, whilst also understanding the impact this may have on the provision of the service.
	Transport	Additional staff and consultants fees has put pressure on this budget with an overspend currently forecast.	Currently analysing the details of the projects requiring additional spend to ensure income is maximised and spend is contained as much as possible.
	Planning Income	It is currently assumed that planning income will not reach the increased 2016/17 budgeted level. However, whilst this is a risk it is equally likely that income above that budgeted could materialise.	Continue to monitor economic activity across the city and the impact this could have on the achievement of planning income.

Service	Budget Description	Details	Mitigation/Action Required
Education & Children's Services (E&CS)	DEM	The scheme enables establishments to utilise current year underspends in future years. It has been assumed these budgets will be required in full on the basis that any underspend on devolved budgets will result in a change to the level of earmarked sums.	None required directly although there is a need to monitor budgets to ensure overspends do not occur and that underspends earmarked are kept within the limits of the scheme.
	Out of Authority Placements	The level of commitments on the Out Of Authority Placements budget will vary depending upon a number of factors, including judgements by the Children's Panels or the Additional Support Needs Tribunal. This estimate is likely to fluctuate during the year. Forecasts include assumptions on the period of placements with an overspend currently predicted based on current commitments. There is a risk this may worsen due to increasing care packages costs when new or alternative placements are arranged and/or additional packages are put in place.	Continued monitoring of such placements is essential to control costs going forward. This should include close working with the Children's Panel and Additional Support Needs Tribunal to ensure all options are explored prior to the use of this form of placement. The Service are currently undertaking a review of their 5 year savings plan, and specifically commissioning and in-house residential costs and income, working on a line by line basis to review all budgets.
	School Escorts	This budget is needs led and relates to staff accompanying children with Special Needs to and from school each day.	The ASN Review implementation has created savings in the transport expenditure for this group of children, but as that element of the budget is held by another service, the costs reduction is not attributable to Education.

Service	Budget Description	Details	Mitigation/Action Required
Adult Social Care (ASC)	Commissioned Services	<p>This needs led budget presents a significant risk to the council with major fluctuations in commitment levels being experienced due to demand pressures and data recording issues.</p> <p>With a 1% increase in adults care packages costing approximately £740k, the pressure on this budget could easily increase.</p>	<p>Whilst it is difficult to predict future demands with certainty, it is imperative that close monitoring of this budget is undertaken to control costs wherever possible.</p> <p>A working group is in place to look at improving data recording which will in turn enhance forecasting in this area And this will dovetail into deep dives about savings in service areas such as Learning Disability.</p> <p>Fluctuations will be contained within the provision for growth and price inflation and if necessary transformational funding for increases in capacity.</p>
	Client Contributions	<p>This income budget is dependant on the financial assessment of clients and is therefore subject to variations arising from the differing financial means of clients. This presents risks in achieving the budgeted level of income.</p>	<p>The number of clients has fallen in nursing and residential care due to deregistration, closure of care homes and a drift towards community based care. Commissioned service budgets are being reviewed and realigned to reflect this.</p> <p>The current list of deregistered properties for both in-house and external providers is being reviewed for completeness by the non-residential financial assessments team to ensure income is optimised.</p>

Service	Budget Description	Details	Mitigation/Action Required
	Rent Income	Rent is received from Social work properties. The IJB is currently undertaking a review of service delivery which could have an impact on current income. It is assumed that this budget will balance for 2016/17 once a review of income budgets has been undertaken.	Under the current service reviews, underspends on expenditure budgets will be identified and offset against shortfalls in income budgets.
Corporate/CH&I	Trading Surpluses	There is a risk that the current downturn in the oil industry may affect the Property Letting market whilst Car Parking is showing signs of falling income.	Building Services – detailed work is undertaken on a regular basis to ensure there is full understanding of job costing and the associated billing position. Property Letting and Car Parking – continued awareness and review of the position is required.
Corporate	Contingency	A number of specific contingency sums are held including credit amounts for savings not allocated specifically to services. For the credit amount in relation to procurement it has been assumed that the savings are included in the forecast actuals of services and thus will not be allocated against the contingency. It has been assumed at this stage that the credit amount in relation to vacancy management will be achieved.	Work is ongoing to verify vacancy management savings. In addition, there should be an alignment of procurement savings identified against service budgets. This has historically proved to be challenging. Continual review of the financial position and any calls on contingency will be undertaken.
Funding	Council Tax	Taking account of the current Council Tax Base it has been assumed that in year income will fall short of that budgeted.	Continued monitoring of base levels to accurately predict expected income.

APPENDIX C

As at Period 10 2016/17	Figures for Total Project			Pr	Cu
	Approved Budget	Expenditure to Date	Forecast Expenditure		
Non-Housing Capital	£'000	£'000	£'000		
Communities Housing & Infrastructure - Projects	731,718	183,975	733,290	G	G
Communities Housing & Infrastructure - Rolling Programmes	n/a	n/a	n/a	G	G
Corporate Governance	7,557	1,505	7,549	G	G
Education & Children's Services	141,573	52,899	142,255	R	R
Integration Joint Board	4,497	3,794	4,497	A	A
Construction Inflation (Unassigned)	1,195	0	0	G	G
	886,540	242,173	887,591		

- Communities, Housing & Infrastructure - the City Broadband project, Accelerate Aberdeen has not performed per expectations in terms of vouchers issued. This is also reflected in the grant receivable from DCMS. The scheme has now closed and vouchers will be honoured for all connections installed by the end of September 2016. The balance of programme funding has now been ear-marked against a range of projects and these are approaching completion.
- Communities, Housing & Infrastructure - The 3rd Don Crossing project spend has exceeded the original budget profile clarity is being sought on other income due.
- Education & Children's Services - Brimmond Primary opened at the end of October 2015. Project spend has exceeded the original budget profile. However, officers from the E&CS Estates team are reviewing the cost profile to ensure accuracy.
- Education & Children's Services – The Art Gallery remains on schedule for the handover date whilst fundraising income is being monitored on a regular basis.

As at Period 10 2016/17	Approved Budget	Expenditure to Date	Forecast Expenditure
Communities Housing & Infrastructure Rolling Programmes	£'000	£'000	£'000
	22,403	14,246	22,464

- NESTRANS Capital Grant – NESTRANS have re-profiled their spend programme which is now reflected in the grant payment profile.
- Renewal & Replacement of Roads – the budget has been updated for flood design works per the Financial Circular from the Scottish Government. It is assumed that some of these works will fall into future years.

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	9 March 2017
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Non-Housing Capital Programme 2017/18
REPORT NUMBER	CG/17/035
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to provide Committee with an update on the application of additional capital grant from the Scottish Government.

2. RECOMMENDATION(S)

It is recommended that committee:

- a) Notes that the additional £1.081 million General Capital grant from the Scottish Government for 2017/18 was actually included in the funding of the Non-Housing Capital Programme (NHCP) approved by Council on 22 February 2017.

3. FINANCIAL IMPLICATIONS

- 3.1 The Scottish Government's Local Government Finance Settlement (Circular 9/2016 version 2) provides Local Authorities with details of their revenue and capital funding for 2017/18 only.
- 3.2 On 2 February 2017 the Council received notification of £1.08 million additional general capital grant to be provided from the Scottish Government in 2017/18. The additional grant was incorporated into the funding of the NHCP presented to Council on 22 February 2017.

4. OTHER IMPLICATIONS

There are no other implications arising directly from this report.

5. BACKGROUND/MAIN ISSUES

- 5.1 At its meeting on 22 February 2017, Council agreed to instruct the Chief Executive to report back to Finance, Policy and Resources on 9 March 2017 on the uncommitted funding detailed within the Non Housing Capital Programme.

- 5.2 The Scottish Government's Local Government Finance Settlement (Circular 9/2016 version 2) provides Local Authorities with details of their revenue and capital funding for 2017/18 only.
- 5.2 On 2 February 2017 the Council received notification of £1.081 million additional general capital grant to be provided from the Scottish Government in 2017/18. The additional grant was incorporated into the overall funding of the NHCP presented to Council on 22 February 2017.

6. IMPACT

Improving Customer Experience –

No direct impact arising from this report.

Improving Staff Experience –

No direct impact arising from this report.

Improving our use of Resources –

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

Corporate -

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

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

7. MANAGEMENT OF RISK

- 7.1 Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by elected members.

8. BACKGROUND PAPERS

Scottish Government Finance Circulars
Scotland's Spending Plans and Draft Budget 2017/18
Council Report CG/17/015 – General Fund Revenue Budget 2017/18 to 2021/22 and Non-Housing Capital Programme 2017/18 to 2021/22

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	9 th March 2017
DIRECTOR	Richard Ellis
TITLE OF REPORT	2016/17 Common Good Fund – Monitoring Report Update
REPORT NUMBER	CG/17/014
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- a) Inform the Committee members of the current year's revenue budget performance for the Common Good Fund as at 31st January 2017; and
- b) Provide a forecast position of the cash balances as at 31 March 2017.

2. RECOMMENDATION(S)

2.1 It is recommended that the Committee:

- a) Notes this report and the information on management action and risks that is contained herein;
- b) Notes the forecast surplus of £234k, a favourable variance of £163k;
- c) Notes the estimated cash balances as at 31 March 2017 of £17.1m based on current estimates, which is within the recommended levels indicated by the Head of Finance; and
- d) Notes the position regarding earmarked reserves.

3. FINANCIAL IMPLICATIONS

3.1 The total net Common Good revenue budget amounts to £72k of net income.

3.2 The forecast outturn for the Common Good Fund is a surplus of £234k, a favourable variance of £163k.

4. OTHER IMPLICATIONS

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

5. BACKGROUND/MAIN ISSUES

- 5.1 This report informs Members of the current year Common Good revenue budget performance, and provides a high level forecast of expenditures as at the end of January 2017, shown in Appendix A.

Financial Position

Income and Expenditure – Outturn

- 5.2 The outturn figures for the year to 31 March 2017 show a forecast surplus position of £234k which is a favourable variance from budget of £163k. This forecast underspend reflects anticipated savings in staff costs due to turnover in posts funded by the Common Good Budget, savings in Christmas illuminations, civic budgets and non-recurring and recurring property costs. A table summarising income and expenditure is given in Appendix A to this report.

Cash Balances

- 5.3 The cash balance as at 31 March 2017 is forecast to be £17.1m which includes earmarked reserves and income from asset sales. A number of park and property maintenance & development projects were not completed within 2015/16 and £368k of earmarked reserves is included in this figure as Auchmill Golf Course is now complete and the underspend has been returned to the Common Good Fund. Appendix B summarises the earmarked reserves position.
- 5.4 The Council agreed at the budget setting meeting on 5th February 2015 that the minimum cash balance should be the equivalent of two years worth of expenditure. This equates to £6.1m. Added to this figure is the proceeds of sale of properties which are invested to provide future income for the fund resulting in a total minimum cash balance of £13.7m. Council at its meeting on 25th February 2016 also agreed to the principal of ensuring that the cash balances be increased annually to take account of inflation which adds £91k to the cash balances, giving a total minimum cash balance of £13.8m.
- 5.5 As trustee of the Common Good Fund, the Council has a duty to ensure that cash balances are maintained at levels to generate sufficient annual income to fund any future expenditure from the Common Good deemed appropriate.

6. IMPACT

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

Improving Customer Experience -

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

Improving Staff Experience -

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

Improving our use of Resources –

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

Corporate –

Aberdeen the Smarter City:

Smarter Governance (Participation)

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

Smarter Living (Quality of Life)

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

Public

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

7. MANAGEMENT OF RISK

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

8. BACKGROUND PAPERS

Financial ledger data extracted for the period.

9. REPORT AUTHOR DETAILS

Catriona Gilmour - Accountant

☎ (34)6377

Email cgilmour@aberdeencity.gov.uk

Appendix A – Common Good Fund Income and Expenditure

As at Period 10 2016/17	Year To Date			Forecast to Year End		
	Revised Budget	Actual Expenditure	Variance Amount	Full Year Revised Budget	Forecast Actual	Variance Amount
	£'000	£'000	£'000	£'000	£'000	£'000
Recurring Expenditure	947	947	0	2,900	2,744	(156)
Recurring Income	(2,451)	(2,451)	0	(3,100)	(3,100)	0
Budget After Recurring Items	(1,504)	(1,504)	0	(200)	(356)	(156)
Non Recurring Expenditure	69	69	0	129	122	(7)
Non Recurring Income	0	0	0	0	0	0
Total	(1,436)	(1,436)	0	(72)	(234)	(163)
Cash Balances as at 1 April 2016				(16,881)	(16,881)	
Estimated Cash Balances as at 31 March 2017				(16,953)	(17,115)	
Minimum cash balance requirement per budget report (Council February 2015)				(13,643)	(13,643)	

Appendix B – Common Good Fund Earmarked Reserves

As at Period 10 2016/17	Balance b/f 1 April 2016	Forecast for Year	New Amounts / (Unrequired) Amounts	Projected c/f 31 March 2017	Details (reason for holding, plans for using, assumptions on new amounts and reasons for unrequired amounts)
	£'000	£'000	£'000	£'000	
<i>Projects:</i>					
Fernhill Farm Replacement Building	100	100	0	0	Funds to allow replacement building to be built. The building is required under the terms of the farm lease. It has been agreed with tenant that we will contribute £100k towards new building. Awaiting tenant to draw up plans and obtain planning permission.
Consultancy Costs	22	22	0	0	To meet costs relating to work carried out by consultants re rent reviews, and property management.
Auchmill Golf Course	133	9	-124	0	Ongoing works at Auchmill Golf course. Work has now been completed and the remaining amounts are no longer required .
Property Repairs & Maintenance	29	29	0	0	To cover electrical and asbestos work on farm properties to meet required standards. Contract awarded and work is in progress. Electrical works have still to be carried out at Greenferns Farm.
Union Terrace Gardens Repairs	50	50	0	0	Expenditure is committed and work is almost complete.
March Stone Upkeep	3	3	0	0	Work to be completed over Winter 2016.
Torry Battery Park	3	3	0	0	Work is to be carried out as part of the wider Torry Battery project and will start in 2017.
Cromwell Wall, Marischal Court Repairs	1	1	0	0	Work is to be carried out over Winter of 2016.
Fishing Industry Memorial	50	50	0	0	Following Full Council meeting on 17th August 2016, a working group has now been set up to agree a budget for commission and installation of works, preferred site for piece, the commissioning of the piece, timescale for completion and any formal opening event.
Grove Nursery	70	70	0	0	Work is ongoing and will be completed in early 2017.
Culter Heritage Hall	5	5	0	0	Funding to allow improvements to the hall. Grant has now been paid as receipts received.
Allan Park Cults Cricket Pitches	2	2	0	0	Request from Cllr Boulton to carry this funding forward as Cricket Club are still obtaining quotes for new roller.
Feasibility Study - Aberdeen Arts Centre	5	5	0	0	Contract awarded for 17k. Feasibility study now complete and all funds used.
Culter Playing Fields	8	8	0	0	Work is ongoing.
Satrosphere Refurbishment	11	11	0	0	Funding to be carried forward to allow a review of payment to Satrosphere to be carried out and then monies released.
Total	492	368	-124	0	

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 March 2017
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Small Financial Assistance Grants and Gala Funding 2016/17
REPORT NUMBER	CG/17/003
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to

- Present applications for financial assistance and/or community gala grants allowing Elected Members to make a decision on providing funding from the financial assistance/gala budget; and
- Review the financial assistance and community gala grant process used during 2016/17.

2. RECOMMENDATION(S)

It is recommended that the Committee:-

- i) Consider the applications received and agree to award 2016/17 funding based on the recommendations contained within the highlighted column in part A of table 1 below :-

Table 1 - 2016/17

A: Grant Requests For Consideration							
Requests received :							
From	For	Requested Amount £	Recommended Amount £	Financial Assistance £	Community Gala Grants £	Total £	More Detail
Financial Assistance							
Tillydrone Community Council	M26 Road to Recovery Event	2,076	-	-	-	-	Appendix A
North East Riders Volunteers	HiVis jackets/safety gear for North East members of Blood Bikes	2,500	2,500	2,500	-	2,500	Appendix B
Community Gala Grants							
No applications received				-		-	
				-		-	
B: For Information							
2016/17 Budget				45,000	10,000	55,000	
Grants Approved to Date				27,689	21,489	49,178	
Budget Remaining						5,822	
Potential Approvals from Above				2,500	-	2,500	
Balance remaining if recommendations approved						3,322	
Approved to date + Recommended Approvals from Table				30,189	21,489	51,678	

- ii) Consider the applications received and agree to award 2017/18 funding based on the recommendations contained within the highlighted column in part A of table 2 below :-

Table 2 - 2017/18

A: Grant Requests For Consideration							
Requests received :							
From	For	Requested Amount £	Recommended Amount £	Financial Assistance £	Community Gala Grants £	Total £	More Detail
Financial Assistance							
VSA	Sing, Sing, Sing event at Beach Ballroom	2,000	2,000	2,000	-	2,000	Appendix C
Community Gala Grants							
c/o Danestone Congregational Church	Danestone Gala	2,782	up to £2,500	-	2,500	2,500	Appendix D
Mastrick Community Centre	Family Fun Day	1,300	up to £2,500	-	1,300	1,300	Appendix E

- iii) Note the review of the grant award process; and
- iv) Agree that delegated authority be given to the Head of Finance to approve applications for up to £2,500 meeting the criteria as set out in paragraph 5.12 with applications greater than £2,500 being presented to this committee.

3. FINANCIAL IMPLICATIONS

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

3.2 Part B of the above table summarises the budget available for financial assistance/community gala grants and the balance of budget remaining if the recommendations are approved.

4. OTHER IMPLICATIONS

There are no other implications arising from this report.

5. BACKGROUND/MAIN ISSUES

5.1 At the meeting of 19 April 2016 the Committee approved funding packs to be used for small financial assistance grants and community gala grants. These included guidance on each type of grant.

In summary:

Small Financial Assistance Grants	
Who Can Apply	The Committee will consider one-off requests which arise from time-to-time and do not fall within the assessment criteria of another established Council funding budget
How Much is Available	<ul style="list-style-type: none"> • The fund has limited resources. Applications can only be considered whilst budget remains available • The maximum grant that can be awarded for any individual application is £2,500.
What We Will Not Fund	<ul style="list-style-type: none"> • Projects/events already being funded from another Council Budget • Projects/events which secured a small financial assistance grant in the previous 12 months

Community Gala Grants	
Who Can Apply	The Committee will only consider one application per community group in each financial year for events within the City
How Much is Available	<ul style="list-style-type: none"> • The fund has limited resources. Applications can only be considered whilst budget remains available

	<ul style="list-style-type: none"> • The maximum grant that can be awarded for any individual application is £2,500
What We Will Not Fund	<ul style="list-style-type: none"> • Events outwith Aberdeen City Council Boundaries • Alcohol • Personal gifts

5.2 At the same meeting it was requested that a review of the revised process be reported at the end of the financial year.

5.3 The table below summarises the financial data for each type of grant.

2016/17	Community Gala Grants	Small Financial Assistance Grants	Total
Budget	£10,000	£45,000	£55,000
Value of applications submitted	£24,928	£53,437	£78,365
Value of grants awarded *	£21,489	£27,689	£49,178
Smallest Award	£360	£430	
Largest Award	£2,500	£2,500	

* Prior to any approvals made today

5.4 As can be seen above there has been a high demand for Community Gala Grants with the total awarded being in excess of the budget transferred from the Events Team. Awards have been based on the full amount requested where the application was for less than £2,500 or the maximum recommended amount of £2,500 where the application was for greater than £2,500.

5.5 In previous years gala grant awards would have been restricted to a proportionate share of the total budget available.

5.6 Taking both grant types into account, the total awards made is within the overall budget available.

The Funding Packs

5.7 The use of an application form for Small Financial Assistance Grants has helped standardise the data being presented to Committee. The inclusion of payment details at the application stage has also helped to reduce the time taken to make a grant payment.

5.8 It is not anticipated that any changes are required to the funding pack.

5.9 Application forms will be updated to highlight that customer feedback is welcome. This will be used to inform any changes required in the future.

The Approval Process

- 5.10 The decision that all grant applications are considered by Committee has impacted upon the amount of time required to deal with applications. The lead in time between draft reports being issued for consultation and the deadline for final reports has meant that in most instances further applications have been received. In effect this means that the draft report has to be updated and re-circulated for consultation. As these reports are widely circulated this is time-consuming for both Officers and Councillor's.
- 5.11 In some instances the timing of the receipt of a grant application and the deadline for final committee reports has meant that the events have taken place prior to a funding decision being made. This is clearly a risk to the organisers and some concern has been expressed by applicants regarding this.
- 5.12 In order to streamline the approval process, it is recommended that the Head of Finance be provided with delegated authority to approve valid applications for up to £2,500.

The guidance previously approved and summarised at 5.1 above would also be amended to include the following criteria

Small Financial Assistance Grants	
Who Can Apply	<ul style="list-style-type: none">• Only one application per individual/group/organisation will be considered in any financial year
What We Will Not Fund	<ul style="list-style-type: none">• Applications which do not demonstrate a clear benefit to the City or its residents

Community Gala Grants	
Who Can Apply	<ul style="list-style-type: none">• Events should be for the benefit of the community as a whole or which the inhabitants at large may share

- 5.13 Where, under the criteria of the scheme, the Head of Finance would be recommending refusal, such applications will be taken to this committee for consideration and final decision.
- 5.14 Details of grants approved under such delegated authority will be provided to this committee via the Information Bulletin.

6. IMPACT

Improving Customer Experience – by awarding grants and funding the Council supports individuals, groups and organisations within the city and broadens the experiences available to the citizens of Aberdeen. The removal of the need for Committee approval would mean that grant applications could be considered more regularly thereby reducing the length of the process for the customer. It would also reduce the volume of correspondence around committee dates and deadlines making the process more customer friendly.

Improving Staff Experience – staff have collaborated to update the process for financial assistance grants and gala funding and therefore should be engaged and committed to the process.

Improving our use of Resources – removing the need to prepare and circulate formal reports would reduce the amount of staff time required for the process.

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

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

7. MANAGEMENT OF RISK

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

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Karen Black, Finance Officer
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(52)3567

An application has been received from M26 for a one day event. As this group have already received a small financial assistance grant of £1,409 within this financial year, it is recommended that this application be refused.

Project/Event Details

Name of Project/Event: M26 Road to Recovery

Location: Tillydrone

Date: 11 November 2016

Brief description of proposed project/event:

The project aims to provide a structured day and drop in day for males aged 26+ residents of Tillydrone. The group has a dedicated voluntary worker from Tillydrone Community Council alongside a worker on a monthly basis from ADA.

The volunteer works with and supports rehabilitation drug and alcohol users to engage in activities and other community facilities. The project aims to build relationships with members from the community who feel they have nowhere to go.

The project aims to support individuals to develop a range of life skills, including confidence building, anxiety management and assertiveness, to positively improve health and well being.

The facility aims to support and encourage participants in the plan-do review of the provision including activities, classes and sessions that promote healthy life styles.

This project also runs a food bank one a week in association with CFINE.

Financial Information

Total Cost of Project/Event

Please provide details of **total** planned expenditure

Type of Expenditure	Amount
<i>Eg hire of venue; food/drinks; travel; accommodation etc</i>	£
Cooking/healthy eating	400.00
Electricity/insurance	460.00
Activities/Entrance fees	580.00
Venue at Tillydrone Arcade. Aberdeen City Council	116.00
Transport costs	340.00
Resources/Cleaning Materials	180.00
Volunteering Co-ordinator in kind	In-kind
Treasurer in kind	In-kind
Total (A)	2,076.00

Any Other Sources of Funding

Please provide details of any other funding already secured for the project/event

Type of Funding	From	Amount
<i>Eg grant; donation; fundraising event</i>	<i>Eg individual; other organisation (name)</i>	£
		0.00
Total Other Funding (B)		0.00

Total Financial Assistance Requested

Please provide a summary of the amount of funding being requested

Details	Amount
<i>Usually Total (A) less Total (B).</i>	£
	2,076.00
Total Amount Requested (C)	2,076.00

Project/Event Details

Name of Project/Event: Blood Bikes

Location: Waterloo Quay

Date: Launched at the Town House by the Lord Provost 2/2/17

Brief description of proposed project/event:

North East Rider Volunteers is the newest and most northerly member of the Nationwide Association of Blood Bikes. Launched by the Lord Provost the charity will be offering emergency out of hours transport for the local NHS, totally free of charge. Because motorbikes will be used, the service will be much quicker and will undoubtedly at the end of the day save lives and money for the health service. The organisation has no paid staff and is manned by volunteers. Waterloo Quay Properties have kindly provided the group with free garage space to store motorcycles and equipment.

Financial Information**Total Cost of Project/Event**Please provide details of **total** planned expenditure

Type of Expenditure	Amount
<i>Eg hire of venue; food/drinks; travel; accommodation etc</i>	£
5 x custom motorbikes with decals and blue lights	75,000
Training	2,800
Helmets (comms fitted)	2,900
Sat navs	1,200
HiVis jackets	2,500
On duty mobile phones	1,100
Insurance	1,500
Total (A)	87,000

Any Other Sources of Funding

Please provide details of any other funding already secured for the project/event

Type of Funding	From	Amount
<i>Eg grant; donation; fundraising event</i>	<i>Eg individual; other organisation (name)</i>	£
Fundraising	donations	5,200
Training	Aberdeen Airport Community Fund	1,400
Total Other Funding (B)		6,600

Total Financial Assistance Requested

Please provide a summary of the amount of funding being requested

Details	Amount
<i>Usually Total (A) less Total (B).</i>	£
HiVis jackets/safety gear	2,500
Total Amount Requested (C)	2,500

Project/Event Details	
Name of Project/Event:	SING, SING, SING
Location:	BEACH BALLROOM, ABERDEEN
Date:	21st MAY 2017

Brief description of proposed project/event:

SING, SING, SING IS USA'S AMATEUR CHOIR COMPETITION. IT IS A UNIQUE SINGING EVENT 1ST HELD IN 2016 TO HELP RAISE AWARENESS AND RAISE FUNDS THROUGH TICKETS SALES AND FUNDRAISING, TO BENEFIT LOCAL VULNERABLE PEOPLE SUPPORTED BY USA.

WE HAVE ENCOURAGED WORK COLLEAGUES, CLIENTS AND FRIENDS TO FORM A CHOIR. THERE WILL BE 10 CHOIRS PERFORMING ON THE NIGHT.

EACH CHOIR WILL HAVE 3 MONTHS TO LEARN 2 SONGS WHICH WILL BE PERFORMED ON THE 21ST MAY 2017, IN FRONT OF A PANEL OF JUDGES.

Financial Information

Total Cost of Project/Event

Please provide details of total planned expenditure

Type of Expenditure	Amount
<i>Eg hire of venue; food/drinks; travel; accommodation etc</i>	£
VENUE - BEACH BALLROOM	£1500-00
BEACH BALLROOM SOUND & LIGHTING TECHNICIAN	275-00
TEA & COFFEE FOR CHOIR PARTICIPANTS 150 @ £1.50 each	225-00
Total (A)	£2000-00

Any Other Sources of Funding

Please provide details of any other funding already secured for the project/event

Type of Funding	From	Amount
<i>Eg grant; donation; fundraising event</i>	<i>Eg individual; other organisation (name)</i>	£
N/A	PARTICIPANTS ARE ENCOURAGED TO FUND RAISE - NO FUNDS SECURED	—
Total Other Funding (B)		

Total Financial Assistance Requested

Please provide a summary of the amount of funding being requested

Details	Amount
<i>Usually Total (A) less Total (B).</i>	£
VENUE	1500-00
TECHNICIAN	275-00
TEA COFFEE	225-00
Total Amount Requested (C)	£2000-00

Gala Details

Name of Gala: Danestone Gala

Gala Location: Community Area, Fairview Street, Danestone, Aberdeen, AB22 8ZP

Gala Date: Saturday 1st July 2017

Time: 11am – 3pm

Brief description of proposed event:

Annual Community Gala

(Organising committee includes Danestone Community Centre, Danestone Congregational Church, Danestone Medical Practice, Step by Step Nursery and the local Police)

How many people will be involved in / attending your planned event?

1,500 – 2,000

A conservative estimate (given by the local Police Inspector) was that at least 2,000 people attended the 2016 Danestone Gala.

Budget

Please provide details of **total** planned gala expenditure

Expenditure		Amount
		£
Staging / PA		150.00
Licensing / Traffic Management		132.00
Staffing	50 volunteers	3,900.00
Stewarding / Marshals	8 volunteers	2,320.00
Catering		0.00
Marquees / Tents	Stall frame hire	1,200.00
Medical	St. Andrews First Aid Donation	100.00
Toilets	“Venue hire” including toilet facilities	637.00
Bins	Community Area bins + extra black bags	30.00
Stalls staff and Insurance	Climbing wall, Bouncy Castle including	600.00
Other (Please detail)	Entertainment	120.00
	Publicity	350.00
	Insurance	Approx.
	Sundries	100.00
		250.00
Total		9,889.00

Any Other Sources of Funding/Income

Please provide details of any other funding already secured for the project/event

Type of Funding	From	Amount
<i>Eg grant; donation; fundraising event, entrance fee</i>	<i>Eg individual; other organisation (name)</i>	£
Inkind Donation of PA	PA being provided by Northsound Radio	150.00
Inkind donation of time – Staffing	Community Area group's volunteers	3,900.00
Inkind donation of time: Stewarding etc	Danestone Gala Committee members	2320.00
Inkind donation of venues	Danestone Community Centre and Danestone Congregational Church	637.00
Insurance coverage	Danestone Community Centre and Danestone Congregational Church	Approx. 100.00
Total Other Funding/Income (B)		7,107.00

Any Other Sources of Funding/Income

Please provide details of any other funding already secured for the project/event

Type of Funding	From	Amount
<i>Eg grant; donation; fundraising event, entrance fee</i>	<i>Eg individual; other organisation (name)</i>	£
Inkind Donation of PA	PA being provided by Northsound Radio	150.00
Inkind donation of time – Staffing	Community Area group's volunteers	3,900.00
Inkind donation of time: Stewarding etc	Danestone Gala Committee members	2320.00
Inkind donation of venues	Danestone Community Centre and Danestone Congregational Church	637.00
Insurance coverage	Danestone Community Centre and Danestone Congregational Church	Approx. 100.00
Total Other Funding/Income (B)		7,107.00

Total Grant Requested

Please provide a summary of the amount of funding being requested

Details	Amount
<i>Usually Total (A) less Total (B).</i>	£
Licensing	132.00
Marquees / Tents	Stall frame hire 1,200.00
Medical	St. Andrews First Aid Donation 100.00
Bins bags	Community Area bins + extra black 30.00
Stalls staff and Insurance	Climbing wall, Bouncy Castle including 600.00
Other	Entertainment 120.00
Other	Publicity 350.00
	Sundries 250.00
Total Amount Requested (C)	2,782.00

Gala DetailsName of Gala: FAMILY FUN DAYGala Location: MASTRICK COMMUNITY CENTREGala Date: 17th JUNE 2017 Time: 10-1pmBrief description of proposed event: BBQ, STALLS, FACE PAINTING,
COFFEE BAR, GAMES,
INFLATABLES, ETC

How many people will be involved in / attending your planned event?

200-400 APPROX.**Budget**

Please provide details of total planned gala expenditure

Expenditure	Amount £
Staging / PA	
Licensing / Traffic Management	
Staffing	
Stewarding / Marshals	
Catering	480.00
Marquees / Tents	350.00
Medical	
Toilets	
Bins	50.00
Stalls	500.00
Other (Please detail)	
<u>hearing Materials</u>	100.00
Total	£1400.00

Any Other Sources of Funding/Income

Please provide details of any other funding already secured for the project/event

Type of Funding Eg grant; donation; fundraising event, entrance fee	From Eg individual; other organisation (name)	Amount £
<u>FUNDRAISING</u>	<u>MASTRICK SOCIAL COMMITTEE</u>	£100.00
Total Other Funding/Income (B)		

Total Grant Requested

Please provide a summary of the amount of funding being requested

Details	Amount
Usually Total (A) less Total (B).	£1400
	- £100
Total Amount Requested (C)	£1300

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ABERDEEN CITY COUNCIL

COMMITTEE: Finance, Policy and Resources
DATE: 9 March 2017
INTERIM DIRECTOR: Richard Ellis
TITLE OF REPORT: Treasury Management Policy and Strategy
REPORT NUMBER: CG/17/010
CHECKLIST COMPLETED: Yes

1. PURPOSE OF REPORT

To outline the Treasury Management Policy and Strategy for 2017/18 to 2019/20, for approval and also to update the Committee on Treasury Management activities undertaken to date, during financial year 2016/17.

2. RECOMMENDATION(S)

The Committee is asked to consider the report and make recommendations to Council for approval as follows:-

- a) Consider and approve the Council's Treasury Management Policy Statement for 2017/18 to 2019/20 as detailed at Appendix 1,
- b) Consider and approve the Council's Borrowing and Investment Strategy for 2017/18 to 2019/20 as detailed at Appendix 2,
- c) Approves the Counterparty list as detailed at Appendix 3, and;
- d) Note the Treasury Management activities undertaken in 2015/16 as detailed.

3. FINANCIAL IMPLICATIONS

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

4. OTHER IMPLICATIONS

None

5. BACKGROUND/MAIN ISSUES

5.1 Introduction

The Council previously approved changes to the Treasury Management Policy on 17 August 2016. Part of this policy is to report annually on a strategy for future financial years. A final report reviewing Treasury Management activities for the year, as well as a mid-year review, will also be presented to Committee in due course.

With effect from 1 April 2004, Councils are now required by regulation to have regard to the Prudential Code (the Code) when carrying out their duties under part 7 of the Local Government in Scotland Act 2003.

It is a requirement of this Code that Treasury Management is carried out in accordance with good professional practice. The Code requires compliance with the CIPFA "Code of Practice for Treasury Management in the Public Services", which this Council does. The 2009 update to the CIPFA Code of Practice states that Treasury Management Strategy must be approved annually by full Council.

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

5.2 Treasury Management Policy Statement 2017/18 to 2019/20

The proposed Treasury Management Policy Statement for 2017/18 to 2019/20 is set out in detail at Appendix 1, and is subject to annual review.

This Policy Statement uses a form of words as recommended by CIPFA in its Code of Practice for Treasury Management in the Public Services.

5.3 Borrowing and Investment Strategy 2017/18 to 2019/20

There are no key changes within the Council's Borrowing and Investment Strategy for 2017/18 to 2019/20.

Updated investment regulations were approved by the Scottish Government from April 2010. Under these regulations, Appendix 2 includes for Committee's consideration and approval, the Council's Borrowing and Investment Strategy for 2017/18 to 2019/20. This will be subject to annual review.

The process of setting this strategy takes account of the pre-existing structure of the Council's debt and investment portfolios.

The limits on fixed rate debt and variable rate debt within this Treasury Management Strategy may be subject to further change, in line with market conditions. However, any such change to these limits would be reported to Committee.

One of the key areas of the investment regulations is permitted investments. Under the regulations, local authorities are required to set out in their Strategy the types of investment that they will permit in the financial year. These will be known as permitted investments. The Council is required to set a limit to the amounts that may be held in such investments at any time in the year, although some types of investment may be classed as unlimited, e.g. Bank deposits (subject to individual Counterparty list limits).

Permitted Investment instruments identified for use in the financial years 2017/18 to 2019/20 are listed in Appendix 2.

The Annual Investment Strategy is also required to identify:-

- the different types of risk that each permitted type of investments are exposed to;
- the objectives for each type of permitted investment;
- details of the maximum value and maximum period for which funds may prudently be invested; and
- procedures for reviewing the holding of longer-term investments

5.4 Counterparty List

The Council, as part of its Treasury Policy, has an approved listing of banks and other financial institutions (the Counterparty list) with which it can undertake short-term money investments.

The Council's Counterparty list is compiled using credit rating information supplied by the major credit rating agencies to Capita Asset Services, the Council's appointed Treasury Management advisors.

The Counterparty list was last updated on 17 August 2016, and is attached at Appendix 3.

The only proposed change to the Counterparty list is to increase the limit for Lloyds Banking Group from £20m to £50m.

5.5 Other Developments

Prudential Code

The Council is required to comply with the requirements of the Prudential Code. This includes the setting of a number of Prudential Indicators. Included within

these indicators are a number of Treasury Management Indicators for External Debt.

However, the Code does state “It will probably not be significant if the operational boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the operational boundary would be significant and should lead to further investigation and action as appropriate”.

The Council has in place an early warning system to highlight when these indicators are likely to be breached. No indicators were breached during the previous year.

The Prudential Indicators 2017/18 to 2021/22 will be considered and approved by Council at its budget meeting on 22nd February 2017.

5.6 Treasury Management - 2016/17 Mid-Year Review

The following is a summary of Treasury Management activities which have been undertaken thus far in 2016/17: -

Bond Issuance

The Council launched a successful issue of rated and listed bonds in November 2016. The Council issued £370m of bonds to investors ‘above-par’. This meant that the Council received a premium of around 12% on the bonds, on the understanding that the Council would pay interest of 0.1% on the outstanding sum.

The Council has invested the bond proceeds of approximately £415m across a range of fixed term deposits, call deposits and notice deposits, in line with the Counterparty list. This mix of investments provides the Council with the necessary liquidity to meet its anticipated cash flow requirements over the coming years.

Other Long Term Borrowing

Two new PWLB (Public Works Loans Board) loans were borrowed in June 2016, at an average rate of 2.67%, with this year’s capital borrowing requirement in mind.

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

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

Short Term Borrowing

Part of the Council's borrowing strategy for the last few years has been to borrow short-term where possible, to take advantage of lower rates, thus reducing the Council's overall borrowing costs. The Council continued to use this form of temporary borrowing in the first half of the financial year, and has been repaying these loans upon maturity.

Money Market Funds

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

The Council now has nine Money Market Fund accounts opened, each with a £50m limit. These Money Market Fund accounts have greatly assisted the Council in spreading its Counterparty risk and also improve short-term cashflow liquidity.

6. IMPACT

Improving Customer Experience –

No direct impact arising from this report.

Improving Staff Experience –

No direct impact arising from this report

Improving our use of Resources –

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

Corporate -

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

Public –

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

7. MANAGEMENT OF RISK

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

8. BACKGROUND PAPERS

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

9. REPORT AUTHOR DETAILS

Neil Stewart, Treasury Officer,
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ABERDEEN CITY COUNCIL

TREASURY MANAGEMENT POLICY STATEMENT FOR 2017/18 TO 2019/20

The proposed Treasury Management Policy for 2017/18 to 2019/20 is as follows:

1. Aberdeen City Council will adopt the CIPFA Treasury Management in Public Services Code of Practice. The Council will also have regard to the Local Government Investment (Scotland) Regulations 2010.
2. The Council defines its treasury management activities as:
The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
3. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
4. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
5. The Council's appointed Treasury Advisors are Capita Asset Services. Their expertise will continue to be used by the Council in making Treasury decisions in areas such as debt rescheduling, interest rate forecasts, market conditions, advice on new types of financial instruments and compiling the Council's Counterparty list.

ABERDEEN CITY COUNCILBORROWING STRATEGY FOR 2017/18 TO 2019/20

The proposed Treasury Management Borrowing Strategy for 2017/18 to 2019/20 is as follows:

1. Under the Prudential Code previous borrowing restrictions linked to consents no longer apply. Longer dated PWLB (Public Works Loans Board) rates, in periods from 40 to 50 years, continue at relatively low levels and the strategy would be to borrow, if required, in these periods to take advantage of those rates. Rates are monitored on an on-going basis to determine the optimum time to undertake any necessary borrowing. When decisions on new borrowing are being made, due consideration must also be given to the Council's Debt Maturity Profile.
2. Approximately 55% of the Council's borrowing is in long-term fixed rate loans, which reflects the lower interest rates available in recent years. Whilst there is no immediate intention to reschedule these debts in 2017/18, if opportunities arise to do so that will result in a decrease in the Council's cost of borrowing then these will be fully examined to determine whether this represents Best Value. Due care and attention to FRS 25 and 26 will be examined prior to entering any such commitment.
3. It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2017/18, 2018/19 and 2019/20 of 100% of its net outstanding principal sums.
4. It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2017/18, 2018/19 and 2019/20 of 30% of its net outstanding principal sums. This means that the Head of Finance will manage fixed interest rate exposures within the range 70% to 100% and variable interest rate exposures within the range 0% to 30%.
5. It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowing as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate:

	Upper limit	Lower limit
Under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	90%	25%

6. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

STATUTORY REPAYMENT OF LOANS FUND ADVANCES

The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

A variety of options are provided to Councils so long as a prudent provision is made each year. The Council is recommended to approve the following policy on the repayment of loans fund advances:-

For loans fund advances made before 1 April 2016, the policy will be to maintain the practice of previous years and apply the **Statutory Method (option 1)**, with all loans fund advances being repaid using the annuity method.

For loans fund advances made after 1 April 2016, the Council has additional options for the repayment of loans advances. Each asset type will be calculated by what the Council regards as the most prudent and appropriate method for that particular asset type, taking into account all relevant known factors surrounding the asset.

The four available options are:-

1. **Statutory method** – loans fund advances will be repaid using the annuity method. The Council is permitted to use this option for a transitional period only, of five years until 31st March 2021, at which time it must change its policy to use alternative approaches based on depreciation, asset life periods or a funding/income profile;
2. **Depreciation method** – annual repayment of loans fund advances will follow standard depreciation accounting procedures (option 2);
3. **Asset life method** – loans fund advances will be repaid with reference to the life of an asset using either the equal instalment or annuity method (option 3);
4. **Funding / Income profile method** – loans fund advances will be repaid by reference to an associated income stream (option 4).

ABERDEEN CITY COUNCIL

INVESTMENT STRATEGY FOR 2017/18 TO 2019/20

The proposed Treasury Management Investment Strategy for 2017/18 to 2019/20 is as follows:

1. The Council's investment priorities are: -
 - (a) the security of capital and
 - (b) the liquidity of its investments.
2. The strategy is designed to ensure that the Council complies with all applicable legislation and regulation relating to the management of liquidity risk and has robust controls in place to protect the financial soundness of this Council.
3. The strategy must be read in conjunction with all applicable operational policies. The strategy is aligned with the low risk appetite of this Council and fundamentally with the two key principles of preservation of capital and guarantee of liquidity of the investments. The strategy has also been designed to provide the Council with the flexibility to obtain an adequate return on its investments in line with predefined levels of security and liquidity.
4. The Council's approved counter party list will be adhered to when making short-term investments and reviewed as necessary. This ensures that only those counter parties with the highest credit ratings are used within the maximum limits set. If it is considered necessary to make any changes to the list Committee approval will be sought.
5. Prior to the introduction of the current investment regulations, investments made by Scottish local authorities were limited to one year. This restriction was removed from 1st April 2010 and the Council accordingly wishes to make use of these powers when such investing is both appropriate and attractive, while respecting the key principles of preservation of capital and guaranteeing the liquidity of the investments.
6. Rates offered by approved counterparties are monitored on an on-going basis to determine the optimum time to undertake any investments. When decisions on new investments are being made, due consideration must also be given to the Council's projected cashflow position.
7. With the introduction of investment regulations, the Local Authority investment market will start to develop new investment products. In order to protect against any possible loss of income, the power to add a new investment instrument to the list of Permitted Investments, should be delegated to the Head of Finance. Any such approval would be reported at the next committee meeting.

8. Liquidity of its investments is a key priority of the Council. To ensure good availability of liquidity for cashflow purposes, no more than 50% of the Council's available investments should be placed in longer-term, fixed rate investments. The remainder will be kept in highly liquid investments and invested on a short-term basis, using either Bank deposits or "Aaa"/"AAA" rated Money Market Funds.
9. Any change in the level of liquidity held will require approval from the Head of Finance and will be reported at the next Committee meeting.
10. The level of liquidity required at any given time will be based on several factors, including :-
 - (a) the Council's cashflow requirements over the months ahead. This would include any known payments to third parties, loan repayments etc.
 - (b) the level of surplus funds administered on behalf other bodies such as the Pension Fund, ALEO's and Trusts, as these funds may be called back at any time by the bodies.
 - (c) any payment with regards to capital projects which may require financing at short notice.

LIST OF PERMITTED INVESTMENTS

This Council approves the following forms of investment instrument for use as permitted investments: -

DEPOSITS - Unlimited (subject to individual Counterparty list limits)
 Debt Management Agency Deposit Facility
 Term deposits – local authorities (as per Counterparty list)
 Call accounts – banks and building societies (as per Counterparty list)
 Term deposits – banks and building societies (as per Counterparty list)
 Fixed term deposits with variable rate/maturities (Structured deposits, as per Counterparty list)

COLLECTIVE INVESTMENT SCHEMES - £450m
 Government Liquidity Funds
 Money Market Funds (subject to individual Counterparty list limits)
 Enhanced cash funds
 Gilt Funds
 Bond Funds

GOVERNMENT SECURITIES - £100m
 Treasury Bills
 UK Government Gilts
 Bond issuance (from financial institution guaranteed by UK Government)
 Bonds issued by multi-lateral development banks

CORPORATE SECURITIES - £10m
Certificates of deposit (as per Counterparty list)

PERMITTED INVESTMENTS - NON TREASURY INVESTMENTS

The Council can also invest in the following areas, which are outwith the Treasury Management scope and would be subject to separate committee approval: -

- a) All share holding, unit holding and bond holding, including those in a local authority owned company;
- b) Loans to a local authority company or other entity formed by a local authority to deliver services, including Joint Venture entities;
- c) Loans made to third parties;
- d) Investment properties.

TREASURY RISKS AND CONTROLS

All treasury borrowing and investments are subject to the following risks: -

1. Credit and counter-party risk: this is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the organisation particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have the highest, relative, level of creditworthiness.

Control: This authority has set minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to be considered for investment purposes.

2. Liquidity risk: this is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk, as credit risk can never be zero. In this document, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. However, it has to be pointed out that while some forms of investment e.g. gilts, CDs, corporate bonds can usually be liquidated at short notice if the need arises, there are two caveats: - a. cash may not be available until a settlement date up to three days after the sale b. there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer.

Control: This authority has a cash flow forecasting system to enable it to determine how long investments can be made for and how much can be invested.

3. Market risk: this is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury

management policies and objectives are compromised, against which effects it has failed to protect itself adequately. However, some cash rich local authorities may positively want exposure to market risk e.g. those investing in investment instruments with a view to obtaining a long-term increase in value.

Control: This authority does not purchase investment instruments which are subject to market risk in terms of fluctuation in their value.

4. Interest rate risk: this is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. This authority has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report. All types of investment instrument have interest rate risk except for instruments with a variable rate of interest.

Control: This authority manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which seeks to minimise borrowing costs.

5. Legal and regulatory risk: this is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

Control: This authority will not undertake any form of investing until it has ensured that it has all the necessary powers and also complied with all regulations.

OBJECTIVES OF PERMITTED INVESTMENTS

DEPOSITS - The following forms of 'investments' are more accurately called deposits as cash is deposited in an account until an agreed maturity date, or is held at call.

Debt Management Agency Deposit Facility – This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with the Government. As it is low risk also earns low rates of interest. The longest period for a term deposit with the DMADF is 6 months.

Term Deposits – This is the most widely used form of investing used by local authorities. It offers a much higher rate of return than the DMADF. In addition, longer term deposits offer an opportunity to increase investments returns by locking in high rates ahead of an expected fall in the level of interest rates.

Call accounts – The objectives are as for Term Deposits, but with instant access to recalling cash deposited. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. Use of call accounts is highly desirable to ensure that the authority has ready access to cash for liquidity purposes.

Fixed term deposits with variable rate/maturities – This encompasses all types of structured deposits. There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluid nature of this area, this section allows flexibility to adopt new instruments as and when they are brought to the market.

Deposits with Counterparties currently in receipt of government support/ownership – These banks offer another dimension of creditworthiness in terms of Government backing through either partial or full direct ownership. The view of this authority is that such backing makes these banks attractive institutions with whom to place deposits.

COLLECTIVE INVESTMENT SCHEMES -

Money Market Funds – By definition, MMFs are AAA rated and are widely diversified, using many forms of money market securities including types which this authority does not currently have the expertise or capabilities to hold directly.

Due to the high level of expertise of the fund managers and the huge amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities. They are particularly advantageous in falling interest rate environments as their 60 day WAM means they have locked in investments earning higher rates of interest than are currently available in the market.

MMFs also help an authority to diversify its own portfolio and offer an effective way of minimising risk exposure while still getting much better rates of return than available through the DMADF.

Government Liquidity Funds – These are the same as money market funds (see above) but only invest in government debt issuance with highly rated governments. Due to the higher quality of underlying investments, they offer a lower rate of return than MMFs. However, their net return is typically on a par with the DMADF, but with instant access.

Enhanced cash funds – These funds are similar to MMFs, can still be AAA rated but have variable net asset values (VNAV) as opposed to a traditional MMF which has a constant net asset value (CNAV). They aim to achieve a higher yield and to do this either take more credit risk or invest out for longer periods of time, which means they are more volatile.

These funds can have WAM's and Weighted Average Life (WALs) of 90 – 365 days or even longer. Their primary objective is yield and capital preservation is second. They therefore are a higher risk than MMFs and correspondingly have the potential to earn higher returns than MMFs.

Gilt Funds – These are funds which invest only in UK Government gilts. They offer a lower rate of return than bond funds but are highly rated both as a fund and through investing only in highly rated government securities. They offer a higher rate of return than investing in DMADF but they do have an exposure to movements in market prices of assets held.

Bond Funds – These can invest in both government and corporate bonds. This therefore entails a higher level of risk exposure than gilt funds and the aim is to achieve a higher rate of return than normally available from gilt funds by trading in non-government bonds.

GOVERNMENT SECURITIES – The following types of investments are where a local authority directly purchases a particular investment instrument - a security. It has a market price when purchased and that value can change during the period the instrument is held until it matures or is sold. The annual earnings on a security is called a yield - it is normally the interest paid by the issuer divided by the price paid, unless the security is initially issued at a discount (e.g. treasury bills).

Treasury Bills – These are short term bills (up to 12 months, although none have ever been issued for this maturity) issued by the Government and so are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales could incur a net cost during the period of ownership.

UK Government Gilts – These are longer term debt issuance by the UK Government and are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales may incur a net cost. Market movements that occur between purchase and sale may also have an adverse impact on proceeds. The advantage over Treasury bills is that they generally offer higher yields the longer it is to maturity, if the yield curve is positive.

Bond issuance (from financial institution guaranteed by UK Government) – This is similar to a gilt due to the Government guarantee.

Bonds issued by multi-lateral development banks (MLDBs) – These are similar to both gilts and bond issuance but are issued by MLDBs which are typically guaranteed by a group of sovereign states e.g. European Bank for Reconstruction and Development.

CORPORATE SECURITIES – The following types of investments are where a local authority directly purchases a particular investment instrument – a security. It has a market price when purchased and that value can change during the period is held until it is sold. The annual earnings on a security is called a yield – the interest paid by the issuer divided by the price paid. These are similar to government securities although they generally have a higher risk than government debt and as such earn higher yields.

Certificates of deposit (CDs) – These are shorter term securities issued by deposit taking institutions (mainly financial institutions). They are negotiable instruments, so can be sold ahead of maturity and also purchased after they have been issued. However, that liquidity can come at a price, where the yield could be marginally less than placing a deposit with the same bank as the issuing bank.

PERMITTED INVESTMENTS - NON TREASURY INVESTMENTS

The Council can also invest in the following areas, which are outwith the Treasury Management scope and would be subject to separate committee approval: -

- a) All share holding, unit holding and bond holding, including those in a local authority owned company;
 - b) Loans to a local authority company or other entity formed by a local authority to deliver services;
 - c) Loans made to third parties;
 - d) Investment properties.
-

COUNTERPARTY LIST**Deposits up to 12 months**

All the banks listed in this category have a suggested duration of 12 months from our treasury advisors, Capita Asset Services (CAS) credit rating list – i.e. the highest rated

UK Nationalised and Part Nationalised Banks - £50m limit

The Royal Bank of Scotland Group plc
(includes Royal Bank of Scotland plc, National Westminster Bank plc)
(actual rating overridden by the significant UK Govt. Ownership, i.e. >20%)

UK Banks - £50m limit

HSBC Bank plc – Highest rated UK bank

Other Banks - £50m limit –

Countries with a minimum of AA+ Sovereign rating and Banks with a suggested duration of 12 months from CAS credit rating list – i.e. the highest rated

Australia - AAA

Australia and New Zealand Banking Group Ltd.
Commonwealth Bank of Australia
National Australia Bank Ltd.
Westpac Banking Corp.

Canada - AAA

Bank of Montreal
Bank of Nova Scotia
Canadian Imperial Bank of Commerce
Royal Bank of Canada
Toronto-Dominion Bank

Finland – AA+

Nordea Bank Finland PLC
OP Yrityspankki Oyj (Pohjola Bank PLC)

Germany - AAA

DZ BANK AG Deutsche Zentral- Genossenschaftsbank
Landesbank Hessen-Thueringen Girozentrale (Helaba)
Landesbank Berlin AG

Netherlands - AAA

Cooperatieve Rabobank U.A.

Singapore - AAA

DBS Bank Ltd.
Oversea-Chinese Banking Corp. Ltd.
United Overseas Bank Ltd

Sweden - AAA

Nordea Bank AB
Skandinaviska Enskilda Banken AB (SEB)
Svenska Handelsbanken AB
Swedbank AB

Switzerland - AAA

UBS AG

UK Local Authorities, including Police Authorities - £30m limit

Deposits up to 6 months

UK Nationalised and Part Nationalised Banks - £50m limit

Lloyds Banking Group (includes Bank of Scotland)

UK Banks - £20m limit

Abbey National Treasury Services PLC

Goldman Sachs International Bank

Close Brothers Ltd

Santander UK plc (includes Cater Allen)

Barclays Bank plc

Standard Chartered Bank

Sumitomo Mitsui Banking Corporation Europe Ltd

UK Building Societies - £20m limit

Coventry Building Society

Leeds Building Society

Nationwide Building Society

Deposits up to 3 months

Council's Bankers - £50m limit

Clydesdale Bank plc

UK Building Societies - £10m limit

Yorkshire Building Society

Collective Investment Schemes - £450m total limit

Money Market Funds - £50m limit

Deutsche Managed Sterling Fund

Federated Short Term Sterling Prime Fund

Goldman Sachs Sterling Liquid Reserve Fund

Standard Life (SLI) Sterling Liquidity Fund

Insight Liquidity Fund

Morgan Stanley Sterling Liquidity Fund

Aberdeen Liquidity Fund - Sterling

State Street Global Advisors GBP Liquidity Fund

Blackrock ICS Instit Fund

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ABERDEEN CITY COUNCIL

BUSINESS CASE

COMMITTEE	FINANCE POLICY & RESOURCES	DATE	9 MARCH 2017
LEAD OFFICER	JUDITH PROCTOR		
AUTHOR OF BUSINESS CASE	JUDITH PROCTOR		
NAME(S) OF HR ADVISER(S) CONSULTED	LESLEY STRACHAN		
NAME(S) OF FINANCE PARTNER(S) CONSULTED	JIMMIE DICKIE and ALEX STEPHEN, CFO		
TITLE OF BUSINESS CASE	CREATION OF HEAD OF STRATEGY & TRANSFORMATION POST, ABERDEEN CITY HEALTH AND SOCIAL CARE PARTNERSHIP		
REPORT NUMBER	HSCP/17/013		

PURPOSE OF BUSINESS CASE

The purpose of the business case is to outline the proposal for and to seek approval to create a Chief Officer post of Head of Strategy & Transformation to become part of the Executive Leadership Team on the structure of the Aberdeen City Health & Social Care Partnership. The funding and remit of the post has been agreed as necessary by the Aberdeen City Integration Joint Board (IJB) in relation to leadership and delivery of its Strategic Commissioning Plans and in regard to the transformation programme being overseen by the Board in consultation with the Council's Human Resources Service as the post would sit within the Council's organisational structure. The current scheme of delegation requires the establishment of this post to be agreed by the relevant Council Committee.

RECOMMENDATION(S)

It is recommended that Committee agrees the following:

the establishment of the post of Head of Strategy and Transformation at Chief Official point 27, noting that this job profile has been agreed by the IJB and funding approved by the IJB.

Additional resource(s) / change to structure required	Job title(s)	No of jobs
Establishment of permanent job	Head of Strategy & Transformation	1
Conversion of fixed term job to permanent status		
Creation of fixed term job		
Extension of fixed term job		
Dis-establishment of permanent job		
Change to Job Title	Former: Revised:	
*Redesign of existing job		

* for a redesign of an existing job there should be reference in the report to the impact of the redesign on the jobholder(s).

BUSINESS CASE

Please do not repeat any information contained in other sections of the report

1. How will the recommendation/s impact on the staff and customer experience of the Council.

Health and Social Care Integration aims to ensure improved user experience and develop health and care services that are seamless from the perspective of the service user. This post leads on the Health and Social Care Partnership's Strategic Planning and Commissioning role and on ensuring the commissioning of health and care services are aligned to the IJB's Strategic Plan with an aim to improve people's experience of care and support. The post leads the Integration Joint Board's Transformation programme and associated workstreams.

2. What specific outcomes will be achieved by the implementation of the proposed recommendation/s

The development of an integrated senior management structure to support leadership of operational change and service transformation at the pace required by the IJB and its partners – Aberdeen City Council and NHS Grampian. This will improve the ability, as a new, integrated health and care service and in meeting the nine National Health and Wellbeing Outcomes through operational change.

3. How will the recommendation/s support Corporate or Service objectives and/or a requirement of the Single Outcome Agreement or the achievement of a Statutory Performance Indicator.

Health and Social Care Integration is a significant legislative change and one that supports both Single Outcome Agreement ambitions for a healthier population and delivery of outcomes under the statutory Health and Wellbeing Outcomes.

4. What other options (eg collaboration with other public sector organisations; alternative methods of delivery) have been considered and why were those options rejected?

Given the scale of transformation required, and the pace of change the IJB has called for, it is recommended that this post is established and other options have been rejected on that basis.

5. Risk Management: What are the consequences of not proceeding with the recommendation/s?

There is a risk that the IJB would be non-compliant with the delivery of its Strategic Commissioning Plan and a related risk that external commissioned care services were not transformed and re-shaped – risking their sustainability. Given the wider remit across strategic planning for health services and for performance there is also a risk that the Health and Social Care Partnership cannot transform and change services in response to growing demand and demographic change at the scale and pace required and asked for by the IJB.

6. Risk Assessment: What Health and Safety considerations have been taken into account?

Not applicable

7. Financial Implications:

Impact on current year’s revenue budget:

Nil

Full year impact on revenue budget:

Job Title	JE Grade	Salary*
Head of Strategy & Transformation	Chief Officer 27	£90,673

***Minimum and maximum salary costs include agreed allowances and 33.1% on costs (ie National Insurance and employer’s pension contributions).**

Net Cost	£90,673	Net Saving	£
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a. Source and amount of budget funding available (include budget code):

Within the Partnership’s existing budget.

b. Source and amount of external monies available within the current financial year:

n/a

c. Source and amount of external monies available in total:

n/a

8. If the recommendations are funded on a time-limited basis from an external source:

a. What is the likelihood of the project continuing beyond the term of funding?

n/a

b. What steps are being considered in order to finance this extension?

n/a

9. In the case of fixed term contracts, state whether this contract is task or event related; outline the proposed exit strategy and detail how potential exit costs will be met.

n/a

10. What accommodation and equipment considerations have been taken into account?

Jobholders would be based within the Health and Care Village, Frederick Street and can be accommodated within existing resources.

11. Trades Union Comments:

Date Consultation Began	09.02.17	Date Consultation Ended	24.02.17
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Trades Unions Consulted – tick those which apply			
GMB	X	EIS	
UNITE	X	SSTA	
UNISON	X	Other Teaching Unions	
UCATT			

12. Legal, Finance or HR Comments

Received from legal on the 14th of February and included in the final report.

13. Report Author Details

Judith Proctor, Chief Officer – Aberdeen City Health and Social Care Partnership
jproctor@aberdeencity.gov.uk Tel 01224 655725

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 March 2017
DIRECTOR	Richard Ellis, Interim Depute Chief Executive (Director of Corporate Governance)
TITLE OF REPORT	Procurement of Fruit and Vegetables
REPORT NUMBER	CHI/17/049
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to seek Committee approval to undertake a joint procurement exercise with Aberdeenshire Council for the supply of fruit and vegetables at an estimated contract value of £1,100,000 over a 4 year contract term.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- 2.1 instruct officers to undertake a fully compliant EU tender exercise in collaboration with Aberdeenshire Council; and
- 2.2 approve contract duration of 3 years with the option to extend for up to a further 12 months and a total estimated spend under the contract of £1,100,000.

3. FINANCIAL IMPLICATIONS

- 3.1 The current provider has maintained their prices since 2013. However market forces are such that an increase in price is inevitable as a result of various market forces discussed below.
- 3.2 Market research identifies the following drivers affecting market prices.
 - 3.2.1 Imports play a vital role in the industry, reflecting in part the fact that the UK climate is unfavourable for the growth and cultivation of a number of different vegetables. Europe is the largest market for both vegetable imports and exports. When the pound declines against the euro, British vegetable exports become more competitive in European markets, while imports from Europe become more expensive in the United

Kingdom, and vice versa.

- 3.3.2 A rise in health consciousness means a potential increase in vegetable consumption, which boosts demand and revenue for industry players. Growing public concern over rising obesity levels has prompted consumers to choose more healthy ingredients in their cooking, which could translate into higher demand for fresh vegetables, as well as possibly benefiting demand for more organic produce.
- 3.3.3 Weather patterns and annual rainfall have a major bearing on growing conditions for vegetable farmers and thus influence production and prices. Rainfall is important for soil fertility and in moderate levels improves quality and production yields. However, extended periods of very heavy rainfall can damage crops and constrain yields and revenue. This is currently evidenced in Europe.
- 3.3.4 The Council spend on fruit and vegetables in the financial year 2015-2016 was £213,479. The spend in the first 3 quarters of the current financial year is £132,943.
- 3.3.5 Accordingly, budgets will require to be reviewed in line with the tender outcome.

4. OTHER IMPLICATIONS

Not Applicable

5. BACKGROUND/MAIN ISSUES

- 5.1 The current contract arrangement which expires on 31 July 2017 was tendered collaboratively with Aberdeenshire Council and given the success of the partnership working and scale economies; the Commercial & Procurement Services (CPS) ascertained that both parties were keen to collaborate once again.
- 5.2 An EU compliant, open tender exercise requires to be undertaken awarding the contract on the basis of the most economically advantageous offer.
- 5.3 Facilities Management Catering services are committed to providing produce that is fair-trade, fresh, free range, farm assured, sustainable, seasonal, local, MSC approved, organic, free from GMIs and artificial flavouring / preservatives.
- 5.4 The aim is to provide a service that is always improving: where all staff are personally responsible for delivering an excellent customer experience, providing a best value quality catering service, following Scottish Government healthy eating regulations, food provenance and environmental functions associated with the provision of catering services at all Facilities Management Catering sites.

- 5.5 Facilities Management Catering services are committed to supporting Healthy Eating choices that are embedded in **Better Eating, Better Learning – A New Context for School Food** which was launched by Scottish Government in 2014. Schools can play a fundamental part in developing a child's relationship with food, not only understanding where it comes from and its benefits but also in providing the opportunity to experiment and taste in a learning environment. Better Eating, Better Learning is a follow up to the successful Health Nutrition and Promotion act 2007 and Hungry for Success 2004, which placed a duty on local authorities to adhere to the set legislation. By doing so we also help reduce obesity in young people assisting NHS targets and working in the local community
- 5.6 Facilities Management Catering Services provide fruit and vegetables as part of the menu for breakfast, morning break, lunchtime and designated fruit days within primary schools to encourage healthy eating. The FM Catering service provides for Head Quarter properties, Secondary, Primary and Special Needs schools across the city.
- 5.7 The Beach Ballroom uses the contract to complete the facilities demand for function catering from small events for 12 people to full dinners for up to 600 people and as such demand for supplies varies throughout the year. The main months for function catering are November, December and March to May. The Beach Ballroom catering team also cater for all Civic events at the Town House and as such quality and freshness are paramount.

6. IMPACT

Improving Customer Experience –

Customers accessing the various catering outlets will benefit from the varied and healthy menu options offered resulting from the supply of good quality fresh fruit and vegetables.

Improving Staff Experience –

The resultant contract to flow from the tender exercise will provide the Council's catering teams with quality produce to enable them to deliver varied and healthy menu options.

Staff using the various catering outlets will benefit from the varied and healthy menu options made available to them.

Improving our use of Resources –

By undertaking an EU compliant open tender exercise the Council is complying with its duty to be open, transparent and accountable for spending public funds as well as delivering best value. In addition economies of scale should be achieved by collaborating with Aberdeenshire Council.

Corporate -

The existence of a contract delivering best value will assist the Council's Catering services achieve their aim of continually reviewing

services and improving their service offering. It adheres to the principles of Shaping Aberdeen in delivering outcomes for people and place.

Public –

Customers accessing the various catering outlets will benefit from the varied and healthy menu options offered resulting from the supply of good quality fresh fruit and vegetables.

7. MANAGEMENT OF RISK

- 7.1 Should approval not be granted to undertake a tender exercise and make a subsequent award of contract, the Council would either have to extend the current contract or make a direct award to another supplier. These actions will place the Council at risk of challenge from other economic operators for being in breach of the EU and Scottish Government Procurement Regulations.
- 7.2 The current supplier may not be willing to continue the contract and therefore the Council is at risk of interruption of supply and therefore delivery of school meals and other catering services will be at risk.
- 7.3 Should budget funding not be sufficient to meet the anticipated increase in price, then the amount of fresh fruit and vegetables offered as part of school menus and other catering services will need to be reduced.

8. BACKGROUND PAPERS

Not Applicable.

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 th March 2017
DIRECTOR	Richard Ellis
TITLE OF REPORT	Finance, Policy and Resources Committee –5 year Legacy Report
REPORT NUMBER:	CG/17/020
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To provide Elected Members with a summary report of the Committee's key achievements since May 2012, as instructed by the Committee at its meeting on 1st December, 2016.

2. RECOMMENDATION(S)

It is recommended that the Committee note the detail appended to this report.

3. FINANCIAL IMPLICATIONS

There are no direct implications arising out of this report.

4. OTHER IMPLICATIONS

There are no direct implications arising out of this report, regarding legal, resource, personnel, property, equipment, sustainability and environmental and health and safety issues.

5. BACKGROUND/ MAIN ISSUES

The Committee at its meeting on the 1st of December, 2016 instructed the Interim Depute Chief Executive (Director of Corporate Governance) to submit a summary report detailing key achievements of the Committee since May 2012. The details are outlined in the appendix to this report.

6. IMPACT

Improving Customer Experience –

Monitoring the performance of the Council allows us to plan, develop and improve services to customers for the future. The information contained in this report regarding the achievements of the Committee identifies customer service improvements.

Improving Staff Experience –

For the Council to provide an outstanding service to its customers, it needs confident, capable, engaged and committed staff. The Council's programmes of support and training for staff and teams help enable staff personal and professional development, which significantly contributes to their ability to deliver the Council's strategic priorities within the Council's Values Framework. The report identifies staff experience improvements.

Improving our use of Resources –

The Council operates in an environment which is constantly evolving with the demands on its services continuously changing. Continuous and close review of our financial, staff and asset based resources ensures we are effective in managing our services for the communities of Aberdeen City. The report outlines achievements of the Committee in regard to the use of resources.

Public –

Information regarding how the Council and its Committees perform will be of interest to the many communities of Aberdeen.

7. MANAGEMENT OF RISK

The nature of this report is not such that a risk assessment of options is necessary as the content is for information only.

8. BACKGROUND PAPERS

Minutes of Meetings of the Finance, Policy and Resources Committee since May 2012.

9. REPORT AUTHOR DETAILS

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Finance Policy and Resources Committee

Legacy Report 2012 – 2016

Executive Summary

“Supporting service delivery through innovative financial management”

In October 2016, Aberdeen City Council became the first local authority in Scotland to be assigned an issuer credit rating. Moody’s Investors Service confirmed an Aa2 rating for Aberdeen City Council following a rigorous process of assessment and risk analysis which tested the Council’s financial management and corporate governance. The decision reflected Aberdeen City Council’s strong institutional framework and noted the solid financial record for the last five years maintaining a net surplus against the budget for each year.

Following the announcement, Aberdeen City Council launched a £370m bond issue to support a transformational £1b capital programme and became the first local authority in Scotland to raise funds through the capital markets.

The success of this project is the culmination of five years of prudent financial management, the monitoring of revenue budgets and capital investment programme, the scrutiny of the council’s use of resources and the performance management of the Corporate Governance Directorate by the Finance, Policy and Resources Committee. In addition, the Council has reduced its debt to asset ratio by 4%. The most recent evaluation from Audit Scotland completed for 2015/2016 noted “The council has improved its financial position since 2008 and it now has a record of sound financial management. This is a good foundation for delivering its next five-year business plan.”

As a result, Aberdeen City Council is now in a position to invest in Aberdeen’s city centre through an ambitious City Centre Masterplan programme and develop Aberdeen’s infrastructure to allow for continued inward investment and economic diversification of the region’s industries.

The following report outlines the key achievements through the work of the committee as identified by four key themes and related drivers – Finance, Governance, Commercial and Technology.

Themes

Finance

Key Drivers

To set and monitor a resources strategy for the Council and to scrutinise performance within this

To undertake overall management of the Council’s resources – finance, people, systems and technology, and property at the stage of acquisition or disposal

To set budgets, including those managed by the service committees, having regard to the priorities set by each service Committee

To monitor all of the Councils budgets

Governance

Monitoring the development and implementation of

new systems for ensuring performance management and quality assurance in the Council's structure for service delivery

Monitoring the due influencing of service delivery, planning and strategic development

Monitoring the planning and progress of service reviews and the implementation of action plans arising from those reviews

Monitoring the adoption and implementation of the management framework for planning, implementing, monitoring, reporting and reviewing delivery

To ensure the Council meets its obligations in terms of Corporate Governance compliance

To develop and approve corporate policy and strategies including partnership working and HR policies

Technology

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.

Being Digital Strategy - will make it easier to do our jobs, give customers better choice in how they get information and use services, ensure that we share information and use data to make better decisions. We need to simplify our estate, phase out old systems, introduce new systems that are open and flexible, ensure we invest in the areas that have the biggest return and advance all of your digital skills.

Data - Work collectively to develop and implement a common, data-driven approach to decision-making that will both protect communities and enable prosperity

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

Digital Skills and Education – Aberdeen 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

Commercial

Support arrangements for achieving Value for Money, Continuous Improvement and Best Value in services provided by external contractors. Working in partnership with stakeholders in the Voluntary Sector, Private Sector, the public sector, (locally, regionally and nationally) and the Chamber of Commerce and Federation of Small Businesses . Creating a Commercial Strategy in developing an Enterprising

Financial Support – supporting Aberdeen’s Economy and People through robust and innovative finance

Financial Management: Aberdeen City Council has a statutory duty to manage and deliver a balanced annual revenue budget while also delivering a capital programme to support the local economy of the city.

The Finance, Policy and Resources Committee is responsible for governing both the revenue and capital budgets and since 2012 has been responsible for the delivery of five annual budgets which meet this statutory requirement.

The committee also committed to developing a large capital investment programme which now includes the City Region Deal, the councils Strategic Infrastructure Plan, and the City Centre Masterplan.

The following are a number of achievements of the committee in managing the Council’s finances and delivering an annual budget:

- Financial Monitoring-** monthly management reporting to Corporate Management Team and quarterly reporting to Finance, Policy and Resources Committee has addressed underlying cost pressures and opportunities for improving net surplus for the year.
- The General Fund** - over the five year period, the general fund continued to show strong financial management of public funds and repeatedly demonstrates the ability to deliver services within the budgeted assessment of financial needs.
- Financial Strategy** - The council has a prudent financial strategy which includes a Risk Fund to mitigate any in year pressure which again has not been utilised – further demonstrating the financial prudence and planning in place. The Risk Fund (£8.378m) is unique to the Council – this was set up to mitigate against any in year cost pressure and to provide investment which will deliver future cost reductions/income generation where this cannot be made in year.
- Debt to asset ratio 2012-2016-** The council over this period has ensured the debt to asset valuation has decreased from 28% to 24% while total capital repayments (interest and principal) to turnover ratio has fallen from 9% to 8%.
- Annual Budget** – The council has maintained spend within budgeted levels consistently for the last 5 years, generating a net surplus annually despite growing economic pressures.
- Capital Investment 2012 – 2016-** The council has invested in excess of £250m in capital projects over the last five years, whilst holding debt relatively flat. Capital expenditure in 2015/16 for the General Fund amounted to £102m, out of which two thirds was incurred through the Communities Housing and Infrastructure service. This included the council's rolling programmes of capital investment in Property, Roads and Fleet assets.
- Credit Rating** – In 2016, Aberdeen City Council became the first Scottish Council to receive a credit rating. In announcing the Aa2 issuer rating, Moody’s Investors Service said its decision reflected Aberdeen City Council’s “strong institutional framework” as well as a “strong track record of operating performance” and added “the council has demonstrated a solid financial

record for the last five years maintaining a net surplus against budget for each year”. The Moody’s statement also noted Aberdeen’s “wealthy local economy, albeit dependent on key industries”.

- **Bond Issue** – In 2016, Aberdeen City Council became the first Scottish local authority in Scotland to raise funds through the capital market.

The index-linked bonds were issued by the council in 2016 and listed on the London Stock Exchange as part of a strategy to maintain a diversified funding portfolio, providing greater financial flexibility.

The Council successfully raised £37m which will provide the impetus to drive forward the city’s transformation and also help leverage substantial private sector investment.

Capital Programme: Through the financial management of the FP&R Committee, Aberdeen City Council has earmarked almost £1b for capital investment in the city’s infrastructure.

The capital programme is currently delivering the following major capital projects:

- **Aberdeen Exhibition and Conference Centre (AECC) (£330m)** – a centre which will support and enhance Aberdeen’s place culturally and in the global oil and gas industry, is at an advanced stage with planning permission in place for a hotel, conference centre, energy centre and anaerobic digestive plant.
- **Aberdeen Western Peripheral Route / Balmedie to Tipperty (AWPR/B-T) – (£26million)** A new 58km trunk road whose delivery is funded by the Scottish Government, Aberdeen City Council and Aberdeenshire Council. The construction is well on the way to completion with a further £26 million of expenditure for the Council remaining.
- **South of the City Academy (£48m)** - The Council has committed to building a new, state-of-the-art academy to the south of the city in conjunction with Hub North Scotland Ltd through the Scottish Futures Trust (SFT) funding model whereby the capital cost is largely met by SFT, with the Council committing to ongoing revenue costs for a 25 year period. Progress is well advanced
- **Affordable Housing (£2m)** - The Council has procured a private sector partner for the delivery of new housing through a 50:50 partnership vehicle with the Council. The aim of the project is ultimately to deliver affordable homes which are vital to addressing housing shortages across the City.

This method of delivery will bring in private sector experience and expertise in the delivery of affordable and private housing, using a standardised product where appropriate to assist in the speed of delivery.

While the Council will contribute land to the project, the private sector partner will provide increased ability to lever in finance to fund development. Both parties will share in the development risk and profit of the scheme.

Shaping Aberdeen will support and deliver the following numbers of affordable housing units by 2017:

- A revised Strategic Housing Investment Plan (SHIP), featuring **554 units**
- A partnership approach with private developers to deliver a further **500 units**

- A new, Council led development pipeline, which will deliver an additional **1026 units**.
- **Energy from Waste (£61m)** - a joint project with Aberdeenshire Council and The Moray Council to construct a new facility at East Tullos Industrial Estate in Aberdeen which will accept residual municipal waste from the three Councils offering a waste disposal solution. The project is also expected to be an enabler for generating a new Heat Network in the Torry area of Aberdeen, and assist in alleviating fuel poverty
- **Art Gallery Redevelopment (£30m)**, a redevelopment project which will transform Aberdeen Art Gallery, Cowdray Hall and The Hall of Remembrance through significant investment in the fabric of the buildings, new exhibition and display galleries and improved facilities for visitors. Aberdeen City Council has contributed £10m to the redevelopment, with the Heritage Lottery Fund also awarded £10m. The remaining sum is currently being raised through the Inspiring Art and Music fundraising campaign.
- **City Centre Regeneration (£28m)**, the City Centre Masterplan has been adopted as a framework for a 25-year vision to implement key development within seven intervention areas of the city.
- **Hydrogen Programme (£2.4m)**, the H2 Aberdeen initiative has seen delivery of hydrogen infrastructure including the UK's largest refuelling station and integrated maintenance facility to support the Aberdeen Hydrogen Bus Project and a fleet of 10 hydrogen fuel cell buses.
- **Other projects:** Upgrades to school estate (£83m), Other Property Upgrades (£43m), Waste Facilities (£24m), dualling interior roads (£19m) and other works/projects totaling £115m

Financing Strategic Priorities -

- **Aberdeen Events Strategy** - The FPR Committee has committed to supporting and providing finance for a new programme of events in order to boost the reputation of the city centre among residents and visitors alike.

In 2015 and 2016 Aberdeen City Council, in partnership with Aberdeen Inspired, delivered the Winter Festival and Christmas Village for Aberdeen.

In addition, Aberdeen City Council's annual light festival Spectra has grown to become Scotland's largest urban light festival.

In 2016, the committee also approved two new high profile events to draw large crowds and visitors to the city centre; the Great Aberdeen Run and a professional cycling Tour Series.

- **Sustainable Food City** - In 2016, the Finance, Policy and Resources committee made the decision for Aberdeen City Council to become part of the Sustainable Food City's network.

The council will now develop new initiatives for the city to tackle issues of food poverty, diet-related ill health, obesity and barriers to healthy food all the while promoting the creation of a sustainable food economy and vibrant food culture through public, private and third sector partnerships.

- **Udecide** – In 2016, more than £5m from the Council's underspend in 2014 /2015 was allocated to develop community projects through a participatory budgeting scheme which empowers citizens to make decisions on where and how money will be spent in their area.

The scheme proved popular with residents in the city and led to the development of the Council's

U Decide programme which has received a further £100,000 to develop and implement the ideas of residents and community groups in Aberdeen's three locality areas.

Governance – supporting service delivery through scrutiny, performance management and a transparent decision-making structure

Governance Review: Aberdeen City Council is currently engaged in a review of all current governance structures in order to ensure decision-making processes, member and staff relations protocols, third party governance, financial, procurement, audit systems and training and development structures are at a high standard.

Local authorities are operating in increasingly complex environments, including addressing serious financial challenges, increased incidence/requirement for arms-length operations, and the impact of these on their ways of working.

In addition to this, legislative drivers e.g. health and social care integration, community empowerment etc, mean that local authorities need to manage their external relationships more carefully than ever before.

Against this backdrop, a robust governance framework is key and if fit for purpose will ensure that the Council's outcomes are supported by effective mechanisms for control and risk management. The Governance Review project is carrying out the following work:

- A review of our system of risk management
- A protocol on member/officer relations
- A reviewed and revised Scheme of Delegation
- A facilitated self-assessment of our committee management procedures and our ALEO Governance Hub
- A corporate policies framework to ensure that we have oversight of all policies, their maintenance, and their accessibility

To date, the work of the Governance Review has resulted in:

- A review carried out by the Chartered Institute of Public Finance and Accountancy (CIPFA) to assess the Council's governance and financial management
- An endorsement from the Good Governance Institute of the Council's risk management improvement plan
- The Streamlining of Trusts and a review of appointments to outside bodies
- Implementing streamlined Committee reporting procedures, plain English standing orders, reviewing the Scheme of Delegation including the Committee Terms of Reference
- A new draft of the Member-officer relations protocol is almost complete

Performance Management: The Performance Management Framework was approved by the Finance, Policy & Resources Committee in June 2016 and have played a key role in monitoring and scrutinizing improvement. The purpose of the project is to:

- ensure the council's priorities are clearly articulated and delivered through effective service planning and allocation of resources
- motivate staff by ensuring that individuals are aware of their own targets and goals and how these contribute to achieving the council's vision

- ensure that significant risks to the achievement of objectives are identified and managed;
- provide early warning, and rectification, of poor performance
- provide a strong evidence base for improved decision making
- Through all of the above, improve services and outcomes for local people

The Framework is designed to make best use of all resources in a coordinated way to ensure effective monitoring of priorities, resulting in better outcomes for our customers and communities. There are individual workstreams which have been recognised as the procedural building blocks to enable the council to both operate and demonstrate a “golden thread”. Following a review, a revised remit for the project is focusing on:

- Strategy and Business Planning
- Performance Management and Reporting
- Improvement Activity
- Risk Management

To date, the following work has been implemented under the Performance Management Framework:

- Improvement measures have been built into Service Plans
- External review of our system of risk and improvement plan carried out
- Performance Review and Development of staff further followed out and aligned with strategic priorities
- Development of an organizational wide assurance map has been commissioned

Corporate Governance: The Finance, Policy and Resources Committee has had responsibility for monitoring and scrutinising the work of the Corporate Governance directorate which includes changes to Human Resources and improving the staff and customer experience and our use of resources. The following are a number of achievements in this regard.

- Corporate Policy and Guidance :** A number of corporate policies have been introduced to improve the experience of Staff at Aberdeen City Council and to improve our use of resources. Such measures include:
 - Employment Equality policies and guidance such as the Family Friendly policy, Flexible Working guidance, Shared Parental Leave guidance, Supporting Carers at Work guidance, Disability Leave guidance, IVF guidance and a revised Career Break policy have contributed to the Council in helping it work towards its employment equality outcome of being a ‘fair employer’.
 - Social Media guidance was introduced to assist employees understand what’s expected of them when using social media sites both at work and in their own time and guidance on Employing Reservists, which outlines how the Council supports employees who wish to become an army, naval or air force reservist.
 - The Maximising Attendance policy has assisted in the management of long term sickness absences cases involving employees with underlying health problems, many of whom may be classed as having a disability. This should result in helping more employees to return to work and to return to work sooner from a long term absence.
 - The Relocation policy was also recently reviewed, which will now be used in a more targeted way going forward applying in the main to the harder to fill posts in the Council. The size of the package was also increased which should contribute towards attracting good quality employees to

work for the Council giving financial assistance to them and their families to relocate to the Aberdeen area

- **Smarter Working:** Smarter Working has resulted in a rationalisation of Council property, with 8 office buildings being reduced to 4, the successful transition to more flexible work spaces and the roll out of additional flexible working opportunities for employees. The programme is continuing to support our ability to modernise, innovate and transform the way we do business.
- **Investors in Young People Accreditation:** As a result of an assessment in 2015, the Council has been awarded core accreditation in relation to Investors in Young People (IYYP). This enhances the reputation of the Council as an employer of choice and helps promote succession planning within the workforce for staff.
- **Understanding the voice of the customer:** The centralisation of the complaints and members' enquiries teams has created a new Customer Feedback Team. This resulted in better insight into what our customers think of our services and how we can improve. As a result, the Council has improved response times and has introduced new ways of gathering customer feedback. The council now yields customer satisfaction scores of above 80% positive.

□ **Directorate Plan Achievements:**

Improving Customer Experience – Percentage of incoming calls at the Customer Contact Centre answered within 30 seconds during 2016/17 (to end of January 2017) was 82.3% In the same period we received over 780,000 calls and answered 94.5% of them with an average wait time to answer of 33 seconds. In addition we have seen 38,000 customers at the Customer Service Centre at Marischal College

- Understanding the voice of the customer: The centralisation of the complaints and members' enquiries teams has created a new Customer Feedback Team. This resulted in better insight into what our customers think of our services and how we can improve. As a result, the Council has improved response times and has introduced new ways of gathering customer feedback. The council now yields customer satisfaction scores of above 80% positive.
- In 2016, we launched our new Customer Service Charter and Standards across the Council. As reported in the Employee Opinion Survey, 61% of staff had heard of the commitments and starting to embed and align them into the day to day operations. Perceptions that the Council delivers excellent customer service have improved since 2014 (6.52 compared to 5.98 in 2014)
- During 2015 and 2016, made significant improvements to the customer service experience at the Customer Service Centre, introducing a 'meet and greet' and 'floorwalking' facility. This also included an enhanced capability to allocate customers to the correct advisors. Also delivered improvements to the safety of the area and for our team member.

Improving Staff Experience- Biennial Employee Opinion Survey was conducted resulting in an increase in CG Staff Engagement, from 43% in 2014 to 55% in 2016; response rate was up to 87% for CG staff which is another indicator of engagement.

- Improvements were made to the induction process for staff including the development of an eInduction module ensuring all new starts are provided with key corporate messages.
- A review of our recruitment commenced to ensure the process is streamlined and fit for a modern workforce, the data gathering element of this is now complete.
- A series of improvement experience events for managers ran throughout the year to

ensure our 3rd tier managers are focused on improvement and are using a common improvement methodology in their service plans.

- Phase 1 of Shaping Aberdeen roll out was completed with delivery of sessions on our vision and purpose to over 1600 staff. Manager accountability for culture was formalised through the introduction of core objectives for managers as part of Performance Review and Development.

Improving the use of Resources- The percentage of Critical IT system availability is sitting at an average monthly figure of 98.66% providing reliable IT resources to customers and staff.

- Introduced annual reporting and business planning for fraud, bribery and corruption prevention, ran a successful fraud awareness week;
- Launched a Use of Resources Training Academy, ran successful pitstops and piloted a Finance Masterclass Training Programme;
- Redeveloped our asset management planning arrangements, continued development of programme and project management;
- Undertook a Financial Management review that is externally verified by CIPFA;
- Reflected customer, staff and resources implications in all council decisions;
- Built relationships with other councils through the Scottish Local Government Partnership and other bodies;
- Completed a first comprehensive Workforce Plan;
- Lobbied and responded to national consultations, introduced a review process for the impact of legislative change on the council's finances.
- Undertook major reviews of commercial strategy, cost recovery and staff activities;
- Strengthened partnerships with Arms-Length External Organisations through a Strategic Board and Governance Hubs;
- Implemented new arrangements for following the public pound ensuring good governance of monies paid to third party organisations;
- Developed participatory budgeting

Property Sub Committee: Following the disestablishment of this committee in 2016, the Finance, Policy and Resources Committee became responsible for monitoring an asset management strategy for the Council and to scrutinise performance within this. It has also undertaken overall management of the Council's property at the stage of acquisition or disposal.

Asset Management

Over the last 5 years, the following investments have been made in improving the Council's assets:

- £32m on improving the condition and suitability of the Council's public buildings. This includes refurbishment on 36 schools and 9 community centres, and numerous other assets including care homes, hostels, depots, offices, public buildings, cemeteries, sports facilities, playgrounds etc.
- £130m on cyclical and repairs maintenance of the Council's housing and public buildings stock

Over the last 5 years, the asset management strategy has generated the following income:

- £62m of Capital receipts, including over £30m to benefit the Common Good Fund
- £43m in rental income, including £13m for the Common Good Fund

And has saved:

- £2.1m through office rationalisation reducing offices from 22 to 4

In addition, the Property Sub Committee has provided support to a number of community projects, for example:

- Footdee Community Centre:** Arranged a Community Asset Transfer of the former Footdee Gospel Hall to the Fittie Community Development Trust to provide a community hub for the residents of area.
- Bon Accord Baths:** Is engaged with Bon Accord Heritage to arrange a Community Asset Transfer of the former Bon Accord Baths, supporting their vision of restoring the premises as a community facility.

Programme Management: Through monitoring and scrutiny, the Finance, Policy and Resources Committee have played a crucial role in ensuring the Council has robust programme and project management governance in place. The PMO is now integrated with the Council's capital programme and in particular the Strategic Infrastructure Plan. The service provides expertise and advice, standard practices and tools, training and development, as well as effective interdependency management and resource planning across all change programmes. It ensures a consistent approach is adopted and provides a mechanism for the effective flow of information and knowledge around the organisation.

Over the last two years, the new programme management structure was embedded within the Commercial and Procurement Service and has delivered on the following:

- The creation of a consistent and effective programme governance methodology;
- Better support for the delivery of the SIP
- Better joint working with Corporate Governance and other specialist support services;
- The platform for more effective resource planning
- More robust monitoring and reporting
- Decision making at appropriate levels with the relevant information to make informed decisions;
- More robust management of our Capital Plan
- A centralised oversight of all programmes of work
- Appropriate resource, support and direction for all programmes and projects

The PMO is currently being used to manage the City Region Deal which is delivering the following capital projects through a joint investment of £250m between Aberdeen City Council, Aberdeenshire Council, Scottish Government, the UK Government and private sector bodies:

- The Oil and Gas Technology Centre:** a new industry-led organisation, based in Aberdeen. Opened in February 2017, it will focus on developing, adapting and deploying technology that helps maximise economic recovery from the UK Continental Shelf and other oil and gas basins around the world.

- **Bio-Therapeutic Hub for Innovation** and the **Agri-Food Hub for Innovation**: will support the diversification of the region's economy by building on our existing industries of life sciences and the food, drink and agriculture sectors. Work on the specifics of these hubs is currently under development.
- **Digital Infrastructure** - a fund has been created to help address the digital challenges of the City Region and deliver affordable world class ultrafast internet services to businesses of all sizes in the region. A gap analysis has now been completed identifying the specific shortfalls in infrastructure and it is anticipated that procurement will commence in 2017 to build the necessary infrastructure. Work on a business plan for this fund is currently under development.
- **Transport**: To support the physical infrastructure of the region there will be a number of Strategic Transport Appraisals. These will take a long-term strategic view of the transport requirements looking at the City Region Deal investment across a number of transport modes including road and rail. Work on the scope of these appraisals is currently underway in collaboration with Transport Scotland.
- **Aberdeen Harbour Expansion**: support for the harbour expansion recognises its strategic importance, not just to the energy sector, but the wider diversification of the region including tourism opportunities. The funding will also develop the external supporting infrastructure to the harbour expansion plans.

Commercial – supporting service delivery by maximising best value from commercial relationships and opportunities

Shared Service Agreement: In September 2016, Finance, Policy and Resources Committee approved a business case to extend a shared Commercial and Procurement Service between Aberdeen City Council and Aberdeenshire Council to include Highland Council – to be led by Aberdeen City Council. The model is unique to Scotland and uses a forward looking approach to commercial procurement which goes beyond the individual corporate and political organizations to create a joint venture for the benefit of the North of Scotland.

As a result of the agreement, all three local authorities will combine their spending power for goods and services – a total estimated at circa £1bn. This will serve to drive efficiencies in the area and offers many benefits both in terms of cost savings for all three councils but added value for the regions local service providers and added social value for communities:

- **Budget Savings:** The shared service agreement has identified savings of £24m for all three councils over the next 5 years. £3m of savings has already been identified in Aberdeen City Council's budget for 2017/18 as a result of the agreement. Aberdeenshire Council will benefit from similar savings in their budget and work is ongoing to identify savings for Highland Council.
- **Competitive Gain:** By establishing a single regional voice, the three local authorities will be better able to compete with the scale of the buying power of the largest Scottish councils and encourage a greater share of the marketplace for North of Scotland businesses.
- **Local Business:** A key element of the procurement strategy will be to support local businesses across Aberdeen City. This will be part of the performance framework to demonstrate that this is being achieved. It is believed the proposal will provide opportunities for the businesses across

Aberdeen City to expand across the North.

- Community Benefits Strategy:** Work is ongoing to develop synchronised contracts which will be designed to add social value for North-east communities. This could take the form of adding green space near a new road or housing development or employing apprentices or jobseekers for the duration of the contract.
- Health and Social Care Integration:** Work has also been ongoing to bring added benefits and savings through an integrated shared service for social care commissioning with Aberdeenshire Council and the Integrated Joint Board. Therefore, we can afford the best service provision for the region and ensure all contracts are designed to promote and progress equality of opportunity so that we meet the needs of our citizens, including those who are most vulnerable and at risk of disadvantage, while also ensuring diversity in the marketplace.
- Centre of Expertise:** The strategic vision which sits behind the shared services agreement is to pool resources and create a Centre of Commercial Expertise in the North of Scotland. This process has already begun as additional services such as commercial legal services are now part of the service offering of Aberdeen City Council. The model is also adaptable to allow the shared services to grow to include other interested local authorities, therefore continuing to reduce cost, increase commercial opportunities and drive benefits for the community.

Business Intelligence: Commissioning also provides visibility of our strategic needs and is invaluable as a source of business intelligence and act as a trigger point to constructively challenge:

- Our services and how they are currently delivered
- Service performance, cost and perception
- Future demand and horizon scanning
- Opportunities for change

Income focused commissioning and procurement: The new combined structure and additional pool of expertise within Aberdeen City Council's Commercial and Procurement Service allows for a more dynamic and strategic focus to be given to 'Big Ticket' procurement options that will bring added commercial value to the city of Aberdeen. Recent examples include:

- AECC:** In December 2016, the Finance, Policy and Resources Committee selected a leading world-wide venue management company as the preferred bidder to manage and operate the new and existing Aberdeen Exhibition and Conference Centre which is part of the £333million site. SMG, which operates more than 240 entertainment, sports, conference and exhibition venues across the US, Canada, Europe, South America and Asia, will anchor existing international events and compete nationally and internationally for new events, as well as by broadening the appeal of the north-east to a global audience.
- Energy from Waste:** Currently, Aberdeen City Council is working in partnership with Moray Council and Aberdeenshire Council on procurement for the new £150million Energy from Waste which will see the council meet its strategic waste objectives while offering added social value to residents through the Combined Heat and Power scheme which will reduce the cost of fuel in many homes.
- Marischal Square Development:** The city will receive £10 million for the site, an equal share of

the development profit, the difference between the lease cost to Aviva and the income generated by the development for 35 years and the value of the development in 35 years' time. Sums are also available for works to upgrade Provost Skene's House, Broad Street and create the gardens and other public areas within the scheme. In all this benefit could be worth more than £100 million.

Enabling Technology – supporting the people and place of Aberdeen through digital advances

Being Digital and Digital Place: In the last two years, the Finance, Policy and Resources Committee has made a firm commitment to developing Aberdeen City Council's digital infrastructure to provide smarter services to the residents of Aberdeen and the city's infrastructure in an effort to support the economy, the people and the place of Aberdeen.

Both strategy's underpin a number projects designed to boost connectivity in Aberdeen, to collect and use data according to standards and to work with industry leaders to encourage growth in the technology sector in Aberdeen. The following work is underway as a result:

- **New Data Centre:** Aberdeen City Council has now successfully transferred most of its IT applications and data to a new purpose built datacentre based in Aberdeen and run by Brightsolid, a Scottish based company. This provides the Council a faster, more reliable and secure hosting service for our information
- **Free Wi-Fi Access -** In 2016, Aberdeen City Council introduced access to free high speed Wi-Fi in 33 publicly owned buildings. A two-year project to introduce free community Wi-Fi was also introduced in several northern areas of the city in an effort to provide equal access to the employment, education and social opportunities offered by technology.

In addition, Aberdeen City Council has begun to deploy free Wi-Fi in the entire city centre through a phased approach throughout 2017. This was successfully rolled out for the Winter Festival and Christmas Village events which saw more than 3,510 residents access the network in the first month. The initiative was also rolled out during the Council's annual light festival Spectra.

- **4G small cells** – In 2017 Aberdeen will roll out a 4G small cell network in a phased approach. This network will boost 4G mobile capacity and speeds for the benefit of the citizens.
- **Master Data Management** – the mandate to create a product development approach to integrate the Council's data to enable us to modernise and transform the way we do business from a data driven, customer experience perspective.
- **Aberdeen Gigabit City** – Through a partnership between Aberdeen City Council, Capital and SWAN Aberdeen became Scotland's first Gigabit city where new pure fibre network connects key commercial districts, all council buildings and many public sector buildings in the city.
- **Human Capital Management** – The Human Capital Management (HCM) system is currently progressing from the requirements gathering stage into the procurement stage. Once a supplier has been identified it is expected that the implementation of this system will take approximately 9 months. Upon successful implementation the new system will offer all Aberdeen City Council employee's a significant improvement in their HR experience as well as allowing for better utilisation of resources by rationalising the HR system landscape
- **Aberdeen City Council Website** – Procurement is underway for a new Content Management

System which will support a new web platform more suitable to meet the needs of modern residents. Information and content will be easier to access and view. In addition, new features will allow residents to create one account to manage all of their affairs with Aberdeen City Council, for example: paying council tax and managing waste.

City Labs – Aberdeen City Council has led a partnership with University of Aberdeen and Robert Gordon University to look at city-wide challenges and develop innovative, tangible solutions around them. This 12-week programme saw the students develop ideas specifically designed to tackle social and cultural change within the city before presenting their ideas to a group of invited stakeholders. Two key projects have so far been identified and taken forward through this programme:

- **Tuk In** - The concept is focused on reducing food waste in the city and would see the students source unused food from outlets such as supermarkets and use the kitchen facilities of partner organisations to create meals. They would then sell the food from a tuk tuk, stopping at various locations in the city, on a 'Pay as You Feel' basis, meaning people give what they can afford or feel the food is worth. The initiative has recently received Big Lottery and Fairer Aberdeen funding to launch the project in Spring 2017.
- **Smart benches** - Another initiative was to introduce smart solar powered charging benches around the city which can not only charge various devices but can measure air quality and footfall to provide Aberdeen City Council with additional data about the way people move around the city and allow for improvements to transport networks and feed into urban planning. These smart benches will be on the ground by end March 2017.

Education Platform – Aberdeen City Council is soon to launch a new digital platform for both secondary and primary schools whereby pupils can put forward ideas about how to improve life in their schools, in their communities and in the city. The ideas will be captured and fed back to relevant services to investigate and implement if possible. The aim of the project is to use digital technology to offer children and young people a voice and a chance to shape the future of their education and the city.

Accord Card – The award winning Accord Card scheme has seen rapid transformation by bringing smartcard services to a wide range of customers, including access to Co-Wheels cars and Sport Aberdeen membership. Our city's children can now order their school meals with cashless catering in primary schools, while their parents can pay for meals and manage their children's diets. The same technology has been used in very sheltered accommodation for vulnerable older people and will be expanded in the coming year.

Online Services – Since 2013, Aberdeen City Council has committed to providing digital services options for residents. A range of online services that help you to register, pay and apply for discount have been introduced including online parking permit renewals. The Accord Card has also gradually increased its online services including taking 98% of Primary 7 applications for new cards for school meals online in 2016.

Relevant Awards:

Commercial and Procurement Services:

Leadership of the Year Award at the Government Opportunities Excellence in Public Procurement Awards 2015/16

Commercial Partnerships award at the Scottish Public Service Awards 2016

Finance:

Currently shortlisted for Finance Team of the Year, Finance Training and Development initiative and innovation in Treasury and Asset Management awards in the Public Finance Awards

Won the Corporate Governance Award at the UK-wide LGC Investment Awards in 2013

Won the Outstanding Contribution title at the Accounts Payable News Awards in 2013

Won the Accounts Payable Manager of the Year award at the Accounts Payable News Awards in 2013

Won Public Sector Finance Team of the Year at the Scottish Accountancy Awards in 2013 and 2012

IT and Transformation:

Won Best Information Technology & Communication Initiative at the Association for Public Service Excellence (APSE) award in 2012

Customer Service (Accord team)

Won a National award for ICT innovation for digital delivery of meals at Very Sheltered Accommodation in 2016.

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 th March 2017
DIRECTOR	Pete Leonard
TITLE OF REPORT	Strategic Infrastructure Plan Progress Update
REPORT NUMBER	CG/17/002
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

The purpose of the report is to provide members with a progress update on the delivery of the Strategic Infrastructure Plan (SIP), and to seek approval for specific actions for funding release from the City Centre Regeneration budget to progress projects within the City Centre Masterplan (CCMP).

2. RECOMMENDATION(S)

It is recommended that the committee:

- a) note the content of the report and the progress made;
- b) approve expenditure of up to £75,000 to award a contract to consultants to prepare a City Centre Lighting Strategy and Implementation Plan (Aberdeen In Colour) and report progress to FP&R Committee following completion;
- c) approve expenditure of up to a further £130,000 to allow the implementation of suicide prevention measures and associated works at Union Bridge;
- d) approve a contribution of £10,000 to Aberdeen Inspired to support the establishment or continuation of city centre street markets;
- e) Approve a contribution of £40,000 to Aberdeen Art Centre for technical and production support;
- f) delegate authority to the City Centre Director in consultation with the Deputy Leader of the Council, the Convenor of Finance, Policy and Resources and the Head of Commercial and Procurement Services to implement the above proposals and award of contracts, following fully compliant procurement exercises;
- g) agree that the combined expenditure of up to £255,000 above be taken from the City Centre Masterplan budget, as agreed at the Council meeting in February 2017.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to the progress updates provided. All financial implications are managed as part of the Council's capital planning process.

The financial requests in relation to the City Centre Masterplan projects are to be taken from the already approved capital budget for the City Centre Masterplan.

4. OTHER IMPLICATIONS

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

5. BACKGROUND/MAIN ISSUES

SIP

At its meeting on the 6th March 2013, Council agreed to the preparation of a Strategic Infrastructure Plan (SIP) and this plan was presented and approved at its meeting on the 31st October 2013.

The importance of the SIP can not be underestimated and is one of the key priorities for the Council. It focuses on the delivery of our Strategic and Local Development Plans and is integral to the development of the enabling infrastructure needed to realise the aspirations of all the City Council's plans as well as meeting the objectives in the Single Outcome Agreement.

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

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

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

City Centre Masterplan

A major programme of work within the SIP has been the development of a City Centre Masterplan (CCMP), and this was approved by Council in June 2015.

The City Centre Masterplan (CCMP) promotes transformational change to energise the city centre to deliver prosperity and better quality of life for all. Key first phase projects include Broad Street public realm, Provost Skene's House, Aberdeen 365 events programme and the remodelling of Union Terrace Gardens. These investments support a range of other city centre projects including Marischal Square, Aberdeen Art Gallery and the Music Hall.

This report requests approval of CCMP budget to continue to progress the delivery of CCMP projects, as below. All projects help meet elements of the stated SIP Goals (above).

Union Bridge – Suicide Prevention Measures

An additional £130,000 for suicide prevention measures and associated works at Union Bridge. At its meeting on 29 August 2013 the Enterprise, Planning and Infrastructure Committee resolved to proceed with the development of suicide prevention measures at Union Bridge and that this be funded from the City Centre Transport Infrastructure Budget (CCTIB). A budget of £120,000 was allocated. The CCTIB was absorbed into the City Centre Masterplan (CCMP) budget. The measures and associated works received planning consent on 28 October, 2016. In addition to the suicide prevention measures the proposals have been developed to include lighting and public realm enhancements on the north side of Union Bridge. It is important to ensure that these works blend with proposal for Union Terrace Gardens. This requires additional funding of £130,000.

This proposal will contribute to the CCMP objective of:

- Changing Perceptions – promoting the view of Aberdeen city centre as an energetic, inclusive and fascinating place where people will want to live, work and visit.

Aberdeen in Colour – A Lighting Strategy and Implementation Plan

Up to £75,000 for consultants to prepare a study to bring forward the CCMP identified Project EN11 – Aberdeen in Colour. This would be a comprehensive lighting masterplan with the aim of identifying lighting proposals that enhance night time safety and energy conservation, reduce light pollution and improve the vibrancy and attractiveness of the night time environment. The lighting masterplan would also consider city landmarks, key spaces, gateways to the city centre, wayfinding and provide an implementation plan.

This proposal will contribute to the CCMP objectives of:

- Changing Perceptions – promoting the view of Aberdeen city centre as an energetic, inclusive and fascinating place where people will want to live, work and visit.

- A Metropolitan Outlook – ensuring the city centre meets the needs of the wider population of Aberdeen City and Shire and beyond and is specifically planned and governed to reflect this wider metropolitan role.
- A Living City for Everyone – Creating a more liveable place.
- Made in Aberdeen – Building on local distinctiveness and maximising local business opportunities.
- Technologically Advanced and Environmentally Responsible – Providing the capacity, quality and reliability of infrastructure required by businesses and residents and utilising resources responsibly.
- Culturally distinctive – Ensuring Aberdeen city centre reflects its distinctive local culture so it is like no other place.

Supporting City Centre Street Markets

Up to £10,000 contributed to Aberdeen Inspired to support the establishment or continuation of city centre street markets. CCMP project CM08 – Independent Aberdeen seeks to promote the distinctiveness of the city centre by offering incentives and assistance to new and existing independent retailers. Regular street markets are important in this regard as they provide a means for this to be achieved. Aberdeen Inspired is well placed to work with street markets to ensure that support is well targeted.

This proposal will contribute to the CCMP objectives of:

- Changing Perceptions – promoting the view of Aberdeen city centre as an energetic, inclusive and fascinating place where people will want to live, work and visit.
- A Metropolitan Outlook – ensuring the city centre meets the needs of the wider population of Aberdeen City and Shire and beyond and is specifically planned and governed to reflect this wider metropolitan role.
- A Living City for Everyone – Creating a more liveable place.
- Made in Aberdeen – Building on local distinctiveness and maximising local business opportunities.
- Culturally distinctive – Ensuring Aberdeen city centre reflects its distinctive local culture so it is like no other place.

Skills, Training and Employment

Under the auspices of Project EC11 - Aberdeen Works within the skills, training and employment component of the CCMP make a contribution to the Aberdeen Arts Centre for technical and production support that can be offered to people who wish to further a career in this aspect of theatre.

This proposal will contribute to the CCMP objectives of:

- Growing the City Centre Employment Base – creating a stronger and more diverse city centre economy.
- Made in Aberdeen – Building on local distinctiveness and maximising local business opportunities.
Culturally distinctive – Ensuring Aberdeen city centre reflects its distinctive local culture so it is like no other place.

6. IMPACT

The Strategic Infrastructure Plan relates to the following Single Outcome Agreement objectives:

- We live in a Scotland that is the most attractive place for doing business in Europe;
- We realise our full economic potential with more and better employment opportunities for our people;
- We live in well-designed, sustainable places where we are able to access the amenities and services we need;
- We value and enjoy our built and natural environment and protect it and enhance it for future generations;
- We take pride in a strong, fair and inclusive national identity; and
- Our public services are high quality, continually improving, efficient and responsive to local people's needs.

It also meets the vision of the Community Plan in promoting a strong image of the city and a sense of civic pride and promotes the redevelopment of the City Centre, which is one of the main priorities for the Community Plan and Single Outcome Agreement and supports the Council's 5 year Business Plan in terms of protecting and enhancing the built environment, attracting visitors, workers and investment to protect the economic future of the city, and, to facilitate new development projects to improve Aberdeen's living and working environment.

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

7. MANAGEMENT OF RISK

N/A

8. BACKGROUND PAPERS

N/A

9. REPORT AUTHOR DETAILS

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STRATEGIC INFRASTRUCTURE PLAN PROGRAMME DASHBOARD

Project Name	Project Lead	Stage	Last Completed Milestone	Next Milestone	Milestone Target Date	Project End Date	Timeline	Budget	Resource	Notes
AFFORDABLE HOUSING PROGRAMME										
Establish Joint Venture	Paul Genoe	Implement	Sign legal agreements to establish Joint Venture	Full Council approval of Business Plan	TBC	TBC	G	G	G	Business Plan complete and reported to Shaping Aberdeen Housing LLP. Obtained LLP Board approval on 13th January 2017. Council report completed 12th January and the full Business Plan will be ratified by Full Council.
Former Bucksburn Farm	Paul Genoe	Plan	Continue with site due diligence	Appointment of Planning Framework Consultant and Engineering Consultant for Desktop Study.	Mar-17	TBC	G	G	G	Brief completed and quotation received from planning consultant for full framework site update and meeting held with Emermec adjoining land owners regarding same. Commission of planning consultant by end February. Brief to be produced and appointment made to engineering consultant for full desktop study for entire site by end February.
Former Craighill Primary School	Paul Genoe	Plan	Planning submission made	Statutory consents complete	Apr-17	TBC	G	G	G	All due diligence now complete. No arising issues. Planning application submitted.
Former St Machar Primary School	Paul Genoe	Plan	Due diligence complete	Held in abeyance - due to school build decision	TBC	TBC	R	G	G	Pre development works on hold as a direct result of proposal for new school being sited on this site.
Former Aberdon Care Home	Paul Genoe	Plan	Due diligence complete	Held in abeyance - due to school build decision	TBC	TBC	R	G	G	Pre development works on hold as a direct result of proposal for new school being sited on the adjacent sites. This site will not be developed in isolation as it would not be cost effective as a standalone site, however this will require to be verified by the Shaping Aberdeen Housing LLP.
Former Tillydrone Primary School	Paul Genoe	Plan	Due diligence complete	Held in abeyance - due to school build decision	TBC	TBC	R	G	G	Pre development works on hold as a direct result of proposal for new school being sited on this site.
East Woodcroft	Paul Genoe	Implement	Planning approval subject to section 75	Start on site	TBC	TBC	G	G	G	Start on site subject to Full Council approval of Business Plan
Former Summerhill Site	Paul Genoe	Implement	Planning approval subject to section 75	Start on site	TBC	TBC	G	G	G	Start on site subject to Full Council approval of Business Plan
Former Kincorth Academy	Paul Genoe	Plan	N/A	Commissioning of Consultants	Apr-17	TBC	G	G	G	Preparation of brief and commissioning architects and engineers from our framework consultants, for Mid April 2017. Consideration of vacant possession by August 2018 to allow for demolition and action accordingly.

Project Name	Programme/Project Manager	Stage	Last Completed Milestone	Next Milestone	Milestone Target Date	Project End Date	Timeline	Budget	Resource	Notes
Middlefield										
Shaping Middlefield Report	Neil Carnegie	Implement	Consultation	Report to Council	Mar-17	Mar-17	G	G	G	Locality planning strategy approved by Community Planning Aberdeen. Officers are now further developing the plan through a neighbourhood planning approach working with local stakeholders including community representatives, local elected members and statutory partners. The plan should also mutually support Community Planning Aberdeen's emerging Local Outcome Improvement Process (LOIP). Community engagement events took place in September/October 2016 to help develop draft plans for on-going development and consultation with communities. Locality plans to be reported to Council in March 2017.
Delivery of Social Housing for rent through the HRA (Manor Walk)	Paul Genoe	Implement	Start on Site	Handover of units	Mar-17	Mar-18	G	G	G	Contractors started work on site on Monday 15th August. Site progressing in line with programme.
Former Smithfield Primary School	Paul Genoe	Implement	Start construction	Handover of units	Mar-17	May-18	G	G	G	First 12 properties are anticipated to complete earlier than programmed. With other properties following as per programme. Good progress being made on site.
Middlefield Community Project Relocation (Henry Rae CC)	Kay Diack	Implement	Occupation of building	Move to formal project close.	Mar-17	Jan-17	G	G	G	The ribbon cutting ceremony took place on 11th Jan 2017 and Middlefield Community Project and Lord Provost Henry E Rae Community Centre Management Committee moved in. NHS Healthy Hoose will move in during February. The 12 month defect liability period has commenced and snagging issues are being addressed as they arise. The PMO will meet with the project manager to formally close the project.
Haudagain Triangle site analysis	John Quinn	Plan	Report to CHI Committee	Further report to CHI Committee	Aug-17	TBC	G	G	G	Community consultation and engagement (stage 2) has been undertaken with community aspirations now identified. A confidential report will be submitted to the Communities, Housing and Infrastructure Committee on 24th January 2017. It is likely that a subsequent report will be made to Committee in August 2017. At this stage it is not possible to give an end date to the project.
Tillydrone										
Shaping Tillydrone Report	Neil Carnegie	Implement	Consultation	Report to Council	Mar-17	Mar-17	G	G	G	Locality planning strategy approved by Community Planning Aberdeen. Officers are now further developing the plan through a neighbourhood planning approach working with local stakeholders including community representatives, local elected members and statutory partners. The plan should also mutually support Community Planning Aberdeen's emerging Local Outcome Improvement Process (LOIP). Community engagement events took place in September/October 2016 to help develop draft plans for on-going development and consultation with communities. Locality plans to be reported to Council in March 2017.
Tillydrone Community Hub	Paula Martin	Plan	Stage 2 RCGF funding application submitted.	Decant arrangements are being progressed as a priority.	Mar-17	Dec-18	A	G	G	Full design work has commenced. Options for decant have been evaluated and preferred option identified. On-going discussions with centre management committee and groups to agree programme and operational arrangements.
Torry										
Shaping Torry Report	Neil Carnegie	Implement	Consultation	Report to Council	Mar-17	Mar-17	G	G	G	Locality planning strategy approved by Community Planning Aberdeen. Officers are now further developing the plan through a neighbourhood planning approach working with local stakeholders including community representatives, local elected members and statutory partners. The plan should also mutually support Community Planning Aberdeen's emerging Local Outcome Improvement Process (LOIP). Community engagement events took place in September/October 2016 to help develop draft plans for on-going development and consultation with communities. Locality plans to be reported to Council in March 2017.

Project Name	Programme/Project Manager	Stage	Last Completed Milestone	Next Milestone	Milestone Target Date	Project End Date	Timeline	Budget	Resource	Notes
TRANSPORTATION PROGRAMME										
Third Don Crossing (The Diamond Bridge)	Hugh Murdoch	Closure	Opening of the bridge	Project Close	TBC	TBC	G	A	G	Snagging is ongoing including consideration/remedials to the Stage 3 Road Safety Audit and any other issues which arise/have arisen. Agreement on the Final Account has still to be reached..
Dyce Drive Link Road / A96 Park & Choose	Stuart Andrew	Implement	Section B completion – the opening of the full length of link road, and connection to the AWPR / A96 roundabout	Complete construction	Mar-17	Mar-17	A	A	G	Park & Ride site (southern sections) are now opened to the public. Surfacing within the car park area continues along with completing the accommodation Block construction. It is envisaged at this time that the construction will be complete at the end of March 2017. Budget is Amber until final costs are known.
South College Street	Joanna Murray	Define	Development of 2023 Reference Case Traffic Model	Option Testing - Masterplan Interventions and review findings	Jan-17	Mar-19	G	A	G	Model development has been completed and the initial option testing work is on-going. Budget is Amber due to the costs of the scheme being unknown at this stage. Current programming is for a report being available for members in 1st half of 2017.
Berryden Corridor	Mike Matheson	Plan	Start demolition works	Advance demolition works complete	Mar-17	Mar-21	R	A	A	Additional experienced technical resource is required to support the delivery of the scheme. The issue of demolitions of some properties on the route of the Berryden Corridor was considered at 1 November CHI Committee and approved to progress. The team are currently refreshing the overall design to agree use of CPO powers. A number of potential risks to the CPO process are being worked through. Traffic modelling work to support this and the CPO itself being prioritised to enable supporting documentation to be produced in time for CPO to be made in 2017. Timeline status is red due to the delay to the CPO process. The delay does allow the team to get all evidence in place, which should mitigate against the duration of the more technical pieces of work. Should not affect project end date however flagged as red due to delay in completing this milestone.
Access from the South	Joanna Murray	Plan	Bridge of Dee STAG Part 2 Study - Consultation and production of Appraisal Tables	Report to CHI Committee	Jan-17	TBC	G	G	G	The STAG part 1 assessment is on-going. The public consultation preparation has been completed with the consultation taking place during Nov/Dec and recommendations on the preferred way forward for this project were prepared for the January 2017 CHI committee. As this project is still in the plan stage future milestones and actions are yet to be established.
Cross City Transport Connections	Joanna Murray	Plan	Appoint consultants to carry out feasibility study	Report to CHI Committee	May-17	TBC	G	G	G	We have a draft of the STAG Part 1 study report from the consultant and they are currently making some modifications to the report before submitting the final report. It is our intension to report to the May CHI Committee.
AWPR	John Wilson	Implement	Commence construction	Continue construction	ongoing	Dec-17	G	G	G	Balmedie to Tippetty section now expected to be open to traffic winter 2017/18, which now aligns with the Phase 3 of the scheme. Change form has been completed and submitted. Earthworks and laying of Cement Bound Granular Material and Continuously Reinforced Concrete Paving have ceased due to the winter season, with works to mitigate and control surface water run-off taking priority. Water management, drainage and structural works have continued along the full length of the site, as these operations are not so weather/daylight dependant. Works continue on the River Dee crossing, with works on the decking part of the structure now underway. Average speed cameras on the A90 at Charleston are now operational.
CITY DEVELOPMENT PROGRAMME										
Marischal Square	Stephen Booth	Implement	Site handover and start on site	Continue with construction and letting of premises	Ongoing	Jul-17	G	G	G	The contractor reports that the completion of the development will still be complete in July 2017 as programmed, although some milestones have slipped. The letting market has become more difficult, particularly with office space, where there is an increasing level of vacant, grade A space. All Bar One, Prezzo and Mackies are committed to the leisure space. Currently at heads of terms stage with another two prospective tenants (one office (19,000sq/ft) and one restaurant style use).
AECC - New Exhibition Centre	Scott Ramsay	Implement	Demolition of buildings and gas diversion works completed	Burn diversion completed. RCC agreed	Burn diversion Feb 2017. RCC January 2017	Spring 2019	G	G	G	Demolition of buildings completed. HBD working with Robertson's to continue to manage the diversions and the early phases of demolition and capitalise on the good earthworks progress. Piling on Hotel 1 commenced on 6 December 2016 ahead of programme. HBD have reviewed the Robertson look ahead programme for the next six months and they are still of the view that the project will be on programme once the demolition and diversion activities are complete early by February/March 2017. RCC nearing completion.

CITY CENTRE MASTERPLAN										
Union Street Improvements	Scott Ramsay	Implement	Launch of Operation Union Street Rejuvenation	Confirming Phase 2 works	ongoing	2021+	G	G	G	Continuing progress made on clean up and painting/fixing tasks in Union Street. The next focus is replacing the planters and removing redundant street furniture. Programme for further tasks identified. Positive CARS decision expected soon. Smith's Screen Conservation Architect appointed to undertake Stone Conservation Report.
Union Terrace Gardens	Andrew Win	Plan	Completion of Stage A of Design Study	Full Council consideration	Mar-17	2019	G	G	G	Developing Stage B report, further stakeholder meetings. Full Council consideration – 15 March 2017
Golden Square	Scott Davidson	Plan	Design Brief Finalised, On Hold	Future detailed design finalised	TBC	TBC	G	G	G	Awaiting outcome of City Parking Study. This study scheduled for completion in August.
Schoolhill Pocket Park	Scott Ransay	Define	Detail design finalised	Complete consultation	Feb-17	Dec-18	A	A	G	Discussions are ongoing with RGC to set project in wider context before the overall project can progress..
Broad Street	Scott Ramsay	Implement	First Stage Tender Closed	Contractor Procurement	Mar-17	Jul-17	A	G	G	There is slippage of the contractor procurement - this could have an impact on construction and completion. Officers are working with the contract manager and the preferred contractor to minimise delay.
Queens Square	Stephen Booth	Define	Project Delivery Plan prepared	Preparation of Brief	ongoing	2030	G	G	G	Scope of study is currently being finalised.
Provost Skene House	Maria Thies	Plan	Report to ECS Committee	Appointment of contractor for enabling works	Mar-17	Jul-17	A	G	G	Project is currently still indicating being on programme with an opening in July 2017. The timeline is on amber status because of the tight timescales.
Car Parking Study	Louise Nairn	Implement	Brief issued	Appointment following Tender Returns	Feb-17	Jun-17	G	G	G	AECOM appointed. Inception 27 Feb 2017
Aberdeen 365 Events	Dawn Schultz	Implement	Report to FP&R Committee	Report to FP&R Committee	Mar-17	Sept - 16 (Study)	G	G	G	Budget approved by FP&R on 1 Dec and further report is due at committee in March.
Aberdeen Works	Heather Farquhar	Implement	Recruitment of PM	Completion of procurement process	Mar-17	2019	G	G	G	ESF Employability Pipeline - Recruitment complete. LOAN Team - Initial action plan developed. Investigation into accessing a vacant city centre retail unit ongoing.
CULTURE AND SPORTS										
Aberdeen Treasure Hub (Museum Collection Centre)	Christine Rew	Implement	Formal Opening	Return collections	Apr-17	Apr-17	G	A	G	The third witness test of the fire suppression system was conducted after snagging issues were resolved and passed successfully on 24 January 2017. The revised completion date of the return of collections from commercial storage is mid April 2017. The project remains in an overspend position however solutions are being worked through and finalised.
Art Gallery Refurbishment	Christine Rew	Implement	Gallery construction new roof extension - slabbing works complete	Construction completion	May-17	Dec-17	A	R	G	Current programme shows construction completion in May 2017. This is a tight timescale, however if construction is completed by this time, the current programme fit-out dates and installation of exhibitions means completion of project by December 2017 remains achievable. The budget is red to reflect the ongoing fundraising requirements, however steady progress continues to be made towards reaching the target.
Mithers Kirk Redevelopment	Andrew Win	Plan	Complete Business Plan	Review Business Plan	TBC	TBC	G	R	G	Business Plan is now complete and has been submitted to the Council. Officers are currently reviewing this. Budget is at red status because currently there is no budget provision within our capital plan.
Arts Centre Redevelopment Feasibility Study	Lesley Thomson	Define	Finalise options appraisal	Consider options appraisal		TBC	G	R	G	Option appraisal has been completed. Provided to HFM as part of the CCMP Queens Square project scoping. Budget is at red status because currently there is no budget provision within our capital plan.
Music Hall Refurbishment	Lesley Thomson	Implement	Non-structural Downtakings complete	temporary works structural downtakings complete	Mar-17	Autumn/ Winter 2018	G	G	G	The project construction remains on programme. The Conservation Burden required by Historic Environment Scotland is now in place with Aberdeen City Council. Recruitment for a fundraising manager is now underway. In the meantime fundraising continues in house with the public campaign and corporate campaign being the focus of activity led by APA's CEO.

STRATEGIC INFRASTRUCTURE PLAN PROGRAMME DASHBOARD

Project Name	Programme/Project Manager	Stage	Last Completed Milestone	Next Milestone	Milestone Target Date	Project End Date	Timeline	Budget	Resource	Notes
SCHOOL ESTATE PROGRAMME										
New South of the City Academy	Sharon McNutt	Implement	Groundworks and bulk earth works complete	Continue Construction	Ongoing	Jun-18	G	G	G	The ground and bulk earth works have been completed and the steel frameworks are due to start in December 2016.
Brimmond Primary School	Euan Couperwhite	Implement	School opened	Financial spend confirmed and project close	Jul-16	Oct-15	G	R	G	Brimmond Primary opened at the end of October 2015. The Budget remains on red status as spend has exceeded the original budget profile. Officers from the E&CS Estates team are reviewing data supplied from HubCo.
Centre of Excellence (New ASN School)	Sharon McNutt	Implement	Internal Walls Installed	Continue with construction	ongoing	Aug-17	A	G	G	The contractor is reporting that the project is running 5 weeks behind programme. Officers are considering the full impacts of this delay.
New Milltimber Primary	Euan Couperwhite	Plan		Project Start	Dec-18	Jan-20	G	G	G	The project is not due to start until 2018/19.
Greenbrae School Extension and Refurbishment	Claire Cowan	Implement	Section 2 and Section 5 have been handed over to the school.	Final section 3 works	Jan-17	Jan-17	G	A	G	Official opening ceremony took place 7th February. The Budget is amber as officers are awaiting a financial statement on the final anticipated account and reasons for delays from Design Team.
Replacement Stoneywood School	Claire Cowan	Implement	Pre-start meeting	Start on site	Jan-17	Mar-18	A	G	G	Contractor on site January 2017. Discussions had with relevant services to obtain costs for planning conditions to be met outwith the site. First site progress meeting due this month and this will help shape key milestones for the project. The Timeline remains on amber status until a project plan is developed.

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy & Resources
DATE	9 March 2017
DIRECTOR	Richard Ellis
TITLE OF REPORT	Digitisation of Historical Electoral Rolls
REPORT NUMBER	CG/17/011
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To seek approval to enter into a five year contract with Ancestry Information Operations to digitise electoral roll records for the period 1832-1974.

2. RECOMMENDATION(S)

It is recommended that the Committee delegates authority to the Head of Legal and Democratic Services to enter into a contract with Ancestry Information Operations to digitise electoral roll records for a period of up to five years.

3. FINANCIAL IMPLICATIONS

There may be a minimal amount of expenditure (less than £1,000) required for conservation work on volumes before they can be digitised. Otherwise the associated work can be met from the existing budget. Projected income for the five year term of the contract is as follows:

Year 1: £9000
Year 2: £7,500
Year 3: £7,500
Year 4: £7,500
Year 5: £7,500
Total: £39,000

4. OTHER IMPLICATIONS

The electoral rolls will be digitised by Ancestry at the Town House, thereby minimising the handling and transport of the original records. Space on the third floor has been identified for this, which will also enable Archive staff to be on hand to supervise the process. It is estimated that the imaging of the documents will take approximately two weeks.

Given their responsibility for compiling the electoral registers, Grampian Valuation Joint Board have been consulted about this contract and the Assessor has granted his approval.

5. BACKGROUND/MAIN ISSUES

From feedback gathered during the course of customer surveys carried out in 2016, the Archive service is aware that there is demand for more of its records to be made available online. The example of websites like ScotlandsPeople, FindMyPast and Ancestry also demonstrate that there is a willing market for genealogical material that is available via the internet and a potential income stream for the service.

The historical electoral rolls held by the Archive are a valuable public record and a key source for genealogists and local historians. Because it was normal to publish them annually, they provide valuable supplementary information to the census returns which are only released once every ten years and have a one hundred-year closure period. By making the electoral rolls available through the popular platform of Ancestry they will reach a much wider audience than at present and will undoubtedly boost the profile of the Archive service and the wider Council.

For the Archive to work with colleagues in IT to produce an in-house solution would be costly in terms of the budget and staff time required. A major advantage of the images being hosted by Ancestry is that they already have a tried-and-tested platform for making such records available to the public.

6. IMPACT

Improving Customer Experience –

The Archive service has a global reach, with enquiries regularly received from throughout the UK as well as from the USA, Canada, Australia and New Zealand. Making digitised, searchable versions of original records available via the internet helps to improve the customer experience for these remote users.

The contract will also enable, visitors to the Archive to have preferential access to Ancestry's extensive online resources via the public access computers at the Town House and Old Aberdeen House.

Improving Staff Experience –

By making the records available digitally, staff will be able to direct researchers to the online resource, rather than having to spend time researching the original records. The inclusion of our records on the respected and well known Ancestry website will further raise the profile of the service.

Improving our use of Resources –

As well as making better use of staff research time, digitisation of the electoral records will mean that there will be far less need to handle the originals in the future, thereby helping to preserve them. Entering into this contract will also help to realise the latent commercial potential within this series of records.

Corporate -

By providing wider access to this cultural resource, this proposal addresses the Smarter Living and Smarter People aspects of 'Aberdeen – the Smarter City' as well as a major service objective for the Archive as part of Legal & Democratic Services.

Public –

This proposal will be of interest as it will make an important public record more widely accessible.

7. MANAGEMENT OF RISK

A small financial risk is involved with regard to the management of the contract. This will be minimised by a scrutiny process to ensure that both ourselves and Ancestry adhere to the terms of the contract.

During the imaging process there exists a small risk of damage to the original records because of careless handling. This will be minimised by conducting the digitisation process at the Town House, where the records are held, with close supervision and handling procedure training provided by Archive staff.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Phil Astley
City Archivist
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522116

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy and Resources Committee
DATE	16 February 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Union Street Conservation Area Regeneration Scheme (CARS) Update
REPORT NUMBER:	CHI/17/009
CHECKLIST COMPLETED	Yes

1 PURPOSE OF REPORT

- 1.1 To update the Committee on the progress of the Union Street Conservation Area Regeneration Scheme application to Historic Environment Scotland.
- 1.2 To seek approval for the management structure of the Union Street Conservation Area Regeneration Scheme.
- 1.3 To seek approval for delegated powers for the Union Street Conservation Area Regeneration Scheme Project Board.

2 RECOMMENDATIONS

- 2.1 Note grant award of £1,177,104 from Historic Environment Scotland for the Union Street Conservation Area Regeneration Scheme (please see appendix C).
- 2.2 Note the current list of priority projects as identified in section 5.6 below.
- 2.3 Approve match funding in accordance with the program set out in Appendix A.
- 2.4 Approve up to £1.2 million from the City Centre Masterplan budget for the Council contribution towards the Union Street Conservation Area Regeneration Scheme for the duration of the scheme.
- 2.5 Instruct the Head of Planning and Sustainable Development to implement the 5 year regeneration scheme.

- 2.6 Delegate authority to the Head of Planning and Sustainable Development, in consultation with the Project Board, Convenor and Vice-Convenor of this Committee, to amend the High and Medium Priority Projects should priorities change due to unforeseen circumstances during the 5 years of the scheme, with such changes to be reported to this Committee as a bulletin report.
- 2.7 Delegate authority to the Head of Planning and Sustainable Development in consultation with the Convenor and Vice-Convenor of this Committee, to allocate new projects or additional budgets, with such allocations to be reported to the Committee as a bulletin report.
- 2.7.1 Delegate authority to Head of Planning and Sustainable Development, in connection with the Programme, to undertake or instruct tendering procedures or competitive quotes procedures as appropriate and in accordance with the Aberdeen City Council Procurement Regulations and the awarding of contracts following thereon, subject to the necessary funding being available and;
- 2.7.2 Exempt all such procedures and contracts from the requirements of Regulation 4.1.1 of the Aberdeen City Council Procurement Regulations.
- 2.7 Approve board composition and remit as described in section 5.5.2 of this report.
- 2.8 Approve the appointment of a dedicated Project Officer as described in Appendix B
- 2.9 Approve delegated authority to the project officer for grant awards under £10,000.
- 2.10 Approve delegated authority to the project board for grant awards over £10,000.

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, subject to Council approval to allocate, in principle, up to £1.5M match funding to support the project. This was approved by Council on 17 August 2016.

The funding requirement for Council over 5 years is up to £1.2M in order to secure £1.2M external funding from Historic Environment Scotland.

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. Priority projects will be reviewed prior to the commencement of the scheme. Minimal changes are expected.

Should the grant application be successful the project will commence 1 April 2017 and run for 5 years with an anticipated spend profile of:

	ACC	HES	Total
Year 1 (2017-18)	168,936	168,936	337,872
Year 2 (2018-19)	208,690	208,690	417,380
Year 3 (2019-20)	230,700	230,700	461,400
Year 4 (2020-21)	239,998	239,998	479,996
Year 5 (2021-22)	328,780	328,780	657,560
Total	1,177,104	1,177,104	2,354,208
<i>Figures are indicative until detail of each project is developed. ACC contribution not to exceed £1,177,104</i>			

Aberdeen City Heritage Trust and Aberdeen Inspired supported the application of a Conservation Area Regeneration Scheme bid. The Board of Aberdeen Inspired has agreed a contribution of £50,000 over the five year life of the scheme. Additionally the respective Boards will consider how best to support the delivery of the programme.

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

The successful bid for funding means a new fixed term (5 years) project manager post will be established within Planning and Sustainable Development Service to support the delivery of the programme. The post will be accommodated in existing council property and require access to IT equipment. The resourcing of a project manager counts towards the Council's match funding contribution. The programme would also be supported in kind by the Council's own Masterplanning, Design and Conservation team in the Planning and Sustainable Development Service.

Legal advice will 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.

The Conservation Area Regeneration Scheme 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 £10M 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. Conservation Area Regeneration Schemes are delivered over a 5 year programme.
- 5.2 Council 17th August 2016 (item 7(I)) approved the submission of a bid to Historic Environment Scotland towards a Conservation Area Regeneration scheme.
- 5.3 The Council's Finance Policy and Resources will be the parent committee to which regular updates will be presented and budget profiles for the Council's funding commitment agreed. The Conservation Area Regeneration Scheme Programme Board will also ensure that the City Centre Programme Board is kept up to date with progress and ensure synergy with other city centre projects is achieved.
- 5.4 The Conservation Area Regeneration Scheme will offer grant support towards a proportion of the costs of external repair and restoration of buildings on Union Street and Castle Street, with a focus on those properties most in need of repair.
- 5.5 Governance
 - 5.5.1 It is a condition of the grant award that an agreed scheme of monitoring be established between Historic Environment Scotland and the local authority. This is best achieved by a dedicated programme board to ensure robust governance and scrutiny of the project programme. The proposed Project Board reporting governance is set out in figure 1 below. The Conservation Area Regeneration Scheme Project Management Team will report directly to the Project Board, which will in turn provide quarterly update reports to the City Centre Programme Board and annual update reports to this Committee. Both the Project Management Team and the Planning Working Group consist of relevant officers to ensure the efficient operation of the regeneration programme. Further detail is set out below and may be refined pending the grant award conditions, which are yet to be issued. Previous experience in townscape heritage projects has demonstrated

the benefits a proactive relationship with the Planning Service, hence the identification of a Working Group from inception.

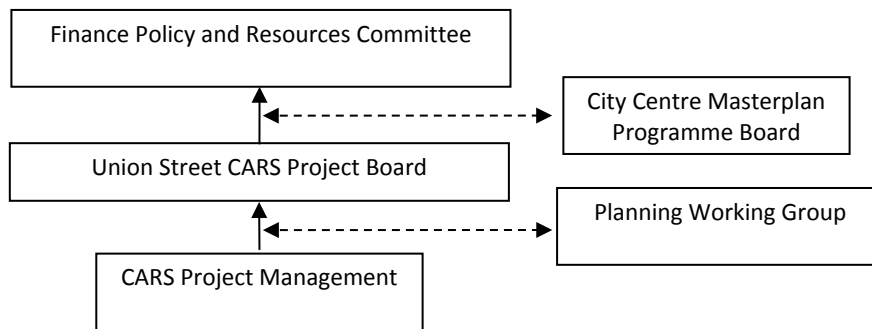


Figure 1: Proposed Governance Structure

5.5.2 The Project Board will meet quarterly and comprise of representatives from:

- Head of Planning and Sustainable Development Service (Chair).
- Director of the Aberdeen City Heritage Trust (Vice Chair) *to be confirmed by ACHT.*
- Aberdeen Inspired
- City Centre Community Council
- 2 Elected Members

The following officers will support the board:

- Project Officer (to update board and advise on the progress of the scheme)
- City Centre Programme Manager (supporting role)
- Masterplanning Design and Conservation Team Leader (supporting role)
- The Finance Service (supporting role)
- The Legal and Democratic Service (supporting role)

5.5.3 The Planning Working Group will sit under and report to the Project Board. The working group will be made up of the following:

- Project Officer
- Aberdeen City Heritage Trust Manager
- Senior Planner (Conservation)
- Planner (Masterplanning Design and Conservation)
- Trainee Planner (Conservation)
- Senior Planner (Development Management)
- City Centre Manager (representing the Council)
- Representative from Aberdeen Inspired

5.5.4 It is recommended that the Programme Board be granted delegated authority to approve grant applications within agreed constraints of the

grant award. This will provide a responsive, efficient and effective operation of the grant programme. The delegated authority requested is:

- The Project Officer to award grants under £10,000
- The Project Board to award grants over £10,000

5.5.5 The successful Green Townscape Heritage Initiative highlighted the need to ensure effective liaison with the planning service. The Planning Working Group illustrated above will meet regularly and provide integration with planning, conservation and city centre work programmes. The Planning Working Group will comprise those undertaking the Aberdeen Conservation Education programme and will draw support from other services including legal, property, finance, building standards, housing and the city centre programme management team as required. Administrative support for the programme is also under consideration.

5.5.6 Project Officer

As highlighted in last year's report to Council (CHI/16/185), a dedicated project officer will be appointed to operate with the Masterplanning, Design and Conservation Team in the Planning and Sustainable Development Service of the City Council, based at Marischal College. The project officer will be appointed for the full duration of the Conservation Area Regeneration Scheme programme and report directly to the project manager for Aberdeen City Heritage Trust (subject to approval by the Trust Board*). The appointment will be made at the Council's G13 salary grade (£30,784-£35,228) with 4 annual increments possible within the grade, subject to satisfactory performance under the Council's established annual performance, review and development programme. The Masterplanning Design and Conservation team structure to support the delivery of the Scheme will be as follows:

**if for any reason this should not be approved, the project officer will report to the Senior Conservation Planner in the structure outlined in figure 15*

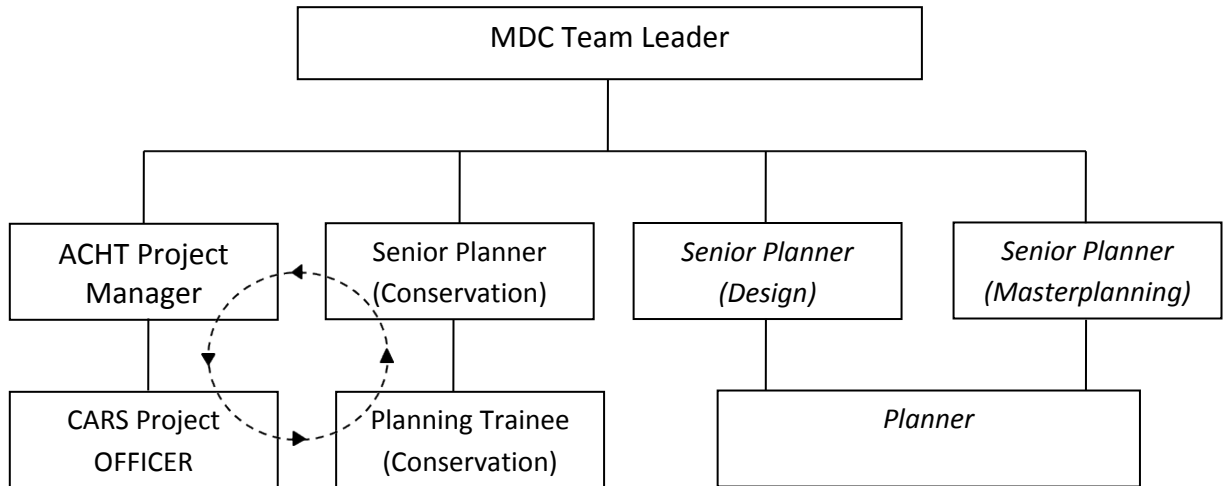


Figure 2: Proposed Masterplanning, Design and Conservation Team Structure

5.5.7 The Masterplanning Design and Conservation team is managed by an Institute of Historic Building Conservation and Royal Town Planning Institute accredited team leader. The Aberdeen City Heritage Trust project manager reports to the team leader (as well as the Trust Board) and will provide direct line management support to the Project Officer. The Senior Planner (Conservation) and the Planning Trainee (Conservation) will also provide project support and a direct link to the wider conservation work of the Council.

5.6 The current list of priority projects is set out below. This is subject to review prior to the commencement of the scheme, however no substantial changes are expected.

1.	26-30 Union Street	7.	47-49 Union Street
2.	40-42 Union Street	8.	51-53 Union Street
3.	44 Union Street	9.	67-71 Union Street
4.	82-92 Union Street	10.	107-109 Union Street
5.	100-106 Union Street	11.	171-173a Union Street
6.	154 Union Street	12.	419-421 Union Street

5.7 Estimated project costs

A breakdown of the costs of the scheme can be found on pg. 33 of Appendix A

5.8 The type of support offered under a Conservation Area Regeneration Scheme will 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 regeneration scheme area.

Conservation Area Regeneration Scheme funding will 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

The scheme will 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 emphasise sustainability in 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, associated with the management of the Conservation Area Regeneration Scheme.

It is considered that the Conservation Area Regeneration Scheme will make a significant and positive contribution to delivering improvements in Union Street as part of the suite of initiatives identified by the Aberdeen City Centre Masterplan. This programme represents an opportunity to seek to enhance the level of funding available for improvement works in Union Street.

5.9 Visual survey of frontages carried out in February 2016 identified properties which had repair of a type that could attract grant assistance in a Conservation Area Regeneration Scheme. Further high level and

rear repair is likely and will not be revealed until full investigation is possible pending commencement of the programme.

A process of contacting property owners commenced in 2016 through mailings issued at the launch of the Operation Union Street Rejuvenation project and is likely to continue throughout the life of the scheme leading to refinement of priorities as the full extent of repair work becomes apparent.

- 5.10 A visual evaluation of the priority projects has been completed which has given clarification on the extent of possible repair. This work has been carried out by Aberdeen City Heritage Trust and a conservation accredited Architect. This allowed for estimated costs to be prepared by the Trust commissioned Quantity Surveyors.

The following work has been completed and included with the application:

- Preparation of background information on the city centre masterplan, supporting enhancement schemes, development proposals and approvals, public realm works, strategic policy.
- Analysis of property types and vacancies.
- Analysis of Historic Environment Scotland desirable outputs for grant funding, review and development of Key Performance Indicators.
- Analysis of Scottish Index of Multiple Deprivation – local data set for Union St, residential, health, crime.
- Education/awareness and contractor training programme scoped and costed (required to support application).
- Administration and Finance costs have been estimated.
- Demonstrations of fit with strategic plans, City Deal were prepared and submitted with the application.

- 5.11 There is a significant amount of work currently underway which is necessary to support the application. This is summarised below:

1	Press and publicity for the scheme commences once the scheme has been approved by the Council and funding confirmed by Historic Environment Scotland.
2	Union Street Conservation Area Character Appraisal to be updated with mini appraisal.
3	Condition Survey (visual inspection carried out Feb-Mar 2016) Rooftop cherry picker survey of properties on Union Street.
4	Identification and liaison with Union Street property owners has commenced and is on-going.
5	A dedicated project officer to be appointed when the scheme commences.

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 24.06.2015, 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 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 a Constitutive Deed creating appropriate burdens over the property.

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. This will be in line with the Council's risk management strategy.

8 BACKGROUND PAPERS

List any papers which you consulted in the preparation of your report, if they include facts on which your report is based, and which have been relied upon to a material extent. It is a statutory requirement to list these, although you should not list papers which are confidential as defined by the Access to Information Act, or published works ie books or magazines.

Appendix A- Conservation Area Regeneration Scheme Application (as submitted to HES 31 August 2016)

Appendix B- Project Officer Job Description

Appendix C HES CARS Letter

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_aberdeen/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>


Council Wednesday 17th August 2016

<http://councilcommittees/ieListDocuments.aspx?CId=122&MId=3847&Ver=4>

9 REPORT AUTHOR DETAILS

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9th February 2017

Dear Sandy

**CONSERVATION AREA REGENERATION SCHEME (CARS) ROUND 7
UNION STREET, ABERDEEN**

Thank you for your application for grant support through Round 7 of Historic Environment Scotland's CARS programme.

I am pleased to advise that your application for CARS funding of up to £1,177,104 has been successful for the proposed scheme in Union Street, Aberdeen to start on 1st April 2017.

Once we have received your confirmation that you are content to proceed, we will arrange for the contract to be drawn up and issued to Aberdeen City Council for signing.

Please note that the public announcement of our funding awards is embargoed until HES have made the formal announcement. However, our Communications team would like to work in partnership with you and your teams to help maximise the profile of the investment award and the projects from across Scotland. Please contact Ali George to discuss this in more detail: Tel: 0131 668 8714/ e-mail: ali.george@hes.scot.

If you have any questions regarding any of the above then please do not hesitate in contacting me.

Yours sincerely

Jennifer Storrie | Project Manager



ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 March 2017
INTERIM DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Aberdeen 365 – Operational Plan
REPORT NUMBER	CHI/17/042
CHECKLIST COMPLETED	YES

1. PURPOSE OF REPORT

The purpose of this report is to provide members with an operational plan that supports the delivery of the Aberdeen 365 Events Strategy.

2. RECOMMENDATION(S)

Members are asked to:

- i. Agree the development of the events programme detailed on pages 7-9 of the Operational Plan (Appendix 1 to this report) and budget of £1.4m for delivery of the Aberdeen 365 Events Strategy;
- ii. Approve the establishment of an advisory Events Group to oversee the delivery of the Aberdeen 365 Events Strategy;
- iii. Agree that the organisations detailed in the body of the report can be approached to participate in a new Group.
- iv. Note the information update on the delivery of the Tall Ships in Aberdeen.

3. FINANCIAL IMPLICATIONS

Currently the funding associated with the delivery of public facing cultural and sporting events is fragmented – within the Council, and externally across stakeholders in the city and wider region.

The approach detailed in this report proposes the consolidation of existing Council budgets to achieve a coordinated and corporate approach that supports the strategic objectives detailed in the regional economic strategy where Aberdeen and the wider North East is established as a tourism destination and this is a major factor in the overall image and perceptions of quality of life.

Currently the Council invests the following across services on cultural and event activities:

City Events Programme 2017/18	£530,000
Culture Programme 2017/18	£710,000
City Centre Masterplan 2017/18	£230,000
TOTAL	£1,470,000

The delivery of the Aberdeen 365 Operational Plan will be staffed and funded from existing resources already identified within Aberdeen City Council. As a result, and with a more integrated internal approach, this report does not require additional funding and as such there are no immediate financial implications.

In the future there will be the opportunity to prioritise investment to support events using the criteria agreed by the FP&R Committee on 7 December 2016 to better inform the local authority's decision on whether to invest in an event. By applying these criteria, capacity could be created in the events programme in future to develop opportunities to secure sources of external funding to support the development of an events programme that maximises economic benefit for the city and wider region, and showcases a legacy that showcases the region's capability on the national and international event stage.

4. OTHER IMPLICATIONS

Collaboration

Just as the Operational Plan will benefit from better internal coordination, there is also an opportunity to collaborate more effectively with external stakeholders with an interest in events. The Council already supports a number of additional events-related activities:

- Funding and support to VisitAberdeenshire – destination development and marketing;
- Funding and support to Aberdeen Festivals;
- Development of the new Aberdeen Arena and Conference Centre and the appointment of a new operator, SMG Europe.
- Funding and support to Aberdeen Inspired and the City Centre Manager role in engaging with city centre businesses to maximise the commercial opportunities from events.
- Development and delivery of tourism/ events activity in the City Centre Masterplan, and Aberdeen 365's development.

It also works with Opportunity North East (ONE), VisitScotland and EventScotland in development of the tourism and leisure sector itself.

Staffing

Aberdeen City Council will adopt a pragmatic approach with the skilled and experienced staff that already exists within a number of Council services, and those who could be co-located to create a centralised events unit in the future if that was necessary.

In the coming months performance will be monitored against Aberdeen 365 KPIs and regional economic objectives allowing time to examine the longer term options for management and delivery structures.

5. BACKGROUND

Following the approval of the Aberdeen 365 Events Strategy in December 2016, officers have been reviewing the accompanying Operational Report (Appendix 1) provided by the consultant team. It suggested a number of proposals for a new programme of events for Aberdeen, and a new Steering Group model. A single joined up approach towards the strategic development, coordination and delivery of the Council's events programme, complementing other events, would result in a more effective programme and response to the needs of the Council, and individual and specific events.

The delivery of events is currently addressed internally through the work of the City Events Team in conjunction with Cultural Services. These officers work with internal and external partners in the delivery of events. There are indications that there is a need for greater coordination and communication across the public and private sector, and cultural organisations to maximise the opportunity to increase tourism activity, promote and market the city/ wider region, and improve the reputation of the city as a 'must visit' destination.

The Aberdeen 365 project stream creates a compelling programme that supports the Regional Economic Strategy and the City Centre Masterplan (CCMP) objectives. The Council's Finance, Policy & Resources Committee approved the Strategy as a framework for the delivery of events by the Council and partners. It highlights the need to shape a new portfolio of events that can be attracted to Aberdeen that develop the city's offering as well as continuing to meet priorities within the existing events and festivals programme, and can be accommodated in new 'event space' that is coming forward under the Broad Street and Union Terrace Gardens proposals.

6. DELIVERY

As detailed in Appendix 1 – Aberdeen 365 Events Strategy – Operational Plan, it is our intention to develop the existing events programme which are detailed on pages 7 - 9 of the attached report, with a view to establishing a headline or feature event each calendar month, while determining how the local authority can still recognise and support those events that fall out with these categories.

It is essential that the existing events programme demonstrates the key events which have the potential to be a major attraction under the previously agreed criteria, and the prioritisation of funding to help the event grow and develop now and in the future.

All current events will be challenged to secure future investment by detailing where it will focus its efforts in relation to the strategic criteria and how they will support the ambitions of Aberdeen and the wider economy through an established programme of core events.

Aberdeen City Council will also need to consider commissioning new activities to enhance existing events or buy in entirely new ones to widen the offering of the city and region. The key focus will be on home-grown events to support our long term strategy of building capacity, sustainability and sense of place through the cultural narrative. New events and activities will be core to the development of an exciting events programme in Aberdeen and to meet the ambitions of the Aberdeen 365 City Centre Masterplan ambitions.

Following the review of the Strategy and the accompanying Operational Report, officers propose that the establishment of an 'Aberdeen Events Group' to provide greater strategic value to the Council and external partners and stakeholders and ultimately maximise the economic impact of events in the city.

The Group would be an advisory forum with the following objectives to:

- Develop a clear programme and calendar of all events in the city and region that is available to all stakeholders.
- Coordinate on the attraction of events to the city and ensure an integrated response and pitch is provided.
- Coordinate on decisions to bid/ host events subject to the agreed appraisal criteria in accordance with procurement legislation and internal procurement regulations.
- Monitor implementation of the Aberdeen 365 Events Strategy, taking a lead role in bidding of events complementary to the city, the regional tourism objectives and the work being undertaken by Aberdeen & Grampian Chamber of Commerce on a narrative for the city and wider region.
- Ensure the wider economic impacts of events are being maximised, and that local businesses are benefitting from the programme of events.
- Advise on the overall programme development and key priorities.
- Advise on the resourcing and funding of priority events.
- Ensure better marketing and promotion of events to key tourism and leisure markets, working with VisitScotland, EventScotland and VisitAberdeenshire.

As well as the benefits of this approach to the delivery of the events programme itself, outwith the region it would provide a positive signal

that Aberdeen is a nationally and internationally competitive location for specific events (international, national and regional). Consultations with a number of city and national stakeholders suggest setting up such a Group is a positive step in delivering the recommendations of the Aberdeen 365 Events Strategy for Aberdeen.

Based on the review of the work, the experience of the Council's Events Unit and the wider consultation, it is proposed that the Aberdeen Events Group could be comprised of representatives of the following organisations:

- Aberdeen City Council – Economic Development, City Events, Cultural Policy
- SMG Europe
- Aberdeen Inspired
- Visit Aberdeenshire
- VisitScotland
- EventScotland
- Sport Scotland
- Sport Aberdeen/Aberdeen Sports Village
- Aberdeen Performing Arts
- Aberdeen Festivals
- Aberdeenshire Council – developing regional links to events

If the Council agrees to establish the Group, this mechanism will also strengthen the relationship and engagement with EventScotland and relevant national agencies, who can provide financial assistance in attracting events of scale with economic impact to Aberdeen and the wider region. Key targets for this could include golf (e.g. Scottish Open/ Women's Scottish Open) or cycling (e.g. Tour of Britain 'Grand Depart').

Working with SMG Europe, this will also be beneficial to attracting new events to the city from 2019 and the new infrastructure provided by the new arena and conference facilities.

Appraisal of events

Recognising the importance of Aberdeen City Council's existing events programme, and the need for a more strategic approach to attract new events in the future, by using the criteria for future event investment agreed by FP&R Committee. An appraisal of each event in the existing programme, and any potential new events will be appraised using the agreed criteria which enable the Group to assess the likely impact of an event (resource and support), across the four broad categories:

- **Headline events**
Established, bought- in or start up events that can secure a national and international profile for Aberdeen and attract a large number of visitors.
- **Feature events**

Established, growing or one off events that have the ambition/potential to achieve national profile and attract visitors to the Aberdeen.

- **City events**
Cultural or sporting events delivered at a city level that although of a recognised quality are predominantly aimed at residents which have limited impact or attraction to visiting audiences from outwith Aberdeen environs.
- **Community events**
Smaller scale community events and festivals that are important to the city but fall outwith the scope of the Aberdeen 365 approach.

Tall Ships

At the request of the Council's Finance, Policy & Resources Committee, contact was made with Sail Training International (STI) the international voice of Sail Training, a registered charity (not-for-profit organisation), which has worldwide membership and activities. Its purpose is the development and education of young people through the Sail Training experience, regardless of nationality, culture, religion, gender or social background.

STI organises the annual Tall Ships Races and other international Tall Ship sailing events. STI members are 29 national Sail Training organisations around the world and STI's head office is in Gosport, Hampshire, UK.

The earliest Regatta event being 2020 but the deadline for this has passed, with Tall Ships Race event bids going live in March 2018 for a 2022 event.

The criteria for 2022 is not yet available for consideration.

Research has shown that recent bids including the Tall Ships in Sunderland 2018 detail a high level estimate of £3m to deliver the event.

Considerations for committee would be the following:

- Available funding in challenging economic climate
- Costs to be met local authority
- Local partner support to be determined re resources and financial commitment
- Strategic focus of the Aberdeen 365 Events Strategy, existing, committed events programme in the city
- Timescale to prepare a robust bid and the time of year the event would be held to be determined
- Options appraisal to ascertain the most advantageous maritime events for the city to host

7. IMPACT

Improving Customer Experience

Events and participation by the Council provide an opportunity to promote and enhance the long-term economic prosperity of Aberdeen and the wider region by attracting additional visitors to the city on account of the event. In turn this attracts additional commercial activity in the city and officers will work with business customers to maximise both the benefit of the event on city-centre businesses and provide information on the event itself.

Supporting and delivering a diverse programme of city events is expected to improve the customer experience by:

- Enhancing the reputation of the city for staging local, national and international festivals and events;
- Better positioning of Aberdeen as a leisure tourism destination for those looking for new and unique event experiences
- Providing city infrastructure that attracts and supports external event organisers

Improving Staff Experience

Staff within the Council's Communications Service will work closely with colleagues from Economic Development, Culture, Transportation and Environmental Communications to improve the economic impact of the events in the city. The Strategy and subsequent operational plan allows much greater alignment of effort and resources within the Council and with external partners and stakeholders. Consideration should be given to improving the existing internal structures within which the City Council's events are strategically planned and delivered, to enable the maximum benefit of the city's investment and the expertise within the staff teams. Delivering a diverse events programme provides the staff involved with valuable experience of dealing with a wide range of internal (Elected Members, senior officers) and external (businesses, contractors, suppliers etc) customers from diverse sectors including creative, cultural and event industries.

Improving our use of Resources

Collaborating with local, regional and national partners improves our use of resources and maximising financial leverage to secure an event. By working in partnership the Council is able to share the workload and take lead or supporting roles where appropriate, without compromising the level of service delivered.

Corporate

The Council is a member of VisitAberdeenshire and Aberdeen Inspired. At a strategic level, it has a key role in the long-term development of tourism in the city and North East of Scotland. Aligned to this, is its

corporate role in providing confidence to the events market that the Council supports the attraction of the 'right' event for the city, and the contribution to wider economic, tourism and City Centre Masterplan objectives.

The report is also directly contributing to delivering the Smarter Aberdeen Objectives.

Public - This report is not of interest to the public as the financial implications of the report are minimal. There are no requirements for an EHRIA or a PIA.

There may be some public/media interest in the parts of the city events programme that involve participation by Elected members and/or officers.

8. MANAGEMENT OF RISK

The risk to the Council would be managed through specific contracts for each event between the organiser and the Council. This would be drafted in conjunction with the Head of Legal and Democratic Services and the Head of Commercial and Procurement Services. Any such agreement will seek to mitigate financial risk to the Council and the necessary procurement processes will be undertaken to adhere to procurement legislation and the internal Procurement Regulations

There is a reputational risk to the Council if an event does not develop as planned. This is mitigated by the experience of Council officers in securing and supporting the delivery of international events and a robust internal and external communications plan for any and all events.

Aberdeen's city events programme is key to the destination promotion that Aberdeen City Council, VisitAberdeenShire, Aberdeen Inspired and VisitScotland currently undertake.

Should this diverse and engaging programme not continue, then Aberdeen could potentially cease to be an attractive destination for visitors and local residents with economic spend being distributed elsewhere in Scotland and event organisers considering alternative delivery locations.

9. BACKGROUND PAPERS

Blue Sail research presented to the FP&R Committee on 7 December 2016.

10. REPORT AUTHOR DETAILS

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ABERDEEN 365 EVENTS STRATEGY OPERATIONAL REPORT

REPORT FOR ABERDEEN CITY COUNCIL

SEPTEMBER 2016

CONTENTS

1	THIS REPORT	3
2	MAKING ABERDEEN’S PUBLIC SPACES EVENT READY	4
3	DEVELOPING THE PROGRAMME.....	7
4	MONITORING, EVALUATION AND AUDIENCE INTELLIGENCE	16
5	SPONSORSHIP OPPORTUNITIES AND PACKAGES	18
6	STEERING GROUP TERMS OF REFERENCE	22

This Operational Report is accompanied by two further reports - the Events Strategy itself and another summarising the five case studies of successful event cities.

1 THIS REPORT

This report follows the Aberdeen 365 Events Strategy report produced by Blue Sail for Aberdeen City Council. It provides more operational detail, advice and recommendations in a number of areas which will help in the implementation of the strategy, specifically:

- ▶ Animation and reactivation of city spaces and venues
- ▶ Developing and enhancing the current programme of events to deliver the strategy
- ▶ New opportunities and ideas for additional events which fit the strategic approach
- ▶ Sponsorship
- ▶ Monitoring, evaluation and intelligence
- ▶ Terms of reference for the Steering Group of the new dedicated Events Unit within ACC

A REMINDER OF THE STRATEGIC APPROACH

The Aberdeen 365 strategy is based on the concept of a **String of Pearls**. An approach based on **quality not quantity**, constructed around an annual calendar of **Headline** (major) and **Feature** (niche, specialist) events and festivals that punctuate the year with something significant happening each month.

The implementation of the strategy should be driven by Aberdeen City Council through a **combined Events Unit** acting mainly as an **enabler, commissioner, and facilitator** rather than a direct deliverer of events. Its work should be overseen by an **independent Steering Group** to ensure engagement with and input from the events sector and strategic partners.

The investment process should involve an **annual open call for bids** and all organisers seeking funding must demonstrate how an event will deliver against **clear criteria** including quality, ambition, visitor appeal, capacity building and sustainability. External events should be required to bid under the new arrangements and given the opportunity to 'step up' ie to grow, develop or enhance their event. Events created or maintained by the City Council will also need to demonstrate adherence to the new criteria. There should be a separate **bid fund for bought in events** which will enhance the programme and fit the strategic criteria.

2 MAKING ABERDEEN'S PUBLIC SPACES EVENT READY

Reactivating and animating Aberdeen's public spaces is one of the priorities of the City Centre Masterplan. Events are ideally placed to do this. Public spaces create the stage for informal public performance, street festivals, intelligent lighting, and large-scale public art works. These organic, inclusive gatherings contribute to the character and appeal of public spaces and provide emotional resonance for visitors and locals alike, influencing how people move and gather and how they experience the place.

DEVELOPING INFRASTRUCTURE

The Masterplan states that key open spaces will be made 'event ready', capable of hosting a range of events and entertainments. This means designing spaces with outdoor performance front of mind in the specification. This should include:

- ▶ Provision of flat, open space
- ▶ No street furniture or public art that cannot be easily moved
- ▶ Provision of electricity power supply, water and drainage at appropriate underground points
- ▶ Vehicle access for unloading
- ▶ Performer parking.

Specific event routes and public space sites need to be defined and agreed with external rights holders 6 – 12 months in advance of an event and therefore need to be built into infrastructure works programmes to ensure the events can be delivered. The implementation and phasing of the city centre masterplan must ensure that the right public spaces and venues are available.

With the pedestrianisation of Broad Street and the Marishcal Square development, along with Castlegate and Union Terrace Gardens, Aberdeen will have a varied range of small to medium scale open air spaces. For events that use these spaces and incorporate spatial and sequential programming (e.g. SPECTRA, LookAgain, and the Jazz Festival), it will be crucial to interconnect the spaces and create a safe public flow between them, and elsewhere in the city centre.

Unusual venues can be used to great effect to transform familiar spaces and cultural venues. A good example of this is in Horsens, Denmark where KUBEN a striking 6x6x6 metre contemporary glass space functions year round as a venue for cultural performances and exhibitions in the city centre. It is free to hire for residents and helps make the city centre a vibrant and entertaining place. Aberdeen would benefit from this type of facility.

OVERCOMING HURDLES

The principal potential event space in the city centre is Union Street, a wide boulevard, with excellent public access and transport links, large safe audience standing, striking viewing perspectives and architecture. It is a natural setting for major national and international events such as Tour of Britain, Great Aberdeen Run, CityGames and street theatre spectaculars and site specific commissions, such as SPECTRA might commission. The Beach Esplanade is another location for major street theatre spectacles and potential route for cycling and running sporting events.

Whilst the closure of main transport arteries is logistically and politically challenging, cities across the UK are recognising the value of hosting major public events and spectacles in their city centres and directly addressing major road closures. Significant examples include Deansgate, Manchester for its CityGames, Princes Street Edinburgh for Hogmanay, Liverpool centre for La Machine's spider, and central London for a host of events including Ride London, London Marathon and Royal de Luxe's Sultan's Elephant. With advance notice, managed engagement and an inclusive approach to promotion other places have demonstrated that residents and locals can be brought on board, and in fact have resulted in a sense of civic pride. This is something that Aberdeen needs to address both to capitalise on its iconic public spaces and to secure local support for large events. Bids for designations such as Capital or City of Culture or UNESCO recognised cities can hugely help this process (cf Reykjavik, Derry and Hull) and very clear set out a city's ambition.

MAKING CONNECTIONS

A number of the bigger venues sit outside the city centre (Beach Esplanade, Hazlehead and Duthie Parks and the existing and new AECC). A major opportunity is lost if events taking place in these venues are centred solely there and connections not made into the city centre. If visitors can be brought into the city centre then the benefits of events are spread, the city becomes more vibrant and spend will increase. To make this happen will require a focused effort and collaboration with event organisers. It could include shuttle buses, information (maps and apps) on walking routes, taxi ranks etc. as well as promotion which gives strong reasons for visiting the centre. Bars, restaurants, shops and hotels should be involved in this promotion which might include special offers and deals for event-goers to entice people in. Associated fringe events in city centre spaces and venues should be encouraged.

FUNDING CRITERIA

Aberdeen 365 Strategy has a set of criteria on which funding for events should be based. **We recommend adding an additional criterion which requires organisers bidding for funding to demonstrate the contribution they will make to the reactivation and animation of public space.**

3 DEVELOPING THE PROGRAMME

String of Pearls is based on the premise that there will be at least one Headline or Feature event each month (see Strategy report for definitions of these two categories; there are also City and Community events which are local in their focus and draw).

The table below considers the existing programme, their potential as a major attractor (ie a Headline or Feature event) and therefore the priority they should have for funding. **It cannot be stated strongly enough that no event should be guaranteed funding under the new arrangements and all current events must step up from their current level of operation to secure future investment.** Equally however all events should be given the chance to meet the criteria of the strategy and make their case in an open bidding process. This means that the table below is simply our view at this point in time. The final column in the table provides some additional suggestions of where each event could usefully focus its efforts (some are already under discussion), but the challenge should be given to event organisers to come up with ambitious proposals which will meet the strategic criteria.

CURRENT EVENT PROGRAMME

Month	Festival/Event	Current Classification	Potential Classification	Funding Priority	Potential development	Venues
February	SPECTRA	Feature	Headline	High	Upscale site specific & international commissioning	Union Street Marischal frontage + quad, Castlegate, Broad Street Union Tce Gardens
March	Aberdeen Jazz Festival	City	Feature	Medium	Increase Jazz on the Green events in city centre outdoor spaces Programme top names and/or develop particular strands to stand out from other jazz festivals. Develop Nordic links	Music Hall, Lemon Tree, Blue Lamp, Castlegate, Broad Street, Union Tce Gardens, St Nicholas Roof Garden, City centre street stages, city centre bars

March	Granite Noir	City	Feature	Medium	Highlight Nordic noir themes	Belmont Fimhouse, His Majesty's Theatre, Lemon Tree
April/May	Look Again	City	Headline	High	Relocate dates to summer period Collaborate with NuArts Programme major international street theatre events for city centre	Citywide street venues , Broad Street, Beach Esplanade
June	Enjoy Music	City	Feature	Medium	Build collaborations to curate stages and venues in city centre	Hazlehead Park, Lemon Tree, city centre music venues & bars
June	Highland Games	City	Feature	Medium	Develop contemporary aspects Linkages and activity in city centre Programme associated cultural activity	Hazlehead Park, Castlegate Broad Street
July	Aberdeen International Youth Festival	City	City	Low	Transfer delivery to specialist music tour operator Staged withdrawal of ACC funding from event over 2 years	Music Hall, Lemon Tree, Castlegate, Broad Street, Union Tce Gardens, St Nicholas Roof Garden, City centre street stages
July	BP Big Screen	City	City	Low	Immediate halt to ACC funding for event	Duthie Park
August	Celebrate Aberdeen	City	Feature	Medium	Upscale to participatory city-wide cultural event Engage with city's wider professional cultural sector	His Majesty's Theatre, Music Hall, Aberdeen Art Gallery, Cowdray Hall, Union Street, Lemon Tree, Castlegate, Broad Street, Union Tce Gardens, City centre street stages
September	Truenorth	Feature	Feature	Medium	Greater emphasis on the regionally distinctive Integrate internationalism of Northern Arc	Music Hall, Lemon Tree, City centre bars
October	DanceLive	Feature	Feature	Medium	Greater emphasis on	His Majesty's Theatre, Lemon Tree,

					commissioning Scottish based artists & companies Appoint high-level artistic director	Castlegate, Broad Street, Union Tce Gardens , City centre street stages
November	Sound	Feature	Feature	Medium	Broaden programming to increase access & engagement Greater use of city centre spaces & venues	Music Hall, Lemon Tree, Cowdray Hall, City centre bars

POTENTIAL NEW EVENTS

Even with development and investment the current programme falls short in delivering sufficient Headline events. While Feature events can support the programme they are the smaller, specialist or niche ‘pearls’ which fit around the high impact Headline events. It will therefore be necessary for the city to commission new activity to extend existing events or stage entirely new ones. In general we take the approach that it is better to have home-grown than bought-in events and this should remain the long term strategy to build capacity and sustainability. However by careful commissioning of events which deliver the strategic criteria and fit the city’s cultural narrative, then the String of Pearls can be delivered in the short term and a boost given to the city’s events programme. Regular new commissions will also keep things fresh and introduce an element of ‘surprise’ into the regular programme.

The table below suggests opportunities for new activity and new events, where they might take place and with an indication of likely cost. Where similar events have taken place elsewhere we indicate that as examples and include contact details of the event company.

New/Extended Events	Venues	Activity	Indicative Cost	Illustrative City	Company Website
SPECTRA Indicative Commissions	Union Street Marischal frontage + quad Castlegate Broad Street Union Tce Gardens	Commissioning programme of site-specific light installations and 3D projection mapping	£1,000,000	Durham, Eindhoven	http://nva.org.uk www.porteparlevent.com echelman.com http://lesorpailleursdelumiere.com

	<i>Infrastructure: electricity power supply points</i>				
LookAgain NuArt Transe Express As The World Tipped Place des Anges Les Commandos Percu	Citywide Beach Esplanade Broad Street Broad Street Beach Esplanade	Commissioning programme Aerial spectacular Aerial spectacular Aerial spectacular Music percussion fireworks	£75,000 £50,000 £40,000 £50,000 £35,000	Stavanger Derby Birmingham Hull Derby	www.nuartfestival.no www.transe-express.com/en www.wiredaerialtheatre.com www.lesstudiosdecirque.com www.commandospercu.com
	<i>Infrastructure: Mobile stages; electricity power supply points; performer changing space. For audience: Road closure shuttle bus/park & ride, signed, safe walkways</i>				
Winter Light Festival Christmas Village Fireworks, Christmas Lights Hogmanay SPECTRA – grand finale	Union Street Marischal frontage + quad Castlegate Broad Street Union Tce Gardens	Unique, local offer (food, drink, crafts) which avoids 'faux', ubiquitous Christmas markets. Innovation in Fireworks Christmas Lighting Develop Hogmanay	£50,000		
	<i>Infrastructure: Mobile stages; electricity power & water supply at underground points; vehicle access & parking for trader unloading</i>				
Tall Ships Race	Harbour, Beach Esplanade	Tall Ships Office, Management, Marketing, Logistics, Festival Programme	£2,200,000	Belfast	www.sailtraininginternational.org
	<i>Infrastructure: Mobile stages; electricity power supply points; Secure audience access to harbourside</i>				

North Sea Tall Ship Regatta	Harbour, Beach Esplanade	Tall Ships Office, Management, Marketing, Logistics, Festival Programme	£1,800,000	Blyth	www.sailtraininginternational.org
	<i>Infrastructure: Mobile stages; electricity power supply points; Secure audience access to harbourside</i>				
Tour of Britain	Union St/Beach Esplanade + Aberdeenshire	Hosting Fee and event management and infrastructure plus additional local event activity (Costs shared with Aberdeenshire Council)	£250,000	Glasgow	www.sweetspotgroup.co.uk
	<i>Infrastructure: Mobile stages; electricity power supply points; Team bus parking, road closures shuttle bus/park & ride</i>				
Summer Screen	Union Tce Gardens /St Nicholas Roof Garden / Duthie & Hazlehead Parks/ Art Gallery/ Queens Links/ Marischal College Quad	Programme of films for summer nights across Aberdeen	£11,000	Somerset House, London	www.somerset-house.org.uk/film
	<i>Infrastructure: Mobile (inflatable) movie screen with projector and sound system; electricity supply points</i>				
Royal De Luxe - Saga of the Giants	Union Street Broad Street	Company fee; event management and infrastructure	£1,500,000	Reykjavík / Limerick	www.royal-de-luxe.com/en
	<i>infrastructure: Road closures, electricity power &</i>				

	<i>water supply points; shuttle bus/park & ride</i>				
Great Aberdeen Run & Great CityGames	Union Street, Beach Esplanade	Event management and infrastructure	£140,000	Stirling	www.greatrun.org
	Broad Street, Castlegate and Union Tce Gardens	Cultural happenings in the new events spaces	£30,000		
	<i>infrastructure: Road closures, mobile stages; electricity power & water supply points; athlete changing space, shuttle bus/park & ride</i>				
Aberdeen & Shire Food & Drink Festival	Broad St Castlegate Union Tce Gardens	Management, Promotion, Events & Infrastructure	£180,000	Stavanger / York	
	<i>Infrastructure: Mobile stages; electricity power & water supply at underground points; Road closures, Market Stalls/chalets, vehicle access & parking for traders unloading</i>				
Midsummer Festival	City Centre & Shire	Cultural events Lighting events and installations	£250,000	Cork	

Investment time line

It takes time to develop home grown and commission new original events. It is certainly quicker to buy in events. The table below indicates the likely time lines

Booking existing events which take/have taken place elsewhere	6-12 months
Commissioning - new events/extensions to existing	12-24 months
Bids for national events	18-24 months
Bids for international events	36+ months

EVENTSCOTLAND

EventScotland is keen to work with Aberdeen to support the implementation of an ambitious event strategy which is focused on scale, profile and impact nationally and internationally. **We recommend early discussions are held with EventScotland** to explore the proposed events programme and establish where they can help with advice and funding. In principle Event Scotland can provide 3 year support if there is a clear direction for an event programme. They can also support bids for the right sort of event. Event Scotland's funding programmes are:

- ▶ **International Events Programme** - for events that generate substantial economic benefits for Scotland through increased visitation including tourists, spectators and participants. Events should highlight Scotland as an events and tourism destination through high profile, international media coverage. Funded events in 2017 will be encouraged to embrace the History Heritage and Archaeology themes.
- ▶ **National Events Programme** - designed to support Scotland's events industry in showcasing the country's assets. A focus on History Heritage and Archaeology activity will be encouraged strongly to 2017 funded events. The programme provides assistance to supported events to generate increased national profile, and attract increased. There are specific criteria that events must comply with.
- ▶ **Beacon Events Programme** - the Beacon Events Programme supports uniquely Scottish events that generate tourism benefits and contribute significantly to the Scotland the Perfect Stage strategy impact areas. Events that have completed three years of National Programme funding are eligible to apply, with other listed criteria. In 2017 the focus of funded events where appropriate will be on History Heritage and Archaeology.
- ▶ **Scotland's Winter Festivals Programme** - a funding programme for Winter Festivals, celebrating St Andrew's Day, Hogmanay and Burns Night. The fund encourages event organisers to deliver new or enhanced activity to increase the celebration or promotion of our National Days. (Reopens April 2017)
- ▶ **Scottish Clan Fund** - a fund to provide legally-constituted Clans and Clan Societies with financial support of up to £5,000 for individual events to support additional elements or new activity specifically designed to grow events, expand the visitor experience and spread the benefits of events across the country.
- ▶ **VisitScotland Growth Fund** - a fund for collaborative tourism marketing projects that support growth in the tourism sector and ensure that visitors experience the true Spirit of Scotland. In 2017 VisitScotland is particularly interested in projects that reflect our History Heritage and Archaeology.

THEMATIC YEARS

The Scottish Government designates themed years which drive funding through EventScotland and promotion through VisitScotland. 2017 will be Year of History, Heritage and Archaeology and 2018 Year of Young People.

None of the current or suggested events are a particularly good fit with 2017 themes, so it will require some innovative thinking around new commissions, which could also extend into the shire. This would be an ideal early 'project' for the new Steering Group and, by extension, engagement with the events sector demonstrating the new strategic approach. Ideas potentially worth exploring include:

- ▶ Heritage coast
- ▶ SPECTRA lighting commission for archaeological sites
- ▶ Historic trading and cultural links with Scandinavia
- ▶ A flotilla of old Aberdeen built boats -if enough survive
- ▶ Traditional music (extending Truenorth)

The steering group should be addressing similarly be addressing 2018 early next year. Given the theme a better route might be to think about how to engage young people, rather than to stage events for them. Ideas could include:

- ▶ Commission young artists/creatives (working with universities) to produce special work for events
- ▶ Collaborations between young people in the North East and Scandinavia
- ▶ Appointing 'young curators' for events to work alongside organisers
- ▶ Youth strands in events e.g. young musicians programme for the Jazz Festival/Sound/Truenorth
- ▶ New activity around Enjoy Music festival
- ▶ Great Aberdeen Run or CityGames or other sporting events for under 25s only
- ▶ Tall Ships Regatta (which is aimed at young people).

There is also the opportunity for collaboration with other places in Scotland which will improve the likelihood of national funding as well as generating events of greater scale. EventScotland suggests a tie up with Glasgow on European Championships and/or youth participation is one such opportunity. Another might be collaboration with Dundee which is also seeking to develop its events programme.

BRANDING AND POSITIONING

String of Pearls is not meant to be a consumer facing name, however we think it makes sense to ‘package’ Aberdeen’s events offer (building on the success of Festivals Aberdeen) to support the positioning of the city as a vibrant, cultural place where lots goes on all year round. We recommend packaging the events programme and giving it a ‘name’ to use in promotion which is a good fit with the city cultural narrative. Here are some illustrative suggestions, but the name and approach should be another early initiative taken forward by the Steering Group in consultation with Visit**Aberdeenshire**:

- ▶ Twelve NorthEast
- ▶ A Dozen Silver Darlings
- ▶ Northern Lights 12
- ▶ Aberdeen12/The Aberdeen Twelve/The Aberdeen Dozen

A strong and effective relationship between the Events Unit and Visit**Aberdeenshire** will be essential to achieving the objectives of the Strategy in attracting visitors and profile (c.f. Rotterdam, Belfast, Liverpool).

4 MONITORING, EVALUATION AND AUDIENCE INTELLIGENCE

At the very least an event should be able to measure how many people attend. Actual audience numbers can however be difficult to measure, particularly for free events but even for paid events. While it is straightforward to measure the number of tickets sold it, is less easy to find out if these are individual visitors or multiple visits by the same person. A computerised Box Office system combining marketing facilities and ticketing functions (and ticketing free events) are the only completely reliable way to measure this.

As well as numbers it is useful to know where people come from, the type of people they are and how much they spend, what else they did as well their views of the event. Such information can readily be gathered via surveys of a sample of people attending the event. There are examples of audience surveys being undertaken by a number of Aberdeen's events. The survey of visitors to the Christmas Village (by Aberdeen Chamber of Commerce commissioned by Aberdeen Inspired) provides on place of origin, spend and satisfaction which will provide a useful baseline. Meanwhile VisitAberdeenshire commissioned Culture Republic to undertake a postcode catchment and profiling analysis of visitors to members of Aberdeen Festivals to allow them to see where attendees were coming from and the kind of people they are.

Ideally all events should be undertaking at least some monitoring and evaluation, and ideally using a consistent approach to allow comparison across events. **We recommend eventIMPACTS Toolkit** as a simple, tried and tested approach and supported by Event Scotland. See www.eventimpacts.com which provides online guidance and good practice for evaluating the economic, social, environmental and media related impacts associated with an event. Approaches are provided for basic (in-house at minimal cost), medium (in-house or contracted out) and advanced (contracted-out) methodologies. Evaluating the media related impacts provide useful insights into place marketing elements.

Another useful tool for ticketed events where the organiser has contact details is Audience Spectrum, developed by the Audience Agency for events to map and identify the cultural profile of their audiences. See www.theaudienceagency.org/audience-spectrum.

We recommend that as part of the sector engagement activity undertaken by the new Events Unit a commitment should be secured to using the eventIMPACTS Toolkit and Audience Spectrum (where contact details are available) and that that this should be a condition of any funding given by ACC.

In addition to research activity undertaken by individual event organisers it would be useful to find out more about the awareness, perceptions and motivations of tourist visitors to the city and the role that events plays and could play in attracting visits. The national surveys (Great Britain Tourism

Survey and International Passenger Survey) provide some data but are limited because of sample size and the lack of fine grain in questions. VisitAberdeenshire working with Scottish Enterprise has recently contracted with the Chamber of Commerce to develop and deliver a more robust approach to local data and intelligence. **We recommend discussions take place with VA to establish the opportunity to gather information which might inform festivals and events.**

5 SPONSORSHIP OPPORTUNITIES AND PACKAGES

The bulk of financial support for Aberdeen's events is inevitably going to come from the City Council and other local or national public bodies such as Aberdeenshire Council, Aberdeen Inspired, Events Scotland and Creative Scotland. Additionally the universities have an important role in supporting events financially, in-kind and in capacity building.

The Events Strategy's operational basis is that festivals and events are independently produced, with ACC acting as facilitator rather than manager or deliverer. Therefore, independent events' organisers should be expected to generate income for their own activities – this will include fundraising and sponsorship. It will also be the case that bought in Headline Events may already have high profile sponsors attached (eg. Aviva Tour of Britain).

The ACC Events Unit should recognise the potential for competition and duplication in seeking sponsorship and we recommend setting up clear communications and coordination with the sector. An early priority for the new Events Unit should be to coordinate the development of sponsorship packages with Headline and Feature Events organisers and lead the approach to major corporates.

The businesses operating in should in theory – because of their scale and international focus – be good potential sponsors. However sponsorship for the city's events over the past 18 months has seen a dramatic reduction due to the downturn in the oil and gas sector. We have also heard that available corporate funding seems to be going to Corporate Social Responsibility (CSR) activity rather than cultural sponsorship. As Aberdeen's energy sector recovers, major Headline Events – which are by definition high quality and high impact - could deliver attractive brand sponsorship propositions.

The situation in Aberdeen is replicated throughout the UK with massive reductions in cultural sponsorship. Corporate philanthropy is now rare, and even with CSR there is limited loyalty to local communities, as decisions are increasingly taken at Head Office rather than locally. Major corporate businesses are focusing on engaging with target markets through events which provide international broadcast rights; developing technology and social media; and building reputation and credibility (e.g. banks); or exploiting sponsorship for political influence (eg. energy, food & drink).

In Aberdeen some potential sponsors may feel that events should be wholly funded from the public purse, however others will see it as an opportunity to foster good relationships with ACC, raise their profile locally and internationally and give 'something back' to their community.

Aberdeen businesses stand to benefit from an association with an event in a variety of ways. It is important to communicate with them in the language they identify with - some perceive themselves to be commercial sponsors, others donors and collaborations may be for cash or in-kind. We recommend

using terminology in its narrow but accurate sense that commercial sponsorship is an arrangement whereby the sponsor pays cash or provides in-kind support for the project or organisation, in exchange for real business benefits, e.g. the benefit of association, benefit of priority access to an event, advertising, signage etc. These benefits will assist the sponsor to achieve its business objectives, which may include marketing and public relations.

It is proposed that a ‘funding symposium’ be held for all major stakeholders to identify how Aberdeen might maximise existing funding sources and develop a bid fund.

SPONSORSHIP PACKAGE OPTIONS

There are four levels of sponsorship that would be appropriate:

- ▶ Exclusive Naming Rights - title sponsorship (E.g. Aviva Tour of Britain)
- ▶ Main Event Sponsorship - acknowledgement in the tag-line of the event title (E.g. SPECTRA in association with xyz)
- ▶ Event Exclusivity – activity sponsorship (E.g. Stage or venue branding rights, or specific activity or event within the whole event)
- ▶ Official Supplier (alcohol; travel/transport; accommodation, lighting etc.)

In developing a sponsorship package the key elements to incorporate include:

- ▶ **Overview** - what the festival is about and how it matches sponsor’s needs; its Unique Selling Proposition ; how beneficial it is to the local community/economy
- ▶ **Festival details** – dates, times, venue, attendance. What scale of impact is it making? Any specific reasons why the forthcoming year will be bigger/better?
- ▶ **The case for funding** - why should a sponsor/supporter commit money towards this event? This section should be split into the general and the specific to ensure that all possible angles are covered (Corporate Social Responsibility, social conscience/public engagement, marketing to a target audience, brand development, PR...). What’s in it for them? Who will be attending? How do they match sponsor’s target market?

- ▶ **Tangible benefits/privileges which will come to the sponsor as a result of collaboration.** How many logos and where and when will they be displayed? Signage? Are there any complimentary tickets, or priority arrangement for securing tickets included? Invitations to meet key community members/councillors. Access to money can't buy experiences.
- ▶ **Financial commitment/sponsorship required** – the financial consideration will be balanced with the value of business benefits offered. Asking for 'support' doesn't always feel as good as asking for 'partnership', 'collaboration'. Clearly state the amount sought (+VAT if appropriate). Consider incentives for soliciting multi-year commitments. The cost of sponsorship must be less expensive than if the sponsor were to run the event on their own.

Equivalent media valuation as a measurement tool now lacks credibility in the sponsorship industry. A more useful methodology is *Full cost of event + cost of benefits + cost of servicing – budgeted ticket sales) = baseline fee.*

Then apply market influencers:

- ▶ Judgement on what the market will bear
- ▶ Lead time before the event (Under 6 months will very likely impact price, Under 3 months will severely impact both price and credibility)
- ▶ Other activities competing in the marketplace
- ▶ Uniqueness of the offer and its position in the marketplace
- ▶ Economic situation and trends

CORPORATE SPONSORSHIP SCHEME

Corporate membership clubs or schemes have been a popular form of generating corporate support. Such schemes are used to engage with the local business community in lower levels of support. But the main problems are:

- ▶ Not tailoring an approach is that lowest level gets fewer supporting benefits
- ▶ Not beneficial to creating strong high level sponsorships – makes for bargain hunters paradise
- ▶ Benefits with a monetary value may not be under the Events Unit control

- ▶ Servicing the scheme is likely to be resource and time heavy for small level of investment achieved
- ▶ The driver for many of these schemes is corporate entertaining at prestige events with the tangible benefit of free tickets. Many of 365 events will be free to view negating that principal benefit.

We therefore recommend that the initial focus on corporate support should be engaging with the Aberdeen business sector to establish successful commercial partnerships rather than a specific sponsorship scheme or club.

6 STEERING GROUP TERMS OF REFERENCE

We have recommended an independent Steering Group to oversee the work of ACC's Events Unit, make event funding decisions, remove direct political intervention and engage with the wider sector. This section provides more detail on terms of reference for the operation of the Group.

Purpose

Provide advice, support and challenge to assist the Events Unit team in the strategic development of events in the city. Steering Group members will bring experience as senior leaders and influencers and demonstrate a strong commitment and understanding of cultural and/or sporting events.

Responsibilities

- ▶ Contribute to the development and monitoring of the strategy – including taking a lead role in themed years and bidding for bought-in events
- ▶ Make decisions on funding applications to events according to clear and transparent criteria based on the recommendations made by Events Unit staff
- ▶ Advise on the overall balance, content and quality of the annual event programme
- ▶ Contribute to the evaluation of each festival and review evaluation material from artists, delivery partners, participants and audiences
- ▶ Advocate widely on behalf of Aberdeen's events programme
- ▶ Advise and contribute to the development of fundraising, income generation and business development strategies to increase resilience.

Operation

The Steering Group should meet at least quarterly to a set annual schedule which fits with the funding cycle. If any member misses two consecutive meetings then their membership should cease unless there are exceptional circumstances. Operation of the Steering Group must be open and transparent and any conflicts of interest must be declared and affected members not involved in funding decisions.

Disclaimer: All information and analysis supplied by Blue Sail Consulting Ltd and our sub-contractors is delivered in good faith and represents our professional judgement based on the information obtained from the client and elsewhere. The achievement of recommendations, forecasts and valuations depend on factors beyond our control. Any projections, financial or otherwise, in this report are only intended to illustrate particular points of argument and do not constitute forecasts of actual performance

ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy & Resources
DATE	9 March 2017
INTERIM DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	14 -18NOW- WW1Centenary Art Commissions
REPORT NUMBER	CHI/17/041
CHECKLIST COMPLETED	YES

1. PURPOSE OF REPORT

The purpose of this report is to inform members about the progress of the Council's bid to deliver the 14-18NOW WW1 Centenary Art Commissions Weeping Windows installation for 6 weeks in late 2018 within Marischal College Quadrangle and to inform the members as to why it is recommended that the Council withdraw its bid.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- (i) Instruct the withdrawal of the Council's bid to host the 14-18NOW WW1 Centenary Art Commissions Weeping Windows installation.

3. FINANCIAL IMPLICATIONS

The recommendation is to withdraw the Council's bid to host the 14-18NOW WW1 Centenary Art Commissions Weeping Windows installation as there is no identified budget to support this installation therefore there are no financial implications arising as a result of this report. Based on the generic information provided within the application pack and the core costs we would anticipate if we apply the industry standard approach/Purple Guide guidance to installation of this scale would be £129,675.14.

Currently there is no funding identified to deliver this installation, so, if this were to proceed, consideration would need to be given to the

identification or reallocation of funds from existing budgets to support this activity.

4. OTHER IMPLICATIONS

Staffing: There are no staffing implications as the recommendation is not to proceed with this installation.

5. BACKGROUND/MAIN ISSUES

As per FP&R Committee's instruction via the Director of Corporate Governance on 7 December 2016, the City Events Team submitted an application to 14-18Now on 12 January 2017. All bids are currently being assessed with successful applicants announced on Friday 17 August 2017. Applicants will be asked to confirm they have the funding and resources available before confirming successful awards.

Following the approval of the Aberdeen 365 Events Strategy at FP&R Committee on 7 December 2016, where the criteria for future event investment was agreed, going forward for any/all event and installation applications consideration will be given to the economic impact, funding, alignment to existing economic/tourism strategies and place shaping when reviewing the feasibility of this installation.

The economic benefit that could be achieved from this installation would not be as significant as those delivered by some of the major events that have recently been secured through the City Centre Masterplan.

14-18NOW, the UK's official arts programme for the First World War centenary, invited expressions of interest from across the UK to host the iconic ceramic poppy sculptures Wave and Weeping Window in 2018.

Wave and Weeping Window are from the extraordinary installation Blood Swept Lands and Seas of Red by Paul Cummins Ceramics Limited in conjunction with Historic Royal Palaces. The installation was originally at HM Tower of London in the autumn of 2014.

The application for 14-18Now application sought the following information:

- **Artistic resonance of location (30%)**
 - General visual appeal
 - Suitability of the location for the particular sculpture
 - General environment of location (not close to commercial enterprises) including close up and medium vista view
- **Relevant resonance with the heritage of the First World War (30%)**
- **Ability to provide free access - presentations should be free to view (pass/fail)**

- **Capability and expertise of the Presenter (20%)**
 - Ability to fulfil the requirements to the highest standards
 - Ability to present large scale outdoor installations including prior experience of delivering and managing large scale public art events
- **Ability to provide an appropriate public participation and learning programme (20%)**
 - Indication of proposed programme
 - Target audiences
 - Levels of engagement

Site proposals

The City Events Team was asked to consider two potential sites for the Weeping Window installation. They were Marischal College Quadrangle and the Remembrance Hall within the city's soon to be refurbished Art Gallery.

The Remembrance Hall within Aberdeen Art Gallery, and the Marischal College Quadrangle have significant connections to the city's sacrifice during the Great War.

Following discussions with colleagues in the Museums & Galleries Service, it was noted that they are under contractual obligation to a number of grant funding bodies including the Heritage Lottery Fund, Museums Galleries Scotland and the UK Government (through the LIBOR fund) to deliver the Remembrance Hall element of the art gallery redevelopment project as stated in the initial applications for said funding.

This includes a number of key commissions as well as a publicly accessible balcony gallery exploring memories of conflict. Considerable time has been spent liaising with serving members of the armed forces and veterans to ensure the feel of the space is preserved and that it serves as an open access route connecting all parts of the new building project.

A major installation in the first full year of opening would impact on the funding contracts, the specified intention for the space as well as circulation and visitor management. The opportunity for the city, driving visitors between the two sites (such as Marischal College Quad) for "visions of remembrance" would be increased if the installation were not sited in what could be a cramped and complex space. The Weeping Window piece has been viewed elsewhere by colleagues in the service and they feel that a circular room would not give the poppies much prominence nor an adequate vista.

On this basis, the City Events Team has further investigated the Marischal College Quadrangle as an installation site. Point to note - to date all of the successful applications have been for outdoor venues.

6. IMPACT

Improving Customer Experience – The recommendation is not to proceed with this application so there would be no customer experience.

Improving Staff Experience – There appears to be no improvement to the staff experience.

Improving our use of Resources – We do not have the financial resource to deliver the installation, therefore the recommendation aligns with improving our use of resources.

Corporate: A decision not to proceed with the installation will not support the corporate goals.

Public – Neither an Equality and Human Rights Impact Assessment nor a Privacy Impact Assessment is required for this report as the recommendation is not to proceed with this installation

7. MANAGEMENT OF RISK

Aberdeen's City Events programme and the Aberdeen 365 Events Strategy is key to the destination promotion that Aberdeen City Council, Visit Aberdeenshire, Aberdeen Inspired and VisitScotland Aberdeen City and Shire currently undertake.

Withdrawing this application may make Aberdeen a less attractive destination for visitors and local residents with economic spend being distributed elsewhere in Scotland and event organisers considering alternative delivery locations.

The withdrawal of this bid may create some negative publicity for the Council.

However, withdrawal of the bid now (rather than at a later date) will limit damage to the council's reputation with regards to bidding for events and preserve the existing relationship with 14-18NOW.

Going forward there will be the opportunity to prioritise investment to support events using the criteria agreed within the report OCE/16/040 criteria agreed to better inform the local authority's decision on whether to invest in an event. By applying these criteria, capacity could be created in the events programme in future to develop opportunities to support the development of an events programme that maximises economic benefit for the city and wider region, and showcases a legacy that promotes the region's capability on the national and international event stage.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy and Resources
DATE	9 th March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Fairtrade Update and Resolution 2017
REPORT NUMBER	CHI/17/003
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To reassert Aberdeen City Council's support of Fairtrade and to update the Resolution on Fairtrade 2015 (appendix 1) by agreeing the Resolution on Fairtrade 2017 (appendix 2).

2. RECOMMENDATION(S)

It is recommended that the Committee:

- (a) Approves the updated and renewed 'Fairtrade Resolution 2017'.
- (b) Notes Aberdeen City Council's on-contract spend of Fairtrade produce and the notable actions completed in support of the Resolution on Fairtrade 2015 - *and*
- (c) Instruct the Head of Planning and Sustainable Development to nominate a suitable officer of the Council to attend the Aberdeen Fairtrade Steering Group meetings and to oversee the implementation of the resolution.

3. FINANCIAL IMPLICATIONS

Should the Council procure more products from the Fairtrade range available from the contracts there would be little to no effect on existing budgets.

There are no additional resource requirements being requested.

4. OTHER IMPLICATIONS

Fairtrade City status requires that the local authority has passed a Fairtrade Resolution. Fairtrade City status was successfully renewed in December 2016 for another two years.

There is a reputational risk for the Council if it does not support the Fairtrade City status through its procurements. This reputational risk will be reduced if the Council has a Fairtrade Resolution, purchases Fairtrade products and publicly reports on progress.

The Council needs to be compliant with the Procurement Reform (Scotland) Act 2014 which requires that we have a general policy on 'the procurement of fairly and ethically traded goods and services'. The wording of the Fairtrade Resolution 2017 reflects this.

5. BACKGROUND/MAIN ISSUES

5.1 **The Fairtrade Resolution 2017**

5.1.1 In response to Aberdeen successfully achieving Fairtrade City status in December 2016 for another two years; the Fairtrade Resolution 2017 mirrors that commitment internally. The Fairtrade Resolution 2017 is strengthened to include the requirement to nominate a person from the Council to attend the Aberdeen Fairtrade Steering Group meetings and to oversee the implementation of the resolution.

5.1.2 This is currently resourced within the Environmental Policy Team.

5.2 Update on Council Fairtrade on-contract spend 2015 – 2016.

This report captures how much Fairtrade produce the Council purchased from April 2015 to April 2016 from contracts. This is compared to the baseline which was established for the previous year (in response to item 8.4 of the Finance, Policy and Resources Committee of 18 February 2015 'to create and publicly report on the Aberdeen City Council (ACC) Fairtrade baseline and progress').

5.2.1 The scope of this report includes budgets over which the Council has direct control and does not extend to its arms-length external organisations such as Bon Accord Care nor Sport Aberdeen. Only on-contract spend was collected.

5.2.2 The Fairtrade baseline established for 2014-2015 showed that 6.4% of the Council's total spend on bananas, coffee, tea, sugar and cocoa was Fairtrade. Incomplete data from the groceries suppliers means that it has not been possible to accurately calculate the percentage Fairtrade spend from the total spend on these five items this year. However the actual spend on Fairtrade items is known and is shown below.

2014-2015 <u>ACC Fairtrade on-contract Baseline Spend was:</u>	£6183.27
➤ Fairtrade spend on bananas, coffee, tea, sugar and cocoa:	£2344.05
➤ Fairtrade spend on other products (fruit juice, chocolate bars and wine):	£3839.02
2015-2016 <u>ACC Fairtrade on-contract spend was:</u>	£4666.23
➤ Fairtrade spend on bananas, coffee, tea, sugar and cocoa:	£3792.10
➤ Fairtrade spend on other products (fruit juice, chocolate bars and wine):	£874.13

(please note that the 2015- 2016 figures include best estimates from the Beach Ballroom)

5.2.3 Spend data from Council groceries suppliers shows a 24% decrease (£1517.04 less) in the amount spent by the Council on Fairtrade produce compared to the previous year.

5.2.4 It should however be noted that the Aberdeen Art Gallery closed for refurbishment in the Spring of 2015 so consequently it did not contribute to these 2015-2016 figures. Its' Fairtrade spend was however a significant part of the 2014-2015 baseline figure (over £1700). If the figures are adjusted to reflect that the Aberdeen Art

Gallery was not trading then the 2015-2016 Fairtrade spend is slightly above the previous year.

5.3 Notable Actions in support of Fairtrade 2015-2016

This report also lists actions undertaken in support of Fairtrade throughout 2016. It includes the submission which was successfully put forward to the Fairtrade Foundation to renew Aberdeen's Fairtrade City status for the period December 2016 – December 2018 (see appendix 3).

- The Fairtrade City status was successfully renewed on 8th December 2016 for another two years (see Appendix 3).
- Secretariat support was given to six meetings of the Aberdeen Fairtrade Steering Group throughout the year.
- Fairtrade Fortnight was celebrated with a display of Fairtrade material in Marischal College and the support of a business networking event on-board a Northlink ferry.
- A Fairtrade category was added to the annual EcoCity Awards.
- Forty Aberdeen schools are registered in the national Fairtrade Schools Award scheme.
- The Fairtrade Schools Award is run nationally by the Fairtrade Foundation:
 - *FairAware* status has been achieved by Kingsford School. This first stage encourages schools to find out about Fairtrade activities already going on and learn about issues around Fairtrade. It includes two audits and a learning challenge.
 - *FairActive* status has been achieved by Ashley Road Primary, Bramble Bae School and Albyn School. This is the second stage in the Fairtrade Schools Award. The school sets up a Fairtrade Group, holds a Fairtrade Assembly, creates an action plan and takes on a Fairtrade challenge.
 - *FairAchievers* status has been achieved by St Josephs' Primary School and Manor Park. The final step in the Fairtrade Schools Award is FairAchiever; at this point the school has fully embedded Fairtrade into their daily life and work to raise awareness of Fairtrade in their local community.

- Local Fairtrade Organisational Pledges have additionally been made by Airyhall Primary, Bucksburn Academy, Manor Park School, Cornhill Primary, Scotstown Primary, Brimmond Primary and Ashley Road Primary.

This is a scheme run by Aberdeen City Council in support of the Aberdeen Fairtrade Steering Group. Local organisations can take their own pledge and receive a certificate.

Sixteen other local organisations have also pledged support together with 267 individual pledges.

6. IMPACT

Improving Customer Experience –

Aberdeen City Council operates several retail outlets where it sells refreshments to its customers. It should provide an ethical and fairly-traded choice to its customers through its outlets.

The Aberdeen Fairtrade Steering Group is a customer and we should support them in their efforts to keep Aberdeen a Fairtrade City. The Fairtrade category of the EcoCity Awards will reward and promote the efforts of the people of Aberdeen in support of Fairtrade.

Improving Staff Experience –

Aberdeen City Council operates several retail outlets where it sells refreshments to its employees. It should provide an ethical and fairly-traded choice to its employees through its outlets.

Many staff support Fairtrade themselves and would like to work for an employer which holds similar values.

Improving our use of Resources –

Fairtrade City status recognises the good work being done by the people of Aberdeen in support of Fairtrade. The Council should support these efforts through its own purchasing power and influence. By buying fairly-traded products the Council demonstrates that it is conscious of wider resource issues beyond those just affecting Aberdeen.

Corporate -

Aberdeen - The Smarter City vision states:

‘At the centre of the vision lies the concept of 21st century sustainable living. This will require smarter connections both within Aberdeen and to the world beyond.’

‘We will challenge inequalities wherever they exist and bring our communities closer together.’

‘We will seek to develop a sense of community in Aberdeen based on principles of openness, fairness, reciprocity and responsibility.’

The principles of sustainability, fairness and challenging inequalities are central to the Fairtrade movement.

The Local Outcome Improvement Plan 2016-26 states:

‘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.’

We should equally want this for other citizens and communities around the world.

Aberdeen City Council 5-year Business Plan 2013/14-2017/18 states: We will seek to develop a sense of community in Aberdeen based on principles of fairness, reciprocity and responsibility. The societal outcome of this is that ‘Aberdeen is a fair and equal city’.

Supporting Fairtrade extends these aspirations beyond our city boundaries.

Public –

It was considered that the Equality and Human Rights Impact Assessment (EHRIA) and Privacy Impact Assessment (PIA) were not required during completion of this report.

7. MANAGEMENT OF RISK

There is a reputational risk for the Council if it does not support the Fairtrade City status through its procurements. This reputational risk will be reduced if the Council has a Fairtrade Resolution, purchases Fairtrade products and publicly reports on progress.

There is also an opportunity risk where the Council has an opportunity to promote itself and showcase its Fairtrade and ethical principles.

8. BACKGROUND PAPERS

‘Aberdeen –the Smarter City’

<http://thezone/nmsruntime/saveasdialog.asp?IID=23838&sID=8987>

The Local Outcome Improvement Plan 2016-26

<http://thezone/nmsruntime/saveasdialog.asp?IID=38474&sID=12548>

Aberdeen City Council 5-year Business Plan 2013/14-2017/18

<http://thezone/nmsruntime/saveasdialog.asp?IID=25372&sID=8695>

Procurement Guidance Note 10 issued by Commercial & Procurement Services.

<http://thezone/cg/Commercial & Procurement Services/CPS Procurement Guidance Notes.asp>

9. REPORT AUTHOR DETAILS

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**Fairtrade Resolution 2015**

Aberdeen City Council as an important consumer and opinion leader, should research, develop, and support the promotion and purchase of foods, drinks and other items with the FAIRTRADE Mark, or equivalent, as part of its commitment to 'Aberdeen- the Smarter City'; in pursuit of sustainable development; and to give marginalised producers a fair deal.

Aberdeen City Council aims to be recognised by the residents and business community of Aberdeen, suppliers, employees and other local authorities, as a council that actively supports and promotes Fairtrade by increasing the use of products with the FAIRTRADE Mark, or equivalent.

Aberdeen City Council resolves to support the activities of the Aberdeen Fairtrade Steering Group in striving to maintain Fairtrade status for Aberdeen through the Aberdeen Fairtrade Steering Group's Action Plan.

The Council is committed to:

- Widely offer FAIRTRADE Marked, or equivalent, food and drink internally and make it available for internal meetings.
- To specify Fairtrade goods, or equivalent, in Council contracts, including office catering, vending machines and public outlets, wherever possible.
- Promote the FAIRTRADE Mark internally to staff and in refreshment areas and promote the Fairtrade City initiative in internal communications and external newsletters.
- Support the Aberdeen Fairtrade Steering Group in its efforts to continually renew Fairtrade City status, organise events and promote Fairtrade especially during national Fairtrade Fortnight.
- Report on the progress of this Fairtrade resolution annually to committee.

Approved by the Finance, Policy and Resources Committee on 18th February 2015



Fairtrade Resolution 2017

Aberdeen City Council as an important consumer and opinion leader, should research, develop, and support the promotion and purchase of foods, drinks and other items **which are fairly-traded and ethically sourced**, with the FAIRTRADE Mark, or equivalent, as part of its commitment to ‘Aberdeen- the Smarter City’; in pursuit of sustainable development; and to give marginalised producers a fair deal.

Aberdeen City Council aims to be recognised by the residents and business community of Aberdeen, suppliers, employees and other local authorities, as a council that actively supports and promotes Fairtrade by increasing the use of products **which are fairly-traded and ethically sourced**, with the FAIRTRADE Mark, or equivalent.

Aberdeen City Council is committed to:

- Widely offer **fairly-traded and ethically sourced**, FAIRTRADE Marked, or equivalent, food and drink internally and make it available for internal meetings.
- To specify **fairly-traded and ethically sourced goods**, FAIRTRADE Marked or equivalent, in Council contracts, including office catering, vending machines and public outlets, wherever possible.
- Promote **fairly-traded and ethically sourced goods** and the FAIRTRADE Mark internally to staff and in refreshment areas and promote the Fairtrade City initiative in internal communications and external newsletters especially during national Fairtrade Fortnight.
- **Support the activities of the Aberdeen Fairtrade Steering Group (AFSG) in striving to maintain Fairtrade City status for Aberdeen through the implementation of the AFSG Action Plan.**
- **Nominate a person from ACC to attend AFSG meetings and oversee ACC’s implementation of this Fairtrade resolution.**
- Report on the progress of this Fairtrade resolution annually to committee.

Appendix 3:

The Submission by the Aberdeen Fairtrade Steering Group to the Fairtrade Foundation in order to renew Aberdeen's Fairtrade City status.

The Aberdeen Fairtrade Steering Group (AFSG) remains an active group with a core membership of committed volunteers. There have been challenges to engage with new audiences over the last two years, however the appointment of a flagship employer, Northlink Ferries, has proved to be a catalyst to achieving rather more than had been set out in the last action plan. Despite challenges, which are no doubt shared with activist groups throughout the country, the AFSG has successfully reached out to a range of new organisations and it feels that there is a potential to reach out further.

Here is a selection of what has been achieved between November 2014 and October 2016:

- Increased local pledges since November 2014. The Aberdeen Fairtrade Pledge scheme has received 249 individual pledges, 7 school pledges and 15 business / organisational pledges.
- Northlink Ferries was appointed the Flagship Employer in January 2015.
- Fairtrade Fortnight 2015 was celebrated with visiting speakers around the topic of Fairtrade cotton. The community event during Fairtrade Fortnight in 2015 introduced Koolskools, a Fairtrade cotton importer, and a visiting cotton producer. The connections made from this event led to Northlink Ferries and St Josephs' Primary School buying Fairtrade cotton uniforms. The University of Aberdeen Centre for Global Development and several other university societies have also purchased Fairtrade corporate clothing and three other schools are also investigating Fairtrade uniforms.
- Aberdeen City Council (ACC) approved its Fairtrade Resolution 2015 at its Finance, Policy and Resources Committee and established a baseline of its own Fairtrade purchases to report against annually.
- ACC ran the 90kg rice challenge internally during Fairtrade Fortnight 2015.
- The University of Aberdeen ran a programme of events throughout each Fairtrade Fortnight.
- Aberdeen University staff and students engaged directly with Albyn School in two sessions and encouraged their involvement.
- Aberdeen for a Fairer World identified funding to re-employ a staff member to work on promoting Fairtrade. This has had implications for closer working and the development of co-ordinated activity.
- Aberdeen for a Fairer World delivered four CPD sessions to 45 school teachers to encourage them to take action for Fairtrade.

- The knitted character 'Effie' successfully engaged with 1500 people on Facebook.
- Northlink Ferries collected an award in November 2015 from the Scottish Fairtrade Forum for its work with the AFSG and the fairtrade campaigns on Orkney and Shetland.
- Aberdeen City Council assisted Aberdeen for a Fairer World in its procurement of a Fairtrade Tricycle.
- The AFSG organised a business networking event on-board a Northlink ferry during Fairtrade Fortnight 2016 for which it won the Highly Commended Award from the Fairtrade Foundation.
- The Co-operative, Bon Accord Care and a Trades Union representative joined the Aberdeen Fairtrade Steering Group (AFSG) during 2016.
- Aberdeen City Council oversaw a student placement in March 2016 for three Robert Gordon University students to research how Fairtrade could be better promoted to local businesses.
- Two elected members joined the Aberdeen Fairtrade Steering Group in 2016.
- Aberdeen for a Fairer World oversaw the development of a Fairtrade pop-up shop before Christmas 2015 and again during Fairtrade Fortnight 2016 in the Central Library.
- The Soroptimists lobbied local and national politicians to support the re-establishment of a Fairtrade shop in Aberdeen.
- Aberdeen for a Fairer World (AFW) has overseen the opening of a Fairtrade Shop in temporary premises on Union Street, coordinating volunteers, stock and publicity, which successfully ran for four months.
- A representative from AFSG attended the Aberdeenshire Zone Fairtrade Steering Group meeting and they in turn will be invited to AFSG meetings in the future.
- A Fairtrade category was added to the annual Aberdeen EcoCity Awards for 2016, organised by the ACC Environmental Policy Team, to recognise the efforts of local individuals and organisations. The Soroptimists and the AFSG sponsored the category.

Action Plan for the coming two years:

Please note, ongoing activity is required from the Council (developing Goal 1) and there must be a Steering Group that meets regularly to ensure progress and continued commitment to the campaign (Goal 5). We strongly recommend that the Steering Group also sets themselves at least one aim to develop activities around Goal 2 (Retail and catering outlets), Goal 3 (community involvement, including workplaces, places of worship, educational establishments and other community organisations) and Goal 4 (events and media coverage). Your group knows what will have the greatest impact locally and what works in your community. Be brave, be creative and be imaginative. We look forward to hearing your plans!

Taking Goal 1 forward: Required

The local council passes a resolution supporting Fairtrade, and agrees to serve Fairtrade products (for example, in meetings and in its offices and canteens)

A few questions to start the group thinking! How will the steering group build on the relationship with the Council, developing action and support on the commitments made in the original resolution? Are there new ways the Council can use its buying power to benefit producers and workers in developing countries (for example, use of more Fairtrade products by council staff e.g. cotton uniforms or use in other places eg school canteens or libraries)? Are there different ways your council can support the work of the steering group and help increase awareness and understanding across the community?

Overall aim or aims (what do we want to achieve in the next two years?):

- Maintain and enhance the council support for Fairtrade, by building on the Fairtrade Resolution of 2015 and annually reporting on progress to committee.

Planned activities (what are we going to do to get there?):

- Investigate collaborative procurement opportunities with Aberdeenshire Council to procure Fairtrade items: for example a stock of Fairtrade footballs for schools.
- Work to strengthen the relationship with Aberdeenshire Council and the Aberdeenshire Fairtrade Zone.
- Work to bring more council staff to the AFSG meetings especially procurement staff, Beach Ballroom staff and representatives from the Communications team.
- Add information on Fairtrade to Elected Member induction training.

Measuring success (how will we measure progress?):

- Annual report to the appropriate council committee eg. Finance, Policy and Resources Committee.
- Increased procurement of Fairtrade items (demonstrated from 2015 baseline).
- Number of meetings which include other representatives from the Council.

Taking Goal 2 forward: Recommended

A range of Fairtrade products are readily available in the area's shops and served in local cafés/catering establishments.

A few questions to start the group thinking: How does the campaign aim to increase the range and availability of Fairtrade locally and encourage businesses to make more of a commitment? Are there specific companies we want to influence and how will we make it easy for anyone to choose Fairtrade every time they shop or enjoy a coffee in town?

<p>Overall aim or aims (what do we want to achieve in the next two years?):</p> <ul style="list-style-type: none"> • We aim to continue to promote the local pledge scheme.
<p>Planned activities (what are we going to do to get there?):</p> <ul style="list-style-type: none"> • The Fairtrade Trike will bring Fairtrade products to people around Aberdeen. • Encourage businesses to apply for the Fairtrade EcoCity Award each year through the Chamber of Commerce and other groups. • Build on the experience of our Flagship Employer to inspire other businesses.
<p>Measuring success (how will we measure progress?):</p> <ul style="list-style-type: none"> • Number of pledges made by businesses. • Number of businesses represented on the AFSG. • Number of businesses putting in a submission to the EcoCity Awards. • Number of people spoken to when 'out and about' on the Fairtrade Trike.

Taking Goal 3 forward: Recommended

Local work places and community organisations (places of worship, schools, universities, colleges and other community organisations) support Fairtrade and use Fairtrade products whenever possible. Populations over 100,000 will also need a flagship employer

<p>A few questions to get the group thinking! How will the campaign reach new work places and community organisations, encouraging them to make their own commitment to Fairtrade and get involved with the local campaign? Are there partners that could help the steering group reach and inspire new audiences or events and activities that could encourage more organisations to get involved, or take their involvement to the next level?</p>
<p>Overall aim or aims (what do we want to achieve in the next two years?):</p> <ul style="list-style-type: none"> • Broaden the range of organisations committed to Fairtrade, in part through continued promotion of the Aberdeen City Fairtrade pledge scheme and as a result of the AFSG's ongoing promotion of Fairtrade events and activities.
<p>Planned activities (what are we going to do to get there?):</p> <ul style="list-style-type: none"> • Promotion of the Pledge scheme as part of all Fairtrade events and activities. • Focussed activity to identify particular groups e.g. new school participation. • Renewed efforts to engage Robert Gordon University and NE Scotland College. • Renewed communication with church groups. • Renewed communication with local community councils. • A major Schools Event will be held on a Northlink Ferry for ten schools in

<p>November 2016 to promote Fairtrade.</p> <ul style="list-style-type: none"> • Work with the Fairtrade Foundation to better understand which schools are active on their Fairtrade journey locally.
<p>Measuring success (how will we measure progress?):</p> <ul style="list-style-type: none"> • Number of new organisational pledges. • Number of schools participating in AFTSG / AFW events and activities.

Taking Goal 4 forward: Recommended

Events and media coverage raise awareness and understanding of Fairtrade across the community.

<p>A few questions to get the group thinking! What events do you want to organise over the coming two years? Are there any established community events that you want to make Fairtrade a part of? How will the campaign 'make a noise' through the local press, local newsletters and perhaps social media? How will your campaign spread the word over the coming two years?</p>
<p>Overall aim or aims (what do we want to achieve in the next two years.):</p> <ul style="list-style-type: none"> • Build on the success of the past two years with a particular focus on communicating the message beyond our existing supporters.
<p>Planned activities (what are we going to do to get there):</p> <ul style="list-style-type: none"> • The Fairtrade Tricycle will be used at events, local parks and in shopping areas. • Liaise with libraries to make use of noticeboards. • Continue to update Facebook with the adventures of 'Effie' and have 'live appearances' in cafes. • Showcase the publicity benefits that organisations have achieved as a result of supporting Fairtrade, eg Northlink Ferries.
<p>Measuring success (how will we measure progress):</p> <ul style="list-style-type: none"> • Number of events attended. • Number of people directly engaged with using the Fairtrade Trike. • Number of hits to the 'Aberdeen Fairtrade' Facebook page. • Number of hits to the Aberdeen for a Fairer World social media accounts.

Taking Goal 5 forward: Required

A local Fairtrade steering group representing a range of local organisations and sectors meets regularly to ensure the Fairtrade Town continues to develop and gain support

Please give details of the current Steering Group (include a full list of present members with roles and any organisations they may represent):

Donna Clark, ATUC
Claudia Cowie, Aberdeenshire Council
Nigel Dower, Aberdeen for a Fairer World
Councillor Lesley Dunbar, Elected Member ACC
Jorge Espinola, Bon Accord Care
Ian Forbes, Aberdeen for a Fairer World
Sue Good (Chair)
Sandy Highton, Sustainable Development Officer ACC (Secretary)
Barbara Holligan, Co-operative
Peter Hutchinson, Northlink Ferries
Peter Kennedy, Co-operative
Councillor Graeme Lawrence, Elected Member ACC
Lewis Macleod, Aberdeen University students
Anne McAlister, Soroptimists
Fraser Lovie, University of Aberdeen
Geraldine McNeill, Aberdeen for a Fairer World
Steve Roberts, Aberdeen for a Fairer World
Hannes Sundkvist, Aberdeen for a Fairer World

A few questions to get the group thinking! Does our group represent different sectors across the community? How could we recruit new members? Could we join forces or work with other Fairtrade Town Steering Groups close by? How can we work more closely with active schools, colleges, workplaces or businesses?

Overall aim or aims (what do we want to achieve in the next two years?):

Work to maintain the broad range of organisations currently represented on the AFSG and actively recruit new members to maintain a balance.

Planned activities (what are we going to do to get us there?):

Provide a broad spread of activities and information as shown above, for example:

- Promotion of the Pledge scheme as part of all Fairtrade events and activities.
- Focussed activity to identify particular groups e.g. new School participation.
- Renewed efforts to engage Robert Gordon University and NE Scotland College.
- Renewed communication with church groups.
- Renewed communication with local community councils.
- A major schools event will be held on a Northlink Ferry for ten schools in November 2016 to promote Fairtrade.

Measuring success (how will we measure progress?):

- Number of new pledges.
- Number of organisations participating in AFTSG / AFW events and activities

And finally... Beyond the Five Goals!

Fairtrade Towns have come a long way since the core five goals were developed in 2001 and Steering Groups since then have come up with some amazing and inspired ways to take their campaign forward. If your group has a dream, an idea or activity that falls outside the core five goals but that you think will make a difference, make it part of your plan!

Overall aim or aims (what do we want to achieve in the future?):

- Investigate a long-term governance arrangement by discussing whether Aberdeen for a Fairer World (AFW) could become the parent organisation for the AFSG to ensure its long-term sustainability. AFW's status as a charitable organisation could open further opportunities.

Planned activities (what are we going to do to get us there?):

- A governance meeting has been planned to discuss the possible new arrangement.

Measuring success (how will we measure progress?):

New governance arrangement in place.

Document Version Control Table	
Document Title:	Fairtrade Update Report 2015-2016
Author(s): (Name, Job Title, Directorate)	Sandy Highton Sustainable Development Officer
Version Number:	1.5
Document Status:	Draft
Date Approved:	
Approved by:	
Effective Date:	
Date of Next Review:	
Superseded Version:	
Document History	

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy & Resources Committee
DATE	9 th March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Towards A Fairer Aberdeen That Prospers For All 2017-20
REPORT NUMBER	CHI/17/004
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

For members to consider and agree the tackling poverty priorities and proposed actions as detailed in “Towards A Fairer Aberdeen That Prospers For All 2017-20” and consider further proposals on how this will be progressed.

2. RECOMMENDATION(S)

The Committee are asked to:

- a) Consider and agree the corporate tackling poverty priorities and actions contained within “Towards A Fairer Aberdeen That Prospers For All 2017-2020” (Appendix A)
- b) Request officers to report back to a future Finance Policy and Resources Committee with a corporate framework linked to the Community Planning Partnerships Local Outcome Improvement Plan structure for overseeing the governance, performance and management for tackling poverty and inequalities.
- c) Request officers to have further discussion with Community Planning partners to identify further actions intended to address health inequalities and report back to Committee for the next cycle.
- d) To request officers to develop proposals and report back to Committee regarding how ongoing engagement with individuals and groups who are experiencing poverty will be progressed
- e) To note the proposal to pilot school holiday meal provision in 3 primary schools is subject to confirmation that funding is available

in the 2017/18 budgets and to evaluate and report back to Committee within 9 months.

3. FINANCIAL IMPLICATIONS

There are no additional cost associated with the priorities and actions at this point. Depending on how the specific actions identified are taken forward there may be a requirement for additional resources. However, most of the proposed actions are cost neutral and could be addressed through new ways of working and prioritisation of existing service resources. Where additional actions do require additional funding this would be subject to further reports to Committee that identify costs required within a separate business case.

In relation to recommendation 2(e) the Council has set aside £90K in it's budget for 2017/18 to pilot the provision of food in schools during school holiday periods.

4. OTHER IMPLICATIONS

Tackling Poverty and Inequality will contribute positively to social outcomes by helping to addressing a range of issues related to poverty including income maximisation, child poverty, fuel poverty, food poverty, housing and health inequalities. This will also build on the developing approach to locality planning, regeneration priorities and work with the health and social care partnership. The work will also link with the inclusive economic objectives within the Regional Economic Strategy.

5. BACKGROUND/MAIN ISSUES

The Finance Policy and Resources Committee of the 20th September received an update report on “ Opportunities for Tackling Poverty and agreed that officers should report back to this Committee with an anti-poverty strategy on the key themes of income maximisation, child poverty, fuel poverty, food poverty and housing and to provide an action plan to tackle poverty and inequality

Shaping Aberdeen the Council's Strategic Plan contains commitments to develop an Anti- Poverty Strategy and a number of objectives that relate to tackling poverty and inequality including :

“We will seek to reduce the levels of inequality in the city and plan with key partners to try and ensure that welfare reform does not increase the gap”

“We will provide opportunities for lifelong learning which will develop knowledge, skills and attributes of our citizens to enable them to meet the changing demands of the 21st century”

“We will create a city of learning which will empower individuals to fulfil their potential and contribute to the economic, social and cultural wellbeing of our communities

“We will aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the city/region economy”

The Priorities and Actions identified link to and build on specific high level objectives within the administrations programme “Aberdeen the Smarter City” primarily Smarter Living, Smarter People, Smarter Environment and Smarter Economy.

Appendix A “Towards A Fairer Aberdeen That Prospers For All 2017-20” proposes 11 Priorities with associated actions that underpin the Council’s Strategic Plan and Smarter City objectives . It further provides a basis to build on the Councils existing services tackling poverty and disadvantage and identifies additional actions that can be adopted to deliver a Fairer Aberdeen linking to Community Planning Aberdeen’s Local Outcome Improvement Plan vision of Aberdeen being “A place where all our people prosper”

The proposed Priorities include an overall objective:

To prevent child poverty and adult poverty in the city of Aberdeen

The following 10 Priorities under each theme are:

INCOME MAXIMISATION THEME

Priority 1

For Aberdeen to become Scotland’s 1st “Real” Living Wage City

The proposed actions to be developed and progressed are:

- Aberdeen City Council secures accreditation as a Living Wage employer

Priority 2

Ensuring that through Linking Opportunity and Needs our educational, skills and training provision is coordinated to meet the needs of people in the city to secure employment

The proposed actions to be developed and progressed are:

- Further development of our employment and skills pipeline to incorporate education and training pathways
- Maximisation of Community Benefit clauses in all public procurement by Aberdeen City Council and Community Planning Aberdeen to increase apprenticeship and training opportunities
- Aberdeen City Council sets a target to establish an agreed level of apprenticeship training opportunities for every £1m of new public expenditure – starting with all City Deal investment

Priority 3

To be a leading Local Authority in Providing Apprenticeship opportunities for developing our young workforce

The proposed actions to be developed and progressed are:

- Continued development of clear vocational pathways for our young people as part of Aberdeen Guarantees and preparing all our young people for the world of work
- Investigate the opportunities to increase apprenticeships in the Council and across all sectors in the city

Priority 4

To ensure that those people most affected by welfare reform changes are provided with the advice and support services they need

The proposed actions to be developed and progressed are:

- Instigate a Benefit's Awareness Take Up Campaign
- Continue to provide advocacy and support for people assessed for Work Capability and challenge decisions where people have not been fairly assessed
- Co-locate Advice and Support services in places and services that people already use eg G.P. surgeries, community centres libraries and the new community hubs in priority regeneration areas.
- Review current investment in benefit advice and information services involving service users
- Increase the knowledge of frontline staff across a range of services so that income maximisation checks can be carried out at an early point

- Promote community asset based and co-produced responses to welfare reform changes
- Continue to support and promote the cities Credit Unions and investigate the development of a Community Development Finance Institute as an alternative to high interest pay day loan companies.

CHILD POVERTY THEME

Priority 5

To prioritise the development of new flexible childcare services where working families are on the lowest incomes and will benefit the most

The proposed actions to be developed and progressed are:

- Development of new childcare services in regeneration areas
- Provision of out of school care and holiday provision in all city primaries
- Ensure that families who are entitled to “Access to Leisure” benefit from 25% reduction in costs
- Deliver flexible early learning and childcare services 50 weeks of year subject to additional capital and revenue resources being received from the Scottish Government

Priority 6

To ensure that no child in the city is prevented from benefitting from their full educational entitlement due to the “Cost of the School Day”

The proposed actions to be developed and progressed are:

All schools and services will use quality improvement processes to plan delivery of the Excellence and Equity agenda. This will include:

- the removal of financial barriers to participation
- The promotion of financial entitlements (including the provision of free school meals) and examination of reasons for non-uptake
- Efficient use of poverty impact assessments when allocating resource
- Raising awareness of the indicators and consequences of poverty
- Raising awareness of the financial inclusion services that exist in the city and referral procedures
- Work with a range of partners to support the delivery of financial education in schools

Priority 7

To close the educational attainment gap

The proposed actions to be developed and progressed are:

- Maximise the use of Scottish Attainment Challenge funding to target those schools and pupils in most need
- Continue to work towards providing free access to digital technology in as many Localities as possible
- Commission research to assess required levels of support in relation to adult literacy and numeracy to meet welfare reform changes
- Commit to providing a sustainable support model for literacy and numeracy and monitor its effectiveness as welfare reform and Universal Credit is rolled out.

FUEL POVERTY THEME

Priority 8

To increase awareness and understanding of the causes of fuel poverty and develop responses that reduces fuel poverty and the risk of fuel poverty

The proposed actions to be developed and progressed are :

- ACC should review the current energy projects, schemes and service we provide and improve linkage with other services involved in tackling poverty
- Continue to increase awareness amongst staff of the effects of fuel poverty and the causes
- Consider running an awareness campaign to encourage householders to consider switching fuel supplier
- A.C.C should consider transferring void properties to a Local Energy Provider that can provide a good deal for the new tenants moving in.
- A.C.C. should complete the investigation into the potential for setting up its own Energy Supply Company to progress and deliver project such as a local tariff , Photo Voltaic (PV) solar schemes , solar farms
- Support and promote local and community led generation projects
- Continue to expand the District Heating Network

FOOD POVERTY/FOOD INSECURITY THEME

Priority 9

To increase awareness and understanding of the causes of food poverty/insecurity and develop responses that reduces food poverty and the risk of food insecurity

The proposed actions to be developed and progressed are:

- Continue to ensure wide spread use of Scottish Welfare Fund as first port of call for emergency support
- All services in contact with individuals and families increasing their awareness of food poverty and referral processes
- Commission research to ascertain level and nature of food insecurity in the city
- Continue to support the development of the Food Poverty Action Aberdeen Partnership and work together to improve the knowledge, nutrition, growing and cooking of food as part of helping to move beyond food banks
- Aberdeen City Council should develop a corporate debt policy and consider ring fencing the right for individual and family food and fuel when assessing and considering debt repayment levels
- Aberdeen City Council should work with a range of community organisations to develop community based solutions to address the needs of children facing food poverty during the school holidays and ensuring that no child goes hungry

HOUSING THEME

Priority 10

To increase the supply of social and affordable housing

The proposed actions to be developed and progressed are:

- Aberdeen City Council should continue to work with other housing providers should via it 'Housing Revenue Account to maximise delivery of new affordable housing within the parameters of our 30 year business plan
- Aberdeen City Council should ensure that the £20M infrastructure fund for the city region is applied to deliver affordable housing and that we work with the Shaping Aberdeen L.L.P RSL's and developers towards this end
- Aberdeen City Council should continue to support The Scottish Cities alliance in seeking greater powers from the Scottish Government to deliver affordable housing including first refusal on all surplus public sector lands for provision of affordable housing

Further Considerations

Governance Arrangements

Whilst members are asked to approve these tackling poverty priorities and proposed actions it has been recognised in developing this report that there is a need to engage more with partner organisations, especially with NHS Grampian and with the Health and Social Care Partnership in relation to actions to address Health Inequalities which is a potential sixth theme.

It is proposed that officers have further discussion with Community Planning partners and review policies and actions for tackling health inequalities. In terms of governance, programme management, performance and monitoring of outcomes it is proposed that officers consider with community planning partners options for integration with the Local Outcome Improvement Group leads and report back to a future Committee with proposals for future governance arrangements

Child Food Poverty Holiday Meals Programme

At the 20th September 2016 F.P.& R Committee officers were asked to bring back a report to the F.P. & R Committee regarding how the Council can help to ensure no child goes hungry during the school holidays.

The report on this to the 1st December 2016 F.P.& R Committee agreed that the Council should pilot a child poverty holiday meals programme in the Easter and Summer school holidays and that proposals on this should be included in this report.

The report on the 1st December noted that there is no existing budget allocation for this and that costs be developed for inclusion in the 17/18 budgeting process.

The Council in setting it's budget on the 22nd February 2017 has included a sum of £90 k to provide food for children and a programme of activities during school holiday periods.

The proposal being developed is to pilot school meal provision linked to an activities programme involving a partnership approach with the voluntary and community sector in 3 primary schools initially based in the regeneration priority areas where Locality Plans are currently being developed

6. IMPACT

Improving Customer Experience

The actions being proposed will impact positively for those people experiencing poverty and inequality takes steps to tackle prevent and alleviate where this exists.

Improving Staff Experience –

Through the development of the proposals staff from across Council Services have contributed and advised on the actions being proposed to tackle poverty.

When implemented many of the actions will increase staff knowledge around poverty and inequality and provide opportunities to provide more cross cutting joined up approaches both internally and externally

Improving our use of Resources –

The proposals contained provide opportunities for working across Council departments and with partners to tackle poverty. There are significant costs for services as a whole associated with addressing the impact of poverty in the city.

By adopting a more service user focused approach to designing services there is the potential to make significant savings through the avoidance of duplication and future design of services that better meet people who are experiencing poverty's needs.

Corporate –

Several links to the Local Outcome Improvement Plan and Smarter Aberdeen objectives are detailed in Appendix A and section 5 above.

The primary link is to Aberdeen: The Smarter City through:
Smarter Living (Quality of Life)

We will work with our partners to seek to reduce the levels of inequality in the city

Public

This proposal will be of interest to the public given the interest in tackling poverty and inequality and wide ranging understanding and attitudes around poverty.

An EHRIA has been completed for this report

This proposal will impact positively on poverty and social inclusion and is expected to impact positively on groups with protected characteristics.

7. MANAGEMENT OF RISK TBC

This report and the proposed actions to tackle poverty are expected to impact positively on customers and the Council's reputation demonstrating clear commitment to improving the lives of the most disadvantaged people living in Aberdeen
Failure to tackle poverty not only has a negative impact for the lives of those experiencing disadvantage but increases financial costs for the city as a whole.

8. BACKGROUND PAPERS

"Deprivation In Aberdeen City, An analysis of the Scottish Index of Multiple Deprivation 2016 , ACC Research and Information Team"

"Poverty In Aberdeen City" produced by ACC Research and Information Team

"A Scotland without fuel Poverty is a fairer Scotland" Report of the Scottish Fuel Poverty Strategic Group to the Scottish Government


" A Scotland without Poverty", Dr Jim McCormack , Joseph Rowntree Foundation pub Feb 2016

" Dignity, Ending Hunger Together In Scotland, The Report of the Independent Working Group on Food Poverty" pub June 2016

"Empowering Scotland's Cities "pub June 2016

9. REPORT AUTHOR DETAILS

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TOWARDS A FAIRER ABERDEEN THAT PROSPERS FOR ALL 2017-2020

A Review Of Aberdeen City Council Activity Tackling Poverty



What is Poverty?

Foreword

Summary

Context

Themes, Priorities and Actions

Income Maximisation

Child Poverty

Fuel Poverty

Food Insecurity

Housing

What is Poverty And How it Manifests Itself

Defining poverty

“Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities, and have the living conditions and amenities which are customary, or are at least widely encouraged and approved, in the societies in which they belong.” (P. Townsend, Poverty in the United Kingdom)

Relative poverty

“When we talk about poverty in the UK today we rarely mean malnutrition or the levels of squalor of previous centuries or even the hardships of the 1930s before the advent of the welfare state. It is a relative concept. ‘Poor’ people are those who are considerably worse off than the majority of the population – a level of deprivation heavily out of line with the general living standards enjoyed by the majority of the population in one of the most affluent countries in the world”.

Child Poverty

“Child poverty means growing up in families without the resources to ‘obtain the type of diet, participate in the activities and have the living conditions and amenities’ which are the norm in 21st century Scotland.”

The effects of child poverty should not be underestimated and experiencing child poverty can undermine the health, wellbeing and educational attainment of children.

Fuel Poverty

The Scottish Government define fuel poverty as...

“A household is in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income on all household fuel use. If over 20% of income is required, then this is termed as being in extreme fuel poverty.”

Food Poverty/Insecurity

The inability to acquire or consume an adequate quality or sufficient quantity of food in socially acceptable ways, or the uncertainty that one will be able to do so (Dowler 2003)

Funeral Poverty

This is a generic term used to encompass a range of issues around the difficulties experienced by people with insufficient funds faced with paying the cost of a funeral. In particular Funeral Poverty comprises:

- **Funeral debt:** the inability to pay timeously and in full the cost of a funeral for which a person is responsible
- **Funeral debt burden:** the contribution responsibility for the cost of a funeral plays in a person’s overall experience of unsustainable debt
- **Bereavement poverty:** the effect of financial debt and/or having to adjust the funeral for financial reasons has on the grief experience of the person responsible for arranging and paying for the funeral

- **Funeral industry debt:** the burden of debt carried by the funeral industry as a result of people being unable to pay in full for a funeral for which they are responsible.

Health Inequality

Health inequalities are potentially preventable and unfair differences in health status across the population. Health inequalities arise from a complex interaction of many factors - housing, income, education, social isolation, disability - all of which are strongly affected by one's economic and social status. The fundamental cause of inequalities in health and wellbeing is the unequal distribution of income, power and wealth in society *which can lead to poverty and marginalisation of individuals and groups*

Foreword

To be added after Committee consideration Cllr Willie Young, Convenor of Finance Policy and Resources

Summary of Tackling Poverty Priorities And Links to Aberdeen The Smarter City

Given the economic downturn in the city the following provides an opportunity for Aberdeen City Council to re-cast our understanding of the scale of poverty, how it manifests itself, and what else we can be doing to tackle poverty and inequalities

The following priorities for tackling poverty in Aberdeen builds on Aberdeen City Councils Smarter Aberdeen objectives and provides areas for services and strategic plans to focus on and consider when reviewing and developing services .

Smarter Aberdeen Living

We will work with partners to seek to reduce the levels of inequality in the city

Priority 1

For Aberdeen to become Scotland's 1st "Real" Living Wage City

Smarter Aberdeen People

We will aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the city economy

Priority2

Ensuring that through Linking Opportunity and Needs our educational, skills and training provision is coordinated to meet the needs of people in the city to secure employment

Priority 3

To be a leading Local Authority in Providing Apprenticeship opportunities for developing our young workforce

Smarter Aberdeen Living

We will use early intervention to help people sustain their tenancies

Priority4

To ensure that those people most affected by welfare reform changes are provided with the advice and support services they need

Smarter Aberdeen People

We will provide a high quality education service within our schools and communities which will improve attainment and life chances of our children and young people to achieve their full potential in education, employment and training

Priority5

To prioritise the development of new flexible childcare services where working families are on the lowest incomes and will benefit the most

Priority6

To ensure that no child in the city is prevented from benefitting from their full educational entitlement due to the "Cost of the School Day"

Priority7

To close the educational attainment gap

Smarter Aberdeen Environment

We will increase energy efficiency and introduce carbon reduction measures in processes and our housing and non housing assets to reduce our carbon footprint, save money and to bring people out of fuel poverty

Priority8

To increase awareness and understanding of the causes of fuel poverty and develop responses that reduces fuel poverty and the risk of fuel poverty

Smarter Aberdeen Living

We will work with our partners to reduce the level of inequality in the city

Priority9

To increase awareness and understanding of the causes of food poverty/insecurity and develop responses that reduces food poverty and the risk of food insecurity

Smarter Aberdeen Economy

We will improve access to affordable housing in both the social rented and private sectors, by supporting first-time buyers, regenerating areas in the city and by working with developers to maximise the effective use of developer contributions

Priority10

To increase the supply of social and affordable housing

Smarter Aberdeen Living

We will work with partners to reduce the levels of inequality in the city

Priority11

To reduce Health Inequalities where they exist in the city

Shifting Nature of Poverty in Aberdeen City – Economic Context

“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” (Community Planning Aberdeen Local Outcome Improvement Plan 2016).

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 2016, based on the Scottish Index of Multiple Deprivation 9 of the 267 datazones within Aberdeen were considered to be within the 15% most deprived areas in Scotland. It should be noted though that the SIMD measures relative poverty across Scotland as a whole, so if it appears as though things may be improving in Aberdeen this may just be due to a worsening situation elsewhere in Scotland. Also, the current economic situation in the city with the recent downturn in the oil industry will not be fully reflected in this most recent analysis.

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

Community Planning and Locality Planning

Aberdeen’s Community Planning Partnership, Community Planning Aberdeen (CPA) recently completed its first Local Outcome Improvement Plan (LOIP) as required by the Community Empowerment (Scotland) Act 2015.

“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.” (Cllr Jenny Laing - Chair of CPA and Leader of Aberdeen City Council, LOIP)

The Community Empowerment (Scotland) Act 2015 also requires more localised planning for those parts of the city that are experiencing disadvantage and towards this end Aberdeen City Council and Community Planning Aberdeen are currently developing Locality Plans that will seek to address the social, economic, physical environment and health inequality issues facing residents living in the City’s regeneration priority neighbourhoods of Northfield, Mastrick, Cummings Park, Middlefield, Tillydrone, Woodside, Seaton and Torry.

These Locality Plans will be key to ensuring that the benefits of the wider economic success in the city are linked to those places and people that need help the most and are experiencing significantly poorer outcomes than other people in the city due to socio-economic disadvantage.

The approach being taken towards developing these plans is based on developing local collaborative partnership working arrangements including all stakeholders. Engagement and participation with residents is being strengthened building on local assets and strengths and developing services in the future that will be co-produced with increased service user involvement in service design, delivery and performance monitoring. Participatory budgeting is already being tested in these areas as part of the process of directly involving local people in decision making.

Public Services

Aberdeen City Council and our Community Planning partners already provide important and valued services that help protect against and prevent many of the worst aspects of poverty for citizens. Failure to address poverty and disadvantage though comes at a cost for public services, the Joseph Rowntree Foundation (JRF) estimate this as £78 billion across the U.K. and that about £1 in every £5 spent on public services is making up for the way poverty damages lives. ("Counting the Cost of U.K Poverty" JRF pub Aug 2016)

The impact of economic and welfare policy, whether set by the UK Government or Scottish Government, largely determines the context within which Aberdeen City Council and the CPA is operating.

Welfare Reform

The U.K Welfare Reform Acts introduced in 2012 and 2016, are the most fundamental reforms to the social security system for 60 years.

The stated aims of the U.K Government regarding Welfare Reform proposals are to:

- simplify what has become an overly complex benefits system
- to make the benefits system fair for recipients and taxpayers
- to ensure that individuals always benefit financially by moving off benefits and into work.

The main change relates to the introduction of Universal Credit which will provide a basic allowance/single payment with additional elements for children, disability, housing and caring that will support people both in and out of work replacing Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, income based Jobseekers allowance and income-related Employment and Support Allowance. In Aberdeen Universal Credit is only currently being applied to a small number of single person new claimants – the full roll out for Aberdeen is now scheduled for June 2018.

Whilst it is still too early to gauge what the full impact of welfare reform changes will be, some of the changes are known to be impacting significantly on household incomes and specific groups of people in the city. i.e those larger households affected by the Benefit Cap of £20,000 per annum, single parents, people with disabilities, migrants and asylum seekers and people in work as these changes are introduced.

Issues such as new claimant commitment requirements, alongside delays in benefit payments, have been cited by advice and information agencies as part the reasons for the growth of food banks across the U.K and the perceived increase in people experiencing food insecurity.

The Scottish Government is currently considering how new devolved Social Security powers will be used, and these may have the potential to contribute towards tackling poverty. These new powers include the ability to create new benefits in devolved areas, topping up reserved benefits (such as Universal credit, Tax Credits and Child Benefits), making discretionary payments and assistance, changing how employment support is provided, the timing and payments of Universal Credit and other welfare powers for carers, disability benefits, maternity payments and funeral payments. There is national concern regarding the rising costs of funerals and the sudden economic impact this can have on people at a time of bereavement, and the Scottish Government is also consulting on how this devolved power will operate in the future with regard to funeral poverty.

In Aberdeen the downturn in the oil industry is significantly affecting previously high income families who are suddenly finding themselves in a position of being unable to meet their household costs. Cumulatively, the changes highlighted in this section demonstrate how the context of poverty and disadvantage in the city is changing along with the welfare and social security system. Local responses need to reflect these changes and meet future challenges.

Local Authorities and Community Planning partners do not have a “silver bullet” to solve poverty, but do have significant resources that we can continue to use to prevent, protect and mitigate against poverty, and in partnership with those affected by poverty we need to continue to ensure that these joint resources are used in the most effective way.

Indicators of Poverty in Aberdeen

A detailed Poverty Profile for Aberdeen produced by the OCE Research Team has been placed in the Members Library

Summary of Key Facts

INCOME MAXIMISATION

- Claimant count – October 2016, total of 3,465 claimants
- Debt advice – 1,253 debt advice contacts were made to the Financial Inclusion Team in 2015/16.
- Research by Sheffield Hallam University regarding the financial impact of welfare reform estimates that In Aberdeen City the total anticipated financial loss by 2020-21 for pre- and post-2015 reforms is £390 per working age adult per year

CHILD POVERTY

- In Aberdeen City, an estimated 18% of children are living in poverty
- Child poverty unevenly distributed across the city's wards – ranging from a low of 6% to a high of 29%
- Level of attainment is strongly linked to deprivation – large differences in average tariff scores by deprivation within schools and between schools in the city
- 53.1% of primary school pupils and 9.2% of secondary school pupils in the city are registered for free school meals (N.B all children are provided with free school meals for first three years at primary school)
- Positive destinations – range from a low of 75.2% in Northfield Academy to a high of 96.8% in Oldmachar Academy

FUEL POVERTY

- Fuel poverty – 29% of households in Aberdeen are in fuel poverty and 9% are in extreme fuel poverty

FOOD POVERTY

- Food poverty – estimated that approximately 10% of people in the UK are moderately food insecure and 4.5% were severely food insecure. Estimated that only a small proportion (20-30%) of those in food poverty make use of food banks.

HEALTH INEQUALITY

- Homelessness – 1,284 homelessness applications in Aberdeen City in 2015/16
- Life expectancy – 76.6 years for males and 80.9 years for females in Aberdeen. Life expectancy varies depending on where you live – ranging by 16.7 years for males and 12.1 years for females in different areas of the City.

Principles For Tackling Poverty:

Based on research and the legislative and policy context, Aberdeen's approach to tackling poverty is based on the following principles.

Our Overall Objective:

For Aberdeen to be a place where children, young people and adults have the opportunity to reach their full potential and achieve their ambitions regardless of their background or circumstances. (LOIP)

We will achieve this by preventing and alleviating Child Poverty and Adult Poverty across all of our services.

The challenges we face are considerable but if we continue to develop a **preventative** approach; **protect** those individuals and families that are most vulnerable; enable **participation** from those **people** that are experiencing most disadvantage and commit to working in **partnership** with those people and in the **places** in our city that most need it then we can work towards our vision of **A Fairer City That Prospers For All**.

The principles we adopt going forward will be based on the following:

- Adopting early intervention and preventative measures as a priority towards tackling poverty and inequality
- Protecting those individuals and families that are most vulnerable seeking to alleviate poverty where that exists and ensuring dignity and respect at all times.
- Developing responses to poverty by ensuring participation from those experiencing poverty in designing the services they most need for support.
- Improving coordination, linkage and poverty awareness that tackles stigma across all strategic and frontline public services
- Ensuring all public services carry out socio-economic impact assessments when allocating resources
- Adopting a community assets based approach towards regenerating our most disadvantaged communities

These principles underpin the priorities and actions arising under each of the priority themes.

Theme 1 - Income Maximisation

Income maximisation is about ensuring that an individual's income is maximised, and outgoings controlled, via avenues such as welfare benefits; tax credit claims, and budgetary and debt advice.

People with inadequate income are likely to experience poorer quality of life. Despite this we know that every year, large numbers of Aberdeen citizens are missing out on their entitlement to means tested and non means tested benefits, or are experiencing problem debt.

The Living Wage and Tackling Pay Inequality

Priority 1

For Aberdeen to become Scotland's 1st "Real" Living Wage City

Ensuring that Aberdeen's economy thrives and that the jobs that are created pay a Living Wage is fundamental to protect those in poverty and at risk in the future.

Research from the Resolution Foundation estimates that 17% of jobs in Aberdeen pay less than the National Living Wage: this equates to approximately 25,000 jobs. They further report that, of people on National Minimum Wage, 33% are still on NMW after 5 years and 20% remain on minimum wage after 10 years. This indicates a significant core of people who are not able to lift themselves out of low household income.

Aberdeen City Council, like most public sector organisations, currently pay adult employees the "Real" Living Wage rate of £8.45 which is higher than the current National Living Wage of £7.20. Recently, the Health and Social Care Partnership were allocated additional monies from the Scottish Government to deliver this within their external commissioned services. This investment to Health and Social Care Partnerships will enable the "Real" Living Wage to be paid to care workers providing support to those adults and other older people receiving social care.

Currently, there are 694 Living Wage accredited employers in Scotland, 17 of those are in Aberdeen. Of Scotland's 32 Local Authorities, 13 have attained accredited Living Wage status. Given that Aberdeen City Council pays the Living Wage we have a strong foundation from which to seek accreditation via the Poverty Alliance and promote the concept of becoming a "Real" Living Wage City.

It has been recognised for some time that the gender pay gap in Aberdeen between male and female pay is significant and one of the largest in the UK. As of April 2016, based on median hourly earnings, full time working women earned 10% less than their male counterparts. In terms of annual earnings, this research suggests women in Aberdeen earn around 23% less than men.

Promoting and encouraging employers to pay the "Real" Living Wage will therefore contribute to addressing poverty, reducing pay inequality and help reduce the gender pay gap. This measure will disproportionately benefit women, who research suggests make up around 65% of employees earning less than the Living Wage.

Actions to be developed and progressed:

- **Aberdeen City Council secures accreditation as a Living Wage employer**

Linking Opportunities and Need and Community Benefit Clauses

Priority 2

Ensuring that through Linking Opportunity and Needs our educational, skills and training provision is coordinated to meet the needs of people in the city to secure employment

The economic downturn in the oil and gas industry has had a significant impact both on the many people who have lost work, and the the local economy in general. However, Aberdeen is currently enjoying a period of significant investment across infrastructure, and in private and public housing investment. The Aberdeen Western Peripheral Route; Aberdeen to Inverness rail upgrade; Hotel and Office developments, and the Harbour development alongside “City Deal” investment offer the potential for significant employment opportunities. This investment provides an opportunity for those individuals most in need if we adopt an approach that maximises benefit for our citizens.

We aim for Aberdeen to be recognised as a place where access to work is maximised and where there is investment in the development of local skills.

A place where those furthest from the labour market get the support they need to secure and sustain employment while improving the equality of opportunity and earnings potential for low skilled workers.

A place able to attract and retain a workforce that meets its needs, and with the skills required to support the continued growth of the local economy.

By working with employers and new businesses coming to the city, we will seek to meet the needs of employers now and in the future, through workforce planning and development so that the right training/skills development opportunities are available to potential employees.

The inclusion of appropriate Community Benefit Clauses in public procurement contracts can engender significant benefits for Aberdeen City Council and other public sector bodies, maximising benefit from public investment and providing better use of procurement to promote jobs, apprenticeships and other training opportunities. These measures will also help to create the conditions for social enterprises to become more involved in the delivery of public services, potentially creating the possibilities for more customer-focused, efficient services.

Actions to be developed and progressed:

- **Further development of our employment and skills pipeline to incorporate education and training pathways**
- **Maximisation of Community Benefit clauses in all public procurement by Aberdeen City Council and Community Planning Aberdeen to increase apprenticeship and training opportunities**
- **Aberdeen City Council sets a target to establish an agreed level of apprenticeship training opportunities for every £1m of new public expenditure – starting with all City Deal investment**

Developing Our Young Workforce

Priority 3

To be a leading Local Authority in Providing Apprenticeship opportunities for developing our young workforce

In June 2014 The Commission for Developing Our Young Workforce, chaired by Sir Ian Wood published its final report, *Education Working For All!*. This report highlighted the need for concerted action to tackle structural and recurring youth unemployment. Its recommendations span the education and training system and call for more effective joint working between schools, colleges, training providers and employers, with the aim being to provide the best possible blend of learning for young people to equip them for work.

As part of this process 'Aberdeen Guarantees' seeks to ensure positive destinations for all young people upon leaving compulsory education, and it is important that we have clear education and training pathways that link further education provision and training to meet future employment in the city.

The Scottish Government, in partnership with employers, local authorities and the third sector, aspires to increase the number of Modern Apprenticeship opportunities to 30,000 new starts each year by 2020. By supporting measures to tackle structural unemployment issues; challenging inequalities, and challenging under-representation in the labour market of people who face barriers to education, training or employment, the aim is to increase employment opportunities for the young people of Aberdeen.

In July 2015 the UK Government announced its plans to introduce a UK wide Apprenticeship Levy from April 2017. Employers will pay 0.5% of their annual pay bill in excess of £3m through the PAYE system. Those with an annual pay bill of £3m or less will be exempt. The Apprenticeship Levy will apply to employers in the public, private and third sectors.

Public sector eligibility restrictions are however going to be removed, meaning that from April 2017, public sector employers will have the same access to Modern Apprenticeship funding as those in the private and third sector.

As part of the city's economic strategy Aberdeen City Council should seek to be a leading Scottish Local Authority in Developing our Young Workforce.

Actions to be developed and progressed:

- **Continued development of clear vocational pathways for our young people as part of Aberdeen Guarantees and preparing all our young people for the world of work**
- **Investigate the opportunities to increase apprenticeships in the Council and across all sectors in the city**

IMPROVING ADVICE AND INFORMATION SERVICES FOR THOSE AFFECTED BY WELFARE REFORM CHANGES

Priority 4

To ensure that those people most affected by welfare reform changes are provided with the advice and support services they need

Citizens of all ages and backgrounds need to be able to access quality advice and information to help them address the often complex issues arising from changes in welfare provision.

Aberdeen City Council provides and funds a range of free advice, information and advocacy services for residents of Aberdeen City. Financial Inclusion services play an important role in ensuring people's income is maximised, however often it is only when people are in financial difficulty that they seek help. There is therefore a need to consider what we can do to prevent issues arising in the first place.

Many people will seek advice either in their community first or via their G.P. However improved awareness and confidence within communities is needed to encourage individuals to seek help at the earliest point of need. There is also an additional need for digital and financial inclusion, given the expectation that future benefit claims will be made and maintained digitally, and that payments will require the recipient to have a bank account.

Most importantly, in designing services to tackle poverty and disadvantage it will be important to involve those with direct experience of poverty in developing community based initiatives, and involving service users in improvement programmes for existing services.

The Fairer Aberdeen Board and Fund supports a range of organisations including credit unions, which adopt community development principles and practices, are anchored in the communities, and provide a sound base for future development, thus strengthening community assets and building community participation. These community run organisations have a major role to play in promoting good household financial management and preventing debt.

Additionally, there is increasing national interest in the role Community Development Finance Institutes can play in supporting people to access affordable credit. Community Development Finance Institutions (CDFIs) are social enterprises that lend money to those unable to get finance from high street banks. They fill the gaps in mainstream lending, addressing market failures and offering an affordable alternative to high interest doorstep lenders, and present a further opportunity for those in financial difficulty.

Actions to be developed and progressed:

- **Instigate a Benefit's Awareness Take Up Campaign**
- **Continue to provide advocacy and support for people assessed for Work Capability and challenge decisions where people have not been fairly assessed**
- **Co-locate Advice and Support services in places and services that people already use eg G.P. surgeries, community centres libraries and the new community hubs in priority regeneration areas.**
- **Review current investment in benefit advice and information services involving service users**
- **Increase the knowledge of frontline staff across a range of services so that income maximisation checks can be carried out at an early point**
- **Promote community asset based and co-produced responses to welfare reform changes**

- **Continue to support and promote the cities Credit Unions and investigate the development of a Community Development Finance Institute as alternatives to high interest pay day loan companies.**
- **Consider how we can contribute towards reducing funeral poverty**

THEME 2 - CHILD POVERTY

One of Community Planning Aberdeen's key ambitions 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 achieve academically; meet developmental milestones; experience poor health and are at higher risk of behavioural problems. (CPA LOIP 2016 -26)

Developing Affordable Childcare

Priority 5

To prioritise the development of new flexible childcare services where working families are on the lowest incomes and will benefit the most

Aberdeen City Council recognises that access to affordable childcare provision is critical to support parents to access work and for the social and economic development of the city

Access to high quality, accessible, affordable, flexible early learning and childcare and out of school care is crucial to improving the outcomes for children and families. It contributes to closing the attainment gap, addresses inequality, mitigates against the impacts of welfare reform and supports the city economy overall.

ACC is working with its community planning partners to increase the early learning and childcare availability from 600 to 1140 hours for all eligible 2 year olds and all 3 and 4 year olds by 2020. We will continue to support families to minimise childcare costs and to maximise childcare tax benefits as these are rolled out.

Actions to be developed and progressed:

- **Development of new childcare services in regeneration areas**
- **Provision of out of school care and holiday provision in all city primaries**
- **Ensure that families who are entitled to "Access to Leisure" benefit from 25% reduction in costs**
- **Deliver flexible early learning and childcare services 50 weeks of year subject to additional capital and revenue resources being received from the Scottish Government**

Poverty Proofing Schools To Reduce The Cost Of The School Day

Priority 6

To ensure that no child in the city is prevented from benefitting from their full educational entitlement due to the “Cost of the School Day”

“Recent Scottish Government policy and investment has focused on closing the attainment gap between children from high and low income households in order to reduce current inequalities in educational outcomes. Integral to this agenda must be an understanding of how education and school structures, policies and practices affect children and young people from low income households and where difficulties and financial barriers to participation exist throughout the school day. Understanding more about this from children’s perspectives can support schools to poverty-proof their policies and practices so that conditions are right for all children and young people to learn and to achieve.” (Child Poverty Action Group (CPAG) : “Cost of the School Day” – copy in Members Library)

CPAG propose a range of ways that Education and Childrens services can tackle poverty in the school environment, primarily involving awareness raising of the issues children and families may face; connecting staff to other services such as advice and information provision; promoting benefit take up, and ensuring financial education is embedded in the curriculum.

A main element being proposed is poverty proofing the school day for every school. This involves examining and analysing every element of the school day from travelling to school; learning; friendships; school trips; school dress; eating; fun events; school clubs; home learning, and understanding attitudes towards poverty from the perspective of children and parents who may be experiencing poverty.

Actions to be developed and progressed:

All schools and services will use quality improvement processes to plan delivery of the Excellence and Equity agenda. This will include:

- the removal of financial barriers to participation
- The promotion of financial entitlements (including the provision of free school meals) and examination of reasons for non-uptake
- Efficient use of poverty impact assessments when allocating resource
- Raising awareness of the indicators and consequences of poverty
- Raising awareness of the financial inclusion services that exist in the city and referral procedures
- Work with a range of partners to support the delivery of financial education in schools

Raising Attainment and improving adult literacy levels

Priority 7

To close the educational attainment gap

It is widely recognised that ensuring children are provided with a good start in life and supported through early years into school education will help them achieve in the long term, and provides the basis for prospering in the long term.

The Scottish Government has established the Attainment Challenge, which is seeking to achieve equity in educational outcomes i.e. ensuring every child has the same opportunity to succeed, with a particular focus on closing the poverty-related attainment gap.

Aberdeen City Council will be receiving additional resources as part of this challenge, which will be targeted at those schools in the city where pupils experience the greatest gap in attainment.

As part of the collaborative approach across services towards tackling the attainment gap, Associated School Group Partnership Forums are currently being established for all areas in the city. These will help to develop our GIRFEC practices by promoting primary prevention and early intervention at local operational level.

Low educational attainment has lifelong implications and there is also a need to consider post compulsory education support needs.

For adults who need to claim welfare benefit, the welfare reform changes described at the start of this strategy - especially those that involve the requirement to claim and maintain claims digitally - provide a number of challenges for those who experience literacy and numeracy difficulties.

As Universal Credit is rolled out the provision of support for people to access the benefit and social security system will increasingly be required.

There will need to be more opportunities for people affected by welfare reform to access support to improve their literacy and digital skills, in order to prevent marginalisation in our increasingly digitised society. Opportunities will need to cover areas such as ensuring free public access and support for people to use new technology as part of meeting their claimant commitment, and accessing work through on line application processes.

Actions to be developed and progressed:

- **Maximise the use of Scottish Attainment Challenge funding to target those schools and pupils in most need**
- **Continue to work towards providing free access to digital technology in as many Localities as possible**
- **Commission research to assess required levels of support in relation to adult literacy and numeracy to meet welfare reform changes**
- **Commit to providing a sustainable support model for literacy and numeracy and monitor it's effectiveness as welfare reform and Universal Credit is rolled out.**

THEME 3 FUEL POVERTY

The impact of fuel poverty on society should not be under-estimated. A number of studies have shown there to be a negative impact on the physical and mental health and well-being of people who live in cold, damp, inadequately homes. Typically there are around 2,000 excess winter deaths in Scotland each year, and poor living conditions are a major contributing factor. The Scottish Government estimate that for every £1 spent on energy efficiency there is a saving of 42p on health services.

Broadly, within the current definition, there are 3 main factors that contribute to Fuel Poverty

- Cost of Fuel
- Householder Income
- Energy Efficiency of Dwelling.

Current ongoing schemes and projects developed and supported by Aberdeen City Council include;

- Energy Efficiency Advice Service – Offers all householders in the city, support, advocacy and advice on home energy issues. Annually, this free, impartial service provides bespoke, tailored advice in the home to around 1500 householders in the city helping to provide more affordable warmth.
- Aberdeen Victorian Tenement Project: Provides a co-ordination service to support householders and owners of flats within the cities granite tenements, install loft insulation into communal owned loft space, as well as offer advice on energy efficiency of flat and/or building.
- Aberdeen Affordable Warmth Loan scheme: Offers interest free or low interest loans to householders in fuel poverty to carry out energy efficiency improvements, where they are not eligible for existing grant schemes.
- Energy Efficiency Fund; A “hardship” grant fund of up to £500, available to homeowners in fuel poverty, to contribute toward the cost of an energy efficiency improvement, in cases where government grants are not available, and homeowners would not be able to manage a loan. The most common award is for householders where their heating system has irreparably broken down and who have no savings or insufficient income to replace.
- Home Energy Efficiency Programme Scotland: Area Based Schemes (HEEPS:ABS): A Scottish Government programme aimed at supporting energy efficiency improvements to homes in the private sector. Funding is allocated to each local authority, who are responsible for the allocation of funding in their area.
- Combined Heat and Power (CHP) and District Heating: Council programme to connect all 59 multi-storey buildings in the city to a CHP Network or a District Heating Scheme

Tackling Fuel Poverty

Priority 8

To increase awareness and understanding of the causes of fuel poverty and develop responses that reduces fuel poverty and the risk of fuel poverty

Fuel Poverty is often viewed as an issue for the housing sector to tackle, however as with relative poverty it is an issue that needs to be considered by all Council Directorates, Community Planning partners and communities.

For Aberdeen City Council it is important to carry on with the current ongoing activities in dealing with fuel poverty as they are having a positive impact. However we must continue to review how these can be improved and develop new responses to meet demand.

A growing number of independent energy supply companies have moved into the market in recent years. Customers transferring from the 'Big Six' can in some cases make like for like savings of over 20% on their bills.

Aberdeen City Council is currently investigating an option to establish an Energy Service Company and looking at the different potential partnership arrangements that could be set up to deliver a local energy tariff. The proposed Energy from Waste Plant offers, for those living in close proximity, the potential to benefit from more affordable heat. The council is preparing a business case for the 1st Phase of a heat network in Torry.

Other ways to reduce fuel costs for householders include installing domestic roof top solar schemes and for the council, local community or social enterprise, to develop a Photo Voltaic (PV) farm, to produce more affordable electricity.

Supporting community led energy schemes also provide a way for local communities to generate income to support improvements to their local economy eg Donside Hydro is a good example of what can be achieved by communities for themselves.

Actions to be developed and progressed:

- **ACC should review the current energy projects, schemes and service we provide and improve linkage with other services involved in tackling poverty**
- **Continue to increase awareness amongst staff of the effects of fuel poverty and the causes**
- **Consider running an awareness campaign to encourage householders to consider switching fuel supplier**
- **A.C.C should consider transferring void properties to a Local Energy Provider that can provide a good deal for the new tenants moving in.**
- **A.C.C. should complete the investigation into the potential for setting up it's own Energy Supply Company to progress and deliver project such as a local tarrif , PV solar schemes , solar farms**
- **Support and promote local and community led generation projects**
- **Continue to expand the District Heating Network**

THEME 4 - FOOD POVERTY / INSECURITY

The recent report from Scotland's Independent Working Group on Food Poverty: "Dignity: Ending Hunger Together In Scotland" highlighted that a variety of definitions to describe food poverty, hunger and food insecurity exist and adopted the term "food insecurity" to describe the broad phenomenon when people are worried about not having enough food for themselves and their families.

The rise in food banks in the city is evidence of household food insecurity. The largest reported (but not only) reasons for people using foodbanks are benefit delays and benefit sanctions.

Research has estimated that approximately only 20 – 30% of people suffering household food insecurity (HFI) use food banks: people are affected by different levels of HFI – some may find it difficult to provide adequate food until a next pay day, so adults may go without food, rely on friends and family for meals and children may get less than nutritious meals.

Some people will suffer more severe and enduring levels of hunger and will rely on emergency food aid provision.

Tackling Food Poverty /Insecurity

Priority 9

To increase awareness and understanding of the causes of food poverty/insecurity and develop responses that reduces food poverty and the risk of food insecurity

Aberdeen City Council helped set up Food Poverty Action Aberdeen (FPAA - previously known as the Food Bank Partnership Aberdeen) seeking to ensure people using food banks are also getting the help they need through eg Scottish Welfare Fund and other advice and support agencies.

FPAA has 61 partners from the community and voluntary sectors, churches and faith-based groups and public sector staff. Community Food Initiatives North East (CFINE), as the lead partner.

The stated views of FPAA is:

"FPPA's view is food banks in themselves are not helpful – but essential if people are hungry – creating dependency, eroding dignity and changing nothing. FPAA believes food banks only make sense if we try to engage beneficiaries to identify their priority issues and provide, refer or signpost to appropriate support particularly around financial capability and education, health and well-being and employability."

The report from Scotland's Independent Working Group makes a number of recommendations towards reducing the need for food banks founded on the principles of **dignity** and **inclusion** and calls for a "**right to food**" to be underpinned by law.

Aberdeen City Council could contribute towards this "**right to food**" goal by developing better integration of our debt recovery processes, ensuring minimum income standards in the process so that individuals and families are not left without income to provide food or fuel.

Measurement of food insecurity is another area raised by the Working Group on Food Poverty, and it is understood that the annual Public Health Survey will start to include questions that will begin to

measure and identify the level of food insecurity. This however is unlikely to provide information at city or local level, so there is a need to better understand the full extent and level of food insecurity in the city. We know that it is a majority of men that are using food banks in the city, yet the impact for single parents and large households faced with the benefit cap will significantly have affected a large number of households facing food insecurity.

The Working Group further proposes that the Scottish Welfare Fund should be increased in value and should act as a first port of call, linked to advice and information services, to ensure income maximisation is undertaken prior to referral to food banks.

Actions to be developed and progressed

- **Continue to ensure wide spread use of Scottish Welfare Fund as first port of call for emergency support**
- **All services in contact with individuals and families increasing their awareness of food poverty and referral processes**
- **Commission research to ascertain level and nature of food insecurity in the city**
- **Support the development of the Food Poverty Action Aberdeen Partnership and work together to improve the knowledge, nutrition, growing and cooking of food as part of helping to move beyond food banks**
- **Aberdeen City Council should develop a corporate debt policy and consider ring fencing the right for individual and family food and fuel when assessing and considering debt repayment levels**
- **Aberdeen City Council should work with a range of community organisations to develop community based solutions to address the needs of children facing food poverty during the school holidays and ensuring that no child goes hungry**

Having a secure home is fundamental to people's health and wellbeing, and also provides an essential base for bringing up children and a platform for adults to access the job market. The provision of good quality affordable housing in a safe community environment is therefore crucial if the city is going to be successful in tackling poverty and disadvantage.

"After housing costs, an extra 180,000 households in Scotland are in poverty. In 2012-13 average private rents rose to 24% of household incomes (+4% over the decade), while social rents remained at 18% and mortgage costs fell to 11%"

"A plan to cut poverty needs to prioritise housing affordability in order to raise net incomes but housing is also a 'prospects' issue. Good quality homes provide the security needed for people to build their lives and realise their potential; for health and children's development, and to make work pay. The policy focus should be to ensure an adequate supply of good quality, affordable housing to rent or own, without prioritising one above the other". ("A Scotland Without Poverty, Manifesto for A Poverty Free Scotland ,Dr Jim McCormack , Pub JRF Feb 2016)

The Scottish Government has set a target to build 50,000 new affordable homes by 2021, around 70 per cent for social rent.

Aberdeen City Council's Strategic Business Plan Commits to:

"We will refresh the City's Local Housing Strategy and link this to broad City priorities, including improving health and social care; giving children the best start in life."

"We will consider viability of expanding "Places for People", a joint venture model to deliver 'private rented sector' homes regionally."

Addressing Housing Need

Priority 10

To increase the supply of social and affordable housing

The Strategic Housing Investment Plan (SHIP) 2017/18 – 2021/22 sets out the approach by Aberdeen City Council to the investment in and delivery of affordable housing in the city.

The SHIP:

- Sets out investment priorities for affordable housing
- Demonstrates how these will be delivered
- Identifies the resources required to deliver these priorities
- Enables the involvement of key partners

City Region Deal

Aberdeen City Region Deal was signed by Aberdeen City Council, Aberdeenshire Council, the Scottish and UK Governments on 21st November 2016.

On 28th January 2016 the Scottish Government announced £20 million in infrastructure funding to unlock housing sites that are of strategic importance as well as 5 year certainty on £130 million of affordable housing grant to the local authorities.

Aberdeen City Council and Aberdeenshire Council will continue to work together to support the delivery of affordable housing. Both SHIPs will continue to be closely monitored by the local authorities and jointly with the Scottish Government to ensure the investment in affordable housing is maximised across the two Council areas.

The Scottish Government is the main grant funder for affordable housing to the City Council and registered Social Landlords (RSL's) for their new build programmes; It sets national housing and planning policy frameworks to enable the delivery of housing

Grant funding from the Scottish Government and City Council are required to deliver housing at affordable rent levels. RSLs undertake private borrowing to cover the rest of the delivery costs ensuring that they are in financial position to achieve this. Due to market values for land in Aberdeen most of their new build programme is in partnership with developers as open market land values are normally too high to facilitate the delivery affordable of housing

The Scottish Cities Alliance a collaborative partnership between Scotland's seven cities (Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth and Stirling) aimed at promoting economic growth published "Empowering City Government". The report sets out a range of fiscal and non-fiscal levers that if devolved under a New Deal for Scottish cities would ensure that they continue to build on their current economic success and compete effectively with other cities home and abroad. One of the issues being raised by The Scottish Cities Alliance and would help deliver affordable housing is for : "Cities to have first refusal on all surplus public sector land for affordable housing".

This needs to go further with the land being available at an affordable housing value to facilitate affordable housing delivery. The North East Public Sector Property Group also has a role to play in taking these issues forward.

Actions to be taken forward:

- **Aberdeen City Council should continue to work with other housing providers via it'Housing Revenue Account to maximise delivery of new affordable housing within the parameters of our 30 year business plan**
- **Aberdeen City Council should ensure that the £20M infrastructure fund for the city region is applied to deliver affordable housing and that we work with the Shaping Aberdeen L.L.P RSL's and developers towards this end**
- **Aberdeen City Council should continue to support The Scottish Cities alliance in seeking greater powers from the Scottish Government to deliver affordable housing including first refusal on all surplus public sector lands for provision of affordable housing**

ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy and Resources
DATE	9 March 2017
INTERIM DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Community Asset Transfer Procedure 2017
REPORT NUMBER	CHI/17/036
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The Report provides an update on the community Asset Transfer section of the Community Empowerment (Scotland) Act 2015. It advises on the technical guidance issued by the government in late November 2016 and of the Act coming into force from 23 January 2017. It provides a draft procedure to ensure the council is compliant and consistent in its approach to transfer requests and asks that this be adopted as a draft procedure and that a further consultation process be undertaken in this regard.

2. RECOMMENDATION(S)

It is recommended that :-

- a) The committee approve the draft procedure.
- b) The committee agree to the establishment of a sub-committee to review appeals against decisions.

3. FINANCIAL IMPLICATIONS

There will be a range of financial implications in relation to the implementation of a formal policy around community asset transfer which will have to be assessed on a case by case basis when the policy is implemented. There is the potential for capital receipts to be lost to the council if assets are transferred at less than market value whilst there are potential revenue savings if buildings are transferred to the operation and maintenance of others.

Each project will carry its own financial risk profile and will have to consider wider competition issues and state aid.

4. OTHER IMPLICATIONS

The procedure has a range of wider implication particularly in relation to the resource required to undertake the actions identified within the procedure, review applications and undertake the necessary due diligence.

5. BACKGROUND/MAIN ISSUES

The Issues around Community Asset Transfer where last reported to committee in September 2014.

<http://councilcommittees/documents/s40909/Community%20Asset%20Transfer%20-%20Policy%20Development.pdf>

<http://councilcommittees/ieListDocuments.aspx?CId=146&MId=2908&Ver=4>

The report recommended that members note the content of the report and it instructed officers to develop an approach to Community Asset Transfer which is as close as possible to be consistent across the organisations within the Community Partnership.

Since this time the Community Empowerment Act 2015 has come into force and part 5 which deals with Community Asset Transfer had legislative effect from 23 January 2017. The technical guidance to support this was made available in late November 2016, making this the first opportunity for a procedure reflecting the guidance to be brought to a committee. Further information can be found on the Scottish government web-site noted below.

<http://www.gov.scot/Topics/People/engage/AssetTransfer>

The proposed procedure which the council will adopt, subject to committee approval, is attached as an appendix to the report. This will initially be provided as a draft procedure until full consultation has been undertaken with our community planning partners and the wider community. A further report will be brought to a meeting of this committee thereafter to incorporate recommendations of partner agencies and from the wider consultation. It is considered that the consultation on the procedure will be relatively low key and involve web-site based responses.

Members are asked to be aware of a number of key issues within the procedure:-

- The technical guidance suggests that asset transfer requests should be approved unless there is a reason not to approve them.

- At this time the single point of contact for all enquiries will be the Asset Management Manager who will chair an officer panel to review all applications. The panel will include officers from community's team, legal and finance and other council departments, subject to the nature of the application. The panel could also potentially include community planning partners.
- All requests for community asset transfers requests, with a recommendation will be reported to this committee whether a discount is requested or not or whether or not it falls within delegated levels for property disposals.
- An investment in ICT infrastructure to support the process will be required. This is currently under discussion with other partners to try and identify economies of scale etc.
- A review panel for rejected applications will require to be created. This should be composed of elected members and not officers. Training for the elected members involved will require to be considered.
- The committee should be aware that a right of appeal to the Scottish government can be made if the review panel refuses the application.
- The committee should be aware that a right of appeal also exists of the transaction is not concluded within a period of 6 months from the date of the approval of the application.

6. IMPACT

Improving Customer Experience –

Having a formal procedure that is open and transparent will improve the customer experience for communities making request in so far as it clearly identifies each parties roles and responsibilities.

Longer terms there are opportunities to look at different service delivery models with communities through the use of council assets.

Improving Staff Experience –

Staff experience will be improved through the availability of a clear, succinct policy giving certainty around roles and responsibilities.

Improving our use of Resources –

The principle behind community asset transfer is to use all public assets to best serve the communities they represent. The procedure gives the opportunity to consider proposals in a consistent way and an ever changing environment.

As a public sector organisation, the Council has a legal duty to be open, transparent and accountable for assets and the procedure sets the parameters for this.

Corporate -

The Aberdeen local outcome improvement plan makes a number of references towards how the partners will engage with communities around asset transfer. This procedure provides the framework to do this. The procedure also makes it clear how decisions around asset transfer should link back in to the improvement plan.

Public –

The report will be of some public interest in so far as it provides a framework for community asset transfers.

An ehria scoping report is include within the appendice. The policy makes it clear that equality and fairness issue will be key factors in the decision making process around assets.

7. MANAGEMENT OF RISK

The request from committee is to approve a draft procedure which can than undergo a period of further consultation and possible amendment as such there is no particular risk around the implementation of the report at this time.

By approving the report now and risks around the council not being compliant by not having a formal policy will be mitigated.

Certain key requirements of the Act are being met however certain aspects particularly around the sharing of information are still being established. This accrues some risk although is mitigated by a ongoing dialogue with the Scottish government and other local authorities and agencies to determine the most cost effective way to achieve this.

8. BACKGROUND PAPERS

Community empowerment act link :
<http://www.gov.scot/Topics/People/engage/AssetTransfer>

9. REPORT AUTHOR DETAILS

Stephen Booth, Asset Management Manager,
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**Shaping
Aberdeen**

Asset Transfer Procedure
under the
Community Empowerment (Scotland) Act 2015

Draft version

February 2017

CONTENTS

- 1. Introduction**
- 2. Aberdeen City Council Considerations**
- 3. Summary of asset transfer under the Community Empowerment Act**
- 4. Community transfer bodies**
- 5. Helping community bodies identify suitable assets**
- 6. Requirements for an asset transfer request**
- 7. Procedure following receipt of an asset transfer request**
- 8. Decision making process**
- 9. Price, valuation and non-financial benefits**
- 10. Obtaining a joint valuation of the asset**
- 11. Assessing asset transfer requests**
- 12. Use of conditions to protect discount**
- 13. Decision notice**
- 14. After agreement**
- 15. Review and appeals**
- 16. Local Authority review**
- 17. Appeal to Scottish Ministers**
- 18. Appeals where no contract is concluded**

1. Introduction

The Community Empowerment (Scotland) Act 2015 comes into effect in January 2017 and recognises the role that The Ownership or control of land and buildings can have in assisting communities to drive change and achieve their own goals.

Aberdeen City Council (The Council) intends working with their Community Planning Partners and communities to support community transfer where this works best for service delivery and communities and in delivery of the outcomes they hope to achieve as identified in the Aberdeen Local Outcome Improvement Plan. Community Planning Aberdeen also recognises the opportunities that Asset Transfer offers to support locality planning and how it may support the regeneration objectives particularly within its priority localities.

A link to the Aberdeen Local Outcome improvement plan is shown below:-

http://www.aberdeencity.gov.uk/web/files/Council_and_Government/LOIP_22_Aug.pdf

This procedure is intended to give guidance to community bodies on how Aberdeen City council will approach Community Asset Transfer and receive and consider requests.

Part 5 of the Community Empowerment (Scotland) Act 2015 sets out the key rights and duties and provides a framework for the asset transfer process. It gives the Scottish Ministers powers to make regulations to fill in more detail of the procedures to be followed. The following regulations have been laid in the Scottish Parliament for scrutiny:

- The Asset Transfer Request (Procedure) (Scotland) Regulations 2016
- The Asset Transfer Request (Appeals) (Scotland) Regulations 2016
- The Asset Transfer Request (Review Procedure) (Scotland) Regulations 2016
- The Asset Transfer Request (Appeal Where No Contract Concluded) (Scotland) Regulations 2016
- The Community Empowerment (Registers of Land) (Scotland) Regulations 2016
- The Community Empowerment (Miscellaneous Amendments) (Scotland) Regulations 2016

Aberdeen City Council Asset Transfer Procedure

The text of the Act is available at

<http://www.legislation.gov.uk/asp/2015/6/part/5>. The text of the Regulations will also be available at www.legislation.gov.uk, or through www.scottish.parliament.uk.

Part 5 of the Act and the Regulations came into force on **23 January 2017**.

This procedure take cognisance of the technical guidance produced by the Scottish Government under section 96 of the Act, which relevant authorities are required to have regard to in carrying out their functions in relation to asset transfer.

More information about the development of the Act and its implementation can be found on the Scottish Government website at:-

<http://www.gov.scot/Topics/People/engage/CommEmpowerBill>

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2. Aberdeen City Council Considerations

This procedure will explain the process Aberdeen City Council (“the Council”) will use and in most instances replicates the technical guidance produced by the Scottish Government.

The council recognise that for asset transfer to be successful, there also needs to be a wider context of partnership with and support for community bodies and community-led activity. This aligns with the approach which is encouraged throughout public services in Scotland and the community planning partnership in Aberdeen, and should build on existing relationships.

The Community Ownership Support Service (“COSS”) provides extensive advice on the benefits of asset transfer and how to prepare and work with community bodies: <http://www.dtascommunityownership.org.uk/public-bodies>.

Community transfer bodies are encouraged to discuss their ideas with the Council at an early stage. This may be when they have identified an asset they are interested in, or to discuss their ideas and needs and see whether any suitable assets are available. The Council would encourage such approaches and are ready to direct community transfer bodies to sources of support if needed.

To aid with this the single point of contact for all requests is :-

Asset Management Manager
Aberdeen City Council
Business Hub 10
Marischal College
Broad Street
Aberdeen
AB10 1AB

01224 522675

stbooth@aberdeencity.gov.uk / CAT@aberdeencity.gov.uk

www.aberdeencity.gov.uk/CAT

Assets and Services

Sometimes a community transfer body may wish to take over a building or land and the services which are delivered by the Council from those premises. This could be addressed by an asset transfer request, or a participation request, within Part 3 of the act, in relation to improving the

Aberdeen City Council Asset Transfer Procedure
outcome of the services. We do not recommend using both types of request together.

- If the community body wants to run a service which is tied to the particular premises, and does not want to use the premises for any other purpose, this should be addressed through a participation request. A lease or other arrangement in relation to the premises can be negotiated as part of the agreement to provide the service. Further guidance will be provided on participation requests as this become available.
- If the community body wants to take control of the asset in order to develop the service on its own terms or use the property for other purposes, this should normally be addressed through an asset transfer request.
- An asset transfer request can be accompanied by negotiations for the public authority to contract with the community body to continue to provide a service, as a source of income.

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3. Summary of asset transfer under the Community Empowerment Act

Part 5 of the Community Empowerment (Scotland) Act 2015 allows a community transfer body to make an asset transfer request to a relevant authority such as the Council. Chapter 5 of this guidance explains the requirements for being a community transfer body

A request can be made in relation to any land which is owned or leased by the council and a community transfer body can ask to buy or lease the land, or to have other rights, for example to occupy or use the land for a particular purpose.

There is standard information that a community transfer body must include in any request which includes the reason for making the request, the benefits of the proposals, and the price they are prepared to pay.

There is a formal process for the Council to acknowledge the request, notify others who may be interested, and allow them to make representations.

Where an asset transfer request has been considered and refused (including any review or appeal), the Council does not have to accept another similar request for the same property if it is made within two years of the first. The relevant authority can accept a repeat request if it wishes, for example if it is from a genuinely different group or the proposal has been improved.

Once an asset transfer request has been made, the council is not allowed to transfer the property to anyone else until that request process has been completed, including any appeals. This does not apply if the property was advertised for sale, or negotiations had started to transfer it to someone else, before the asset transfer request was made. Other Asset Transfer requests can be considered during this period.

In deciding whether to agree to or refuse the request, the Council must consider the following things:

- the reasons for the request,
- any other information provided in support of the request
- whether agreeing to the request would be likely to promote or improve
 - economic development
 - regeneration
 - public health
 - social wellbeing
 - environmental wellbeing, or
 - whether agreeing to the request would be likely to reduce socio-economic inequalities
 - any other benefits that might arise if the request were agreed to

Aberdeen City Council Asset Transfer Procedure

- how the request relates to the Council's duties under Equalities legislation
- any obligations that may prevent, restrict or otherwise affect the authority's ability to agree to the request

The Council must compare the benefits of the proposal in the request to the benefits of any alternative proposals, whether those come from the authority itself or anyone else, and consider how the potential benefits relate to the functions and purposes of the authority, and any other matters they consider relevant.

A mechanism is in place to provide some advice on how to obtain a valuation of the property, how to assess non-financial benefits, and on using conditions to protect any discount given, if required.

When the Council has made its decision, it must issue a decision notice setting out its reasons for agreeing or refusing.

If the relevant authority agrees to the request, there is a process to negotiate the final contract. This can allow time for the community body to confirm funding before the final transfer takes place.

There are various options for review or appeal if:

- the request is refused,
- no decision is given within the time allowed, or
- the community transfer body does not agree with conditions imposed by the relevant authority.

At the end of each financial year, the council must publish a report on the number of requests it has received and the number which have been agreed, refused, appealed etc. It must also report on action it has taken to promote the use of asset transfer requests and to support community transfer bodies to make requests.

4. Community Transfer Bodies

To make an asset transfer request, an organisation needs to be a —community transfer body. This is defined in section 77 of the Act. It can be either a **community controlled body** (defined in section 19) or a body **designated by the Scottish Ministers**.

Further information is available in the technical guidance however

- A community controlled body does not have to be incorporated, but it must have a written constitution, incorporating the provisions set out in paragraph 5.11.
- A community controlled body which wants to make an asset transfer request for ownership must also be incorporated as a company, a SCIO (Scottish Charitable Incorporated Organisation) or a BenCom (Community Benefit Company), with a minimum of 20 members and provision for transfer of its assets on winding up. This is set out in section 80.

The Scottish Council for Voluntary Organisations (“SCVO”) has helpful advice on its website <http://www.scvo.org.uk/setting-up-a-charity/> for groups setting up a formal organisation, including advice on charitable status.

Model governing documents will be provided by the Scottish Government for an unincorporated association, company, SCIO or BenCom which meet the requirements for a community controlled body.

Requirements for a community controlled body

To qualify as a community controlled body, the body’s constitution, Articles of Association or registered rules must include the following:

- (a) A definition of the community to which the body relates.
- (b) provision that membership of the body is open to any member of that community
- (c) provision that the majority of the members of the body is to consist of members of that community
- (d) provision that the members of the body who consist of members of that community have control of the body
- (e) a statement of the body's aims and purposes, including the promotion of a benefit for that community
- (f) provision that any surplus funds or assets of the body are to be applied

Aberdeen City Council Asset Transfer Procedure
for the benefit of that community.

If the request is for ownership, and the community transfer body is a company, the Articles of Association must include arrangements for what happens to the body's assets if it is wound up. This must require that the property is transferred:

- (i) to another community transfer body,
- (ii) to a charity,
- (iii) to such community body (within the meaning of section 34 of the Land Reform (Scotland) Act 2003) as may be approved by the Scottish Ministers,
- (iv) to such crofting community body (within the meaning of section 71 of that Act) as may be so approved, or
- (v) if no such community body or crofting community body is so approved, to the Scottish Ministers or to such charity as the Scottish Ministers may direct.

If the organisation is a SCIO or BenCom, there will be similar provisions to ensure that remaining property is transferred to another body with similar structure and aims.

Communities of interest

The legislation on asset transfer does not define what a —community can be. It simply requires a community transfer body to define the community it relates to, and ensure the body is open to and controlled by members of that community, and uses its assets to benefit that community. Whether an organisation is eligible to make an asset transfer request depends on their constitution meeting the requirements, not on what community it represents.

A community can be any group of people who feel they have something in common. In many cases, it is that they live in the same area. However, it can also be that they share an interest or characteristic. Communities of interest could include faith groups, ethnic or cultural groups, people affected by a particular illness or disability, sports clubs, conservation groups, clan and heritage associations, etc. They may be very specialised or local, ranging up to national or international groups with thousands of members.

Large charities or Non-Governmental Organisations may qualify as community controlled bodies, but you will need to check their governing documents to ensure they relate to a defined community, that the members of that community are always in the majority and in control of decision-making processes, and that at least one of the purposes of the body is to provide a benefit to the community they represent.

An asset transfer request should be judged on the benefits it will deliver, not on the community it represents. However, relevant authorities may also take into account the impact on other groups, such as any loss of facilities, and any wider benefits or potential for conflict. Bodies representing communities of interest should be encouraged to engage with and seek support from the local community.

Designation

The Scottish Ministers can designate a body to be a community transfer body. They will do this by making an order.

The guidance for community transfer bodies includes instructions on applying for designation.

5. Helping community bodies to identify suitable assets

Register of land

Section 94 of the Act requires each relevant authority to establish, maintain and make available a register of land which it owns or leases, —to the best of its knowledge and belief.

The Council hold a register of their landholding on their website. This can be accessed at

http://www.aberdeency.gov.uk/business_trade/properties_sale_lease/Asset_Management.asp

Further information about land or buildings

Once they have identified one or more properties that may be suitable for their project, a community body will need further information about them. They will need to decide whether the land or building is suitable for their planned activities, what the running costs will be, and how much to offer for it. If they intend to request ownership or a lease with repairing responsibilities, they will need information about the structural condition of any building, other rights on the land, and so on.

We recommend that community bodies should make contact with us as early as possible to discuss such properties. We will be open about the information we have on properties, including practical knowledge about managing the property, and how other information might be obtained, including any information that is likely to be a significant factor in the authority's decision on the request.

Whilst it is ultimately it is the responsibility of the community transfer body to ensure it has all the necessary and relevant information to develop its proposals. Where possible and the information is available we will try to provide information to support

Aberdeen City Council Asset Transfer Procedure requests this may include:-

- title reports
- rateable value
- size – including site or building plans if appropriate
- any planning restrictions, heritage designations, environmental designations, or other restrictions on future use
- information on any tenancies, occupancy agreements etc (as far as possible under confidentiality)
- utility / service information

For buildings

- condition and suitability reports
- asbestos reports and management plan
- energy costs (for current use) and / or Energy Performance Certificate

For land

- contamination
- for agricultural or forestry land, any relevant planting records, management plan or similar.

6. Requirements for an Asset Transfer Request

Aberdeen City council would strongly recommend that **community bodies make approaches prior to an asset transfer request before it is formally submitted.** This will allow us to make appropriate information available and make all relevant officers aware. We may also be able to support you in your application or put you in touch with someone that can.

We acknowledge the work required to submit formal requests and through early consultation abortive work may be avoided or initial advice on the strength of the proposal can be provided.

This said community transfer bodies have a right to submit an asset transfer request without any previous discussion.

Content of a request

The legislation requires certain information to be specified in an asset transfer request. This is set out in section 79(4) of the Act and regulation 3 of the Asset Transfer Requests (Procedure) (Scotland) Regulations 2016 (—the Procedure Regulations. **An asset transfer request is not treated as having been made until all the required information is received by the Council.**

We may seek further detail during the process, and the community transfer body may provide additional information, in particular in response to any representations made about the request. We may decide to refuse the request if it does not feel it has sufficient information on the proposals. **The level of detail required will be proportionate to the scale and nature of the request.**

A standard form for an asset transfer request is provided although we cannot insist on this being used.

<http://www.gov.scot/Topics/People/engage/AssetTransfer/AssetTransferRequestForm>

An asset transfer request must be made in writing and must:

A State that it is an asset transfer request made under Part 5 of the Community Empowerment (Scotland) Act 2015

This is included to make clear that the community transfer body intends to make an asset transfer request, even if it does not include all the required information.

B Name and contact address of the community transfer body

C Copy of constitution

The organisation's constitution, articles of association or registered rules must be attached, so that we can check the organisation is eligible to make an asset transfer request, and to make a request for ownership if appropriate. The company number, charity number or registered number are also requested on the standard form, to provide for background checks.

D How the body is a community transfer body

If the organisation does not qualify as a community controlled body but has been designated as a community transfer body, or is one of a class of bodies which have been designated as community transfer bodies, they must explain this. Designation orders will be published online for reference.

E The land to which the request relates

The request must provide sufficient information to be clear what land is being requested. In practice this should relate to the details on the land register.

Maps or drawings may not be necessary if the location and boundaries of the land requested are clear from the description. Assistance can be provided for this in pre-application discussions.

F, G, H, I, J Type of request, payment and conditions

The request must state clearly whether it is for:

- ownership (under section 79(2)(a))
- lease (under section 79(2)(b)(i)), or
- other rights (section 79(2)(b)(ii))

A request for ownership must state the price that the community transfer body is prepared to pay for the land.

A request for ownership must state the amount of rent the community transfer body is prepared to pay, the duration of the lease, and any other terms and conditions

Aberdeen City Council Asset Transfer Procedure
they consider should be included in the lease.

A request for other rights must state the nature and extent of the rights sought.

All requests should also include any other terms and conditions applicable to the request (section 79(2)(h)). For ownership, this is likely to include key terms which the community transfer body wishes to be included in the contract, in addition to the information included elsewhere in the request on the extent of the land, price and proposed use.

K Reasons for making the request

The community transfer body should explain the reasons behind the project and why this land or building is necessary or particularly suitable for it. They should also set out how the land or building will be used and what activities, in general terms, will take place there. For example, the reason for making the request may be to prevent a prominent building from falling into disrepair, or increase tourism to the area; the intention might be to use it as a visitor centre or community venue; more information would then be needed on the planned activities. In other cases the reason and use may be the same, for example where the intention is to develop a hydroelectric scheme or a community garden. This section should also set out any planned physical changes or development on the land.

L Proposed use of the land

This is one of the most important sections of the request, since the benefits of the community body's proposals will be key to the decision on whether to agree to or refuse the request, as set out in chapter 10.

M Benefits of the proposals

All requests will be considered in detail to understand the proposed benefits, but community transfer bodies are encouraged to set them out along the lines of the issues relevant authorities are required to consider, and with reference to intended outcomes. They are also encouraged to show how they might address any potential negative consequences, take account of any restrictions on the use of the land, and demonstrate the capacity of the organisation to deliver the project.

If possible, we will endeavor to advise you should advise the community body at an early stage of any negative consequences likely to arise, and discuss whether these can be addressed or mitigated. If the land is subject to heritage or conservation designations, the community transfer body should show they have engaged with the appropriate regulators, and that their proposals support the Local Development Plan, if relevant.

N Funding

The community transfer body must outline how they propose to fund the price or rent they are prepared to pay for the land, and their proposed use of the land. This should include any development costs, ongoing maintenance and the costs of activities.

In some cases this will be very straightforward, for example if the organisation's rent and incidental expenses are covered by the fees paid by members, or by volunteering, donations and fundraising. For large projects, more detail will be required, showing that the community transfer body understands all the costs associated with their proposals and how these will be covered. This may be through grants, loans, fees for activities, income from commercial operations, and so on. Community bodies should not be expected to have funding in place when the request is made, but they should have a clear idea of where they expect to get it.

O Community support

The request must set out the level and nature of support for it within the community to which the community transfer body relates, ie the community defined in the community transfer body's constitution. How the level and nature of support should be described will depend on the particular case, but could include evidence from a range of activities undertaken to engage with the wider community, such as public meetings, community surveys, community action planning or a charette, or community budgeting. The community transfer body may reference the National Standards for Community Engagement to show that their engagement has been effective and inclusive. A full community ballot may be used, but is not required.

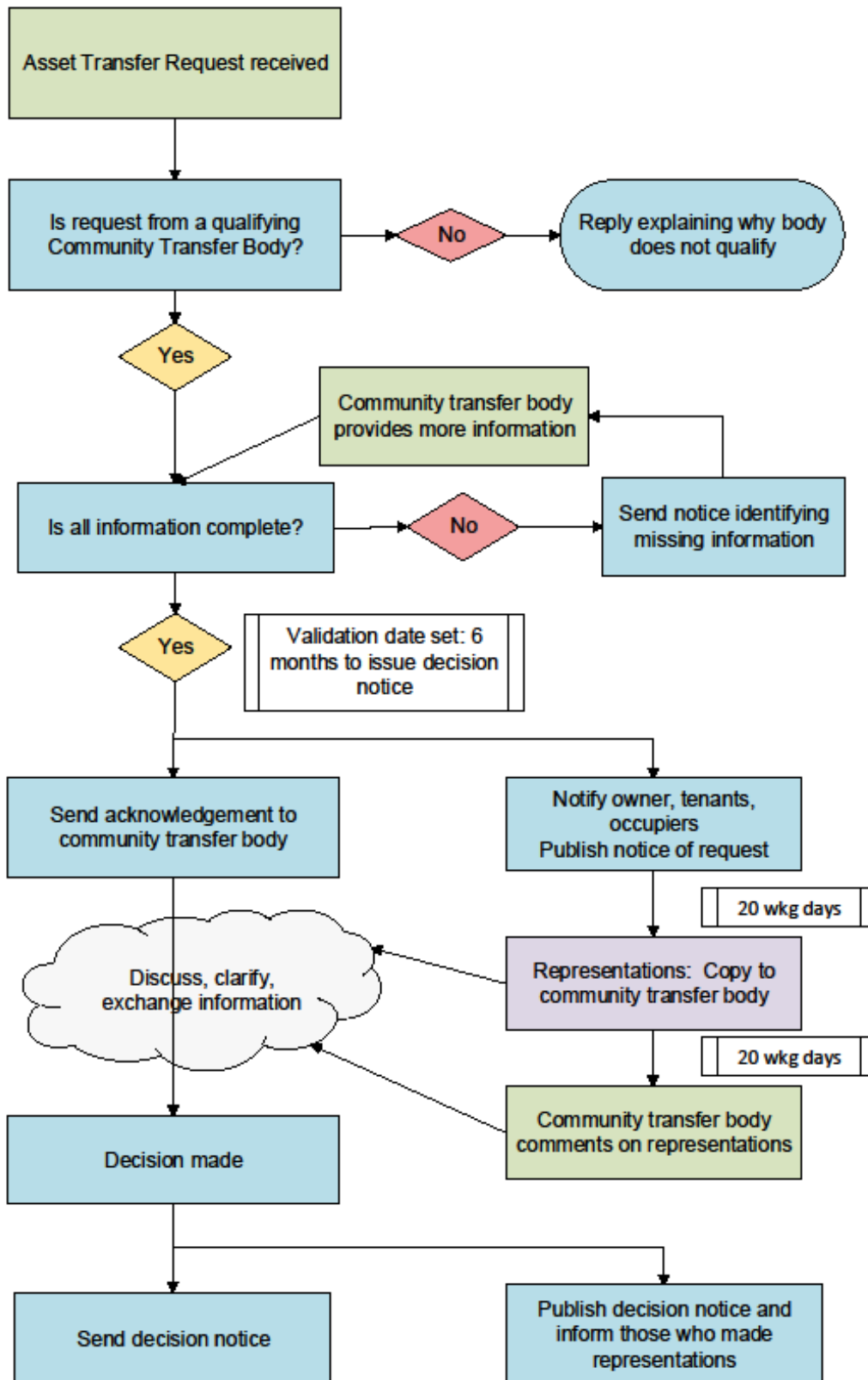
Community transfer bodies are encouraged to include information on the total number of people in their community and how many of them are members of the organisation to provide context for the level of support. Communities of interest may only be able to estimate this, using evidence such as the census, other surveys or information from national representative bodies.

Details of other support may also be provided. This could be, for example, from another local community or community of interest which the project will benefit, or from organisations such as a sport governing body or national umbrella body.

Signatures

8.9. The standard application form requires two signatures from officers of the community transfer body, with their full names and addresses. This is not a requirement of the asset transfer legislation, but will be required by relevant authorities to undertake fraud prevention checks.

Procedure following receipt of an asset transfer request



7. Procedure following receipt of an asset transfer request

When we receive a request, the first thing we will do is to check it contains all the required information and that the organisation making the request qualifies as a community transfer body (and is eligible to make a request for ownership, if appropriate).

If the organisation making the request is not eligible to do so, technically it is not an asset transfer request and you will be advised of explaining in general terms why the organisation is not eligible

If the request does not contain all the required information you will be advised what is missing. No further action will be taken by us until all the required information is received

Power to decline repeat requests

Section 93 of the Act allows a us to choose not to consider a request which is the same or very similar to a previous request which was refused. This applies if the new request relates to the same land or building, and seeks the same type of transfer, as a request made in the previous two years, which was refused. It does not matter if the new request is made by the same body or a different one. Declining to consider a request under these circumstances does not count as a refusal of the request and therefore is not eligible for appeal or review.

Acknowledgement

Once we are satisfied that all the required information has been provided, you will receive acknowledgement as required by regulation 4(3) and (4). The acknowledgement will include the following information:

- the validation date – regulation 5 states that this is the date on which the last of the required information was received (the date the request was received if it was complete). This is the date from which other time limits will be calculated.
- an explanation of the timescale within which we will issue a decision notice. As set out in regulation 10 and section 82(8), we must issue a decision notice within 6 months after the validation date, unless a longer period is agreed between the relevant authority and the community transfer body. This will often be discussed with you to be consistent with the appropriate council meetings.
- information about the right to appeal to the Scottish Ministers or request a review, as appropriate. This is required at the outset because of the

option to appeal if no decision is made within the time limit.

- whether another asset transfer request has already been made to the relevant authority in respect of the same land (or part of the same land).
- whether the relevant authority considers that it is now prohibited from disposing of the land to any other person (see below).

Publication of documents

The council will make copies of the asset transfer requests and any documents or information accompanying it available to be viewed online, until the request process is completed. Any representations made about the request will also be put online.

www.aberdeencity.gov.uk (to be developed)

In order to comply with data protection requirements, any personal information will be redacted from these documents before they are published.

The council are also working maintaining an archive of completed requests online. In particular, this will help community transfer bodies to know if previous requests have been made, and refused, for the same property.

Notification and representations

Regulations 6 and 7 of the Procedure Regulations set out arrangements for other people to be made aware that an asset transfer request has been made, and of how they can make representations about it. This will be done by us as soon as practicable after the validation date (the date the completed request was received).

We will directly notify any tenant or occupier of the land the request relates to. This would include any group which has an agreement for regular use of the land or building. We will also also notify the owner, if the relevant authority leases the land.

Notice of the asset transfer request will be published online, and put up at the site. Regulation 7(2)(b) requires it to —be displayed at a public place in the vicinity of the land to which the asset transfer request relates.

Notices sent to tenants, occupiers and owners and those published online and near the land all require to contain the same information. They must:

- state that an asset transfer request has been made
- identify the community transfer body making the request and the land to which the request relates
- give a brief description of the nature of the rights requested and how the community transfer body propose to use the land
- say how the asset transfer request and associated documents can be inspected
- say how representations about the request may be made, and by what date. This must be at least 20 working days after the notice is given or published

The notice should also advise that all representations will be copied to the community transfer body for their comments, and published

If any representations are received in response to these notices, we will send copies to the community transfer body and inform them how and by what date they can make comments about them. The date must be at least 20 working days from the date on which the copy is sent. Any personal information will be redacted from representations before they are copied to the community transfer body or published online.

Prohibition on disposal of land

Once an asset transfer request has been made, we are not allowed to sell, lease or otherwise dispose of the land it relates to, to anyone other than the community transfer body that made the request, until the whole process is completed. This is set out in section 84 of the Act. Subsection (11) provides that in these circumstances, any contract requiring the us to dispose of the property to any other person has no effect.

Subsections (4) to (10) of section 84 set out all the possible ways in which the asset transfer request process can come to an end. In summary, the process is completed when:

- a contract for the transfer is concluded;
- the request is refused and the community transfer body has followed all routes of appeal without success, or
- the community transfer body fails to take the next action in the process within the time required. For example, if it does not make an offer, or does not request a review or appeal if the request is refused.

There is no statutory provision for a community transfer body to withdraw its request.

Under subsection (12), the prohibition on disposal does not apply if, before the asset transfer request is made, the land has already been advertised for sale or lease, or the relevant authority has entered into negotiations or begun proceedings to transfer or lease the land to another person.

Multiple requests for the same property

Each asset transfer request that is received will be processed in line with the procedures and timescales set out above, even if further requests are received for the same land before the first has been concluded. There is no provision, for example, to allow the relevant authority to delay a decision on one request until it has considered another, unless the community transfer body making the first request has agreed to an extension of the timescale. Ideally, all community transfer bodies interested in a particular property would work together to submit a single request, but this is not always practical.

8. Decision-making process

To provide a robust, transparent and consistent decision-making process applications for asset transfer will all be reviewed by a panel of officers within the council including:-

- Communities and Housing
- Land & Property Assets
- Finance
- Legal and Democratic Services.

This panel will be supplemented by other officers, depending on the nature and type of the application. This may include specialisms around sports, culture, education, environmental policy or economic development. It may also include officers of partner organisations and may also seek advice from its community planning partners

The panel will be chaired by the Asset Management Manager, who will be responsible for reporting the panel's outcomes to the Finance Policy and Resources committee of the council.

Dialogue between the relevant authority and the community transfer body may continue throughout the process. We may seek clarification or more detail on any issues we feel is necessary to make a decision. This will help to avoid situations where a request is refused on the basis of a lack of information which the community transfer body could have provided if they had been asked. **We will take care to ensure that the type of information and level of detail expected is appropriate and proportionate to the individual request.**

Matters to be considered

Aberdeen City Council take a positive approach to asset transfer and are likely agree to the request unless there are reasonable grounds for refusal.

It is not possible to give detailed guidance on what may be reasonable grounds for refusal, as this will determined in the circumstances of each individual case. However, they are likely to include cases where the benefits of the asset transfer request are judged to be less than the benefits of an alternative proposal, where agreeing to the request would restrict us in carrying out our, or where another obligation on the Council prevents or restricts its ability to agree to the request.

Benefits

In assessing the benefits of the request we will consider whether agreeing to it would be likely to:

- promote or improve
 - economic development
 - regeneration
 - public health
 - social wellbeing
 - environmental wellbeing, or
- reduce inequalities of outcome which result from socio-economic disadvantage
- Contribute to the Local Outcome Improvement Plan/ Locality Plans.

We will make our decision in a manner which encourages equal opportunities and the observance of the equal opportunities requirements. While some of this may come under the heading of promoting or improving —social wellbeing it provides a focus for considering activities which may benefit particularly disadvantaged groups, or promote inclusion and understanding between different groups.

Ability to deliver

Considering whether a proposal is likely to achieve the benefits set out is not only a matter of whether the planned activities would lead to the suggested outcomes. It also requires an assessment of whether the community transfer body is able to successfully deliver the project, and make it sustainable. We will consider both funding and the capacity and governance of the organisation. Some issues which we will consider will be:

- has the community transfer body identified all the relevant costs of the project or activities?
- have they identified appropriate and realistic sources of funding – for example, will they be eligible for any suggested grants, are any fees for activities affordable for their target market, do they have a viable business plan for any proposed commercial activities?
- where relevant, have they identified how the project will be funded in the longer term?
- do members have appropriate skills, experience and qualifications to deliver the project, or does the body have a plan for engaging people who do?

- Aberdeen City Council Asset Transfer Procedure does the community transfer body have suitable governance arrangements for the scale of the project?
- where relevant, do they have succession plans in place for recruiting new Board members / Trustees in future?

Consideration of these issues will be **proportionate and appropriate to the scale and type of project involved**

Linkages to Local outcome improvement plan:-

http://www.aberdeencity.gov.uk/web/files/Council_and_Government/LOIP_22_Aug.pdf

We will consider how the proposal relates to meeting the outcome of the Local Outcome Improvement plan or to more general national outcomes.

Obligations and restrictions

Any obligations that may prevent, restrict or otherwise affect the authority's ability to agree to the request, whether these arise from legislation or otherwise will be explained to the community transfer body at the earliest possible stage, as they may influence their decision on what property may be suitable for their needs.

“Other matters” and community support

Under this heading we will consider community support for the proposals and any potential impact on other community groups.

The relative importance of wider community support will depend on the proposed project.

There are often differences of opinion within communities, and you should not expect unanimous support for a proposal. However, one of the intended benefits of community ownership and community-led activity is to increase community cohesion and resilience. A scheme that attracts substantial opposition and causes division in the community may not have a net benefit. It could also result in fewer people becoming involved or using the services.

Request from bodies representing a community of interest, will require to show how they have engaged with the geographic community in the area where the asset is located. A community of interest may be a subset of the local community, such as an equality group or sports club, or it may be drawn from a regional, national or even international base. In either case, the views of local residents who are not part of that community of interest should be considered. Equally, a proposal from a geographic community may reference support from communities of interest who may benefit.

9. Price, Valuation and Non-financial benefits

The community transfer body has to state in the asset transfer request how much they are prepared to pay, alongside the benefits the project will deliver. Aberdeen City Council has to decide whether to accept that price.

The council have a duty to secure Best Value in their operations, including when disposing of or letting property. Best Value does not always mean the highest possible price, and we have the ability to dispose of property at less than market value where there are wider public benefits to be gained. This is set out in the Disposal of Land by Local Authorities (Scotland) Regulations 2010.

<http://www.gov.scot/Resource/Doc/319642/0102183.pdf>

The likely price of the asset is something the community transfer body will need to consider at an early stage in developing its proposals, along with the initial and ongoing costs of the project. The council will where possible give an indication of their expectations in terms of price at an early stage in discussions. **Community transfer bodies should not assume that asset transfers will be at a nominal sum.**

For purchase or lease, both parties are likely to need a formal valuation for accounting and funding purposes

If the community transfer body decides to offer a price that is less than the market value, the relevant authority will need to assess whether the non-financial benefits offered by the proposals justify that reduced price.

State Aid Considerations

All asset transfers must comply with state aid rules. A disposal at less than market value may constitute State Aid, if it provides an economic advantage to a trading entity.

We will have to consider whether any reduction from market value is allowed under the State Aid Rules. However, if any assistance is found to have breached the Rules, it is the organisation that received the assistance that has to pay it back, so it is important for clarity on both sides of the request.

10. Obtaining a joint valuation of the asset

The council and the community transfer body are likely to need to understand the market value of the asset, for accounting, borrowing or funding purposes, and to ensure transparency about the amount of any reduction from market value. A market value is also required for Best Value and State Aid assessments.

To reduce overall costs and provide a common starting point, we are willing to discuss a joint valuation, and to agree that this will give the figure on which discussions will be based.

Information in relation to how the valuer is instructed, the times this should be undertaken, who should undertake the valuation and the basis of valuation, along with sample instruction letters are all contained within the technical guidance.

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11. Assessing asset transfer requests

Introduction

When the price offered in an asset transfer request is less than the market value of the property, the relevant authority will need to consider whether the proposed benefits to be delivered by the community transfer body justify the proposed discount (which will be accounted for as a —gift. This will be based solely on the analysis of the information included in the request. The benefits of the request should be proportionate to the value of the asset and the level of discount, with an appropriate level of information to support the application. Any decision to transfer an asset must represent good use of public resources.

Criteria for Assessing Requests

A way to demonstrate resources are being put to good use is to demonstrate Best Value.

There are seven Best Value themes which the council must consider include the following types of benefit:

- Economic development
- Regeneration
- Public health
- Social wellbeing
- Environmental wellbeing
- Reducing inequalities of outcome from socio-economic disadvantage (LOIP and Locality Plans)
- Any other benefits that might arise through the alternative use of the asset.

Asset transfer at less than market value is justified when these additional benefits empower communities and align with local and national priorities to enable the delivery of Best Value across the public sector as a whole.

Considering the Request

The information provided in the asset transfer request should demonstrate that the project has clear objectives, including the projected outcomes and impacts sought by the community transfer body alongside any associated dependencies, constraints and risks identified. The benefits of the request should be proportionate to the value of the asset and the level of discount.

The council will consider each one of the seven Best Value themes to evaluate

Aberdeen City Council Asset Transfer Procedure
the strength of the case being made, including the sustainability of the proposal
in the longer-term. The request must also include the benefits that will be
delivered as part of the proposal.

Benefit	Example	Assessment
Financial	Reduction in public sector costs or enhancement of provision due to the proposal.	e.g. the costs associated with volunteers' time or where intervention can reduce pressure on municipal services through the people that can be reached, such as alleviating alcohol/drug/ smoking dependency.
Outcomes - quantitative	Contribution towards local or national priorities e.g. improved standards of healthcare; contribution towards alleviating homelessness; supporting local employment etc.	e.g. the increase in local engagement in physical activity for a particular group or groups; the reduction in numbers of homeless through intervention/advocacy; the hours of vocational training provided to help develop skills that are in demand.
Outcomes - qualitative	Improved community cohesion; enhanced local services etc.	e.g. the improvement in local wellbeing from reducing anti-social behaviour; the increase in participation from a marginalised group or groups, such as providing online access or financial independence.

In reviewing each request the following matters, though not exhaustive, will also be considered:

- a) Value to relevant authority in existing use
 - feasibility and cost of relocation of services elsewhere
 - potential revenue savings arising from transfer
- b) Value for alternative use/redevelopment
- c) Value for proposed and other community purposes
- d) Level of community benefits
 - extent of community served
 - Nature of benefits to be delivered
 - links to relevant authority's corporate priorities and outcomes
 - community need/demand for the services
- e) Likelihood that benefits will be delivered over a 5-year period
 - strength of organisation
 - sustainability of business plan/project
 - sources and level of funding support

Aberdeen City Council Asset Transfer Procedure

f) Impact of project failure

- to surrounding local environment
- to reputation of the parties
- to the service users/relevant authority's objectives

Based on the evidence provided the request will then be assessed on the following basis.

Evidence	Overview
Very strong	Governance and financial arrangements are strong and sustainable. Best Value characteristics are evidenced and contained throughout the overall approach. Related projected benefits are very robust and demonstrate value for money: suitability, effectiveness, prudence, quality, value and the avoidance of error and other waste.
Strong	Governance and financial arrangements are sound and sustainable. Best Value characteristics are in evidence in the proposal. Related projected benefits are demonstrated well and represent value for money.
Moderate	Governance and financial arrangements are in place and acceptable. Best Value characteristics have been considered as part of the proposal. Related projected benefits are acceptable and could lead to value for money.
Weak	Governance and financial arrangements are weak. Best Value characteristics are not well demonstrated in the proposal. Related projected benefits are not based on robust information and demonstrates questionable value for money.
Poor	Governance and financial arrangements are poor. There is little evidence of Best Value characteristics in the proposal. Related projected benefits are ill defined and/or unrealistic and do not demonstrate value for money.

The strength of the proposals will then be considered against the financial implications of any decision both for short-term budget planning and long-term asset strategies. This will include the consideration of the current use of the asset and any consequent implications that could arise from the transfer of the asset. A larger discount will require a stronger case to be made with an appropriate level of benefits demonstrated effectively.

Asset Transfer Request Recommendation

Following a detailed review and assessment of the information provided in an asset transfer request, a recommendation can then be made on the strength of the case to the relevant accountable officer or to the appropriate council committee. Any request for a transfer at less than best consideration will be reported to committee.

Depending on the nature of a request, expert opinion may need to be sought to assess effectively the financial implications, the Best Value considerations and/or the proposed benefits.

The community transfer body needs to provide a proportionate request that demonstrates clear benefits with the appropriate level of information to support the application – commensurate to the value of the asset and the level of discount.

Any asset transfer request will be assessed alongside any other proposals for the related asset to enable a Best Value judgement to be made. This will be a judgment that takes into account the financial implications alongside the wider benefits that will accrue.

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Best Value Theme	Summary	Information Required
Vision and Leadership	An organisation will have in place a clear vision and plan for what it will do to contribute to the delivery of improved outcomes for Scotland. This may be linked to one or more local or national priorities e.g. the Scottish Government's National Outcomes.	A clear plan for achieving the intended outcomes, ideally showing links to local or national priorities. Members of the community transfer body would also show that they have the relevant skills and experience to deliver the intended objectives.
<ul style="list-style-type: none"> • Effective Partnerships 	An organisation will show how it, and its partnerships, provides a collaborative approach to the challenges that communities face.	The detail of any partnerships in place to help ensure successful delivery of the intended benefits. Community support is vital and can be shown through a variety of metrics such as surveys, consultations or ballots.
<ul style="list-style-type: none"> • Governance and Accountability 	An organisation will be able to demonstrate structures, policies and leadership behaviours that support the application of good standards of governance and accountability.	An outline to illustrate that the appropriate structures and policies are in place to help ensure success in the longer-term.

<ul style="list-style-type: none"> • Use of Resources 	<p>An organisation will show how its effective management of all resources (including staff, assets, and information) is contributing to the delivery of specific outcomes, highlighted in the national outcomes.</p>	<p>Explain how the body’s current and future resources will be used as part of a medium to long term plan (5-10 years). This could include the numbers of employees or volunteers and the maintenance of any asset. This could also include the funding requirements of the group and the sources of funding already in place.</p>
<ul style="list-style-type: none"> • Performance Management 	<p>An organisation will ensure that robust arrangements are in place to monitor the achievement of its desired outcomes as well as any reporting arrangements.</p>	<p>Outline the way in which a community transfer body will be able to monitor the achievement of its objectives, whether that be recording volunteers time or the amount of benefit achieved as part of the overarching vision. To demonstrate openness and transparency it will be important to report performance to the community.</p>
<ul style="list-style-type: none"> • Sustainability 	<p>An organisation will demonstrate an effective use of resources in the short-term and an informed prioritisation of the use of resources in the longer-term in order to contribute to sustainable development. The goal of Sustainable Development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations.</p>	<p>There are five broad principles of sustainability:</p> <ul style="list-style-type: none"> • promoting good governance; • living within environmental limits; • achieving a sustainable economy; • ensuring a stronger healthier society; and • using sound science responsibly. <p>A community transfer body could demonstrate how its future funding or self-financing arrangements are to be achieved. Any proposal could also include any positive impact on the natural environment.</p>
<ul style="list-style-type: none"> • Equality 	<p>An organisation will demonstrate that consideration of equality issues is embedded in its vision and strategic direction and throughout all of its work.</p>	<p>The community transfer body should establish that the different groups within the community have had their different needs taken into account. Any request should include where a proposal may be reducing inequalities of outcome from socio-economic disadvantage.</p>

12. Use of conditions to protect discount

As explained in previous sections, the council are required to achieve Best Value in their property transactions. In the case of asset transfer to community bodies, disposal at less than market value, or with other support or concessions, may be justified by reference to the expected benefits to be delivered by the project. In that situation, relevant authorities sometimes seek to protect themselves against the risk that the benefits may not be delivered by including clauses in the contract requiring some form of restitution if the project fails.

Further detail in relation to the potential mechanisms for this is discussed in Scottish Government guidance. The requirement for this is any will be discussed during the application process.

Collaboration and monitoring

It will often be helpful for the relevant authority to work directly with funders to agree a balance of legal mechanisms to secure the interests of all those involved. There can be misunderstandings about the requirements of different organisations which are best clarified by making direct contact. While these discussions are likely to take place between lawyers, community bodies should be reassured that the aim is to produce a better result for them, with fewer overlapping conditions.

Where any mechanism is put in place, by a relevant authority or a funding organisation, to ensure that benefits are delivered or property is used for a particular purpose, monitoring of those requirements is also essential. If difficulties arise with a project, support may also be necessary to help the community body get back on track. Where there are several organisations with similar interests, it may be possible to establish an agreement whereby one partner undertakes monitoring on behalf of all, providing other partners with sufficient confidence to reduce the need to impose multiple protective mechanisms. This would also benefit the community body, in reducing duplication of monitoring.

13. Decision notice

Having made its decision the council will issue a decision notice to the community transfer body, under section 82(7) of the Act, setting out its decision and the reasons for it. This must be done within six months from the validation date, as prescribed in regulation 10 of the Procedure Regulations, or a longer period if agreed between the relevant authority and the community transfer body.

The decision will not be unnecessarily delayed and will normally fit around Council committee dates.

A longer period may be required for complex requests or where another process is required to remove a restriction on the relevant authority. Should this be required a revised process will be agreed with you once an application is made.

The information to be provided in a decision notice is set out in sections 82(7) and 83(2) of the Act, and regulation 11 of the Procedure Regulations. It will contain the following:

- A. state the date on which the asset transfer request was made
- B. identify the community transfer body which made the request
- C. identify the land to which the request relates
- D. set out the authority's decision to agree to or refuse the request
- E. set out the authority's reasons for its decision
- F. contain notification of the right of appeal or review, how an appeal or application for review may be made, and the date by which it must be made.

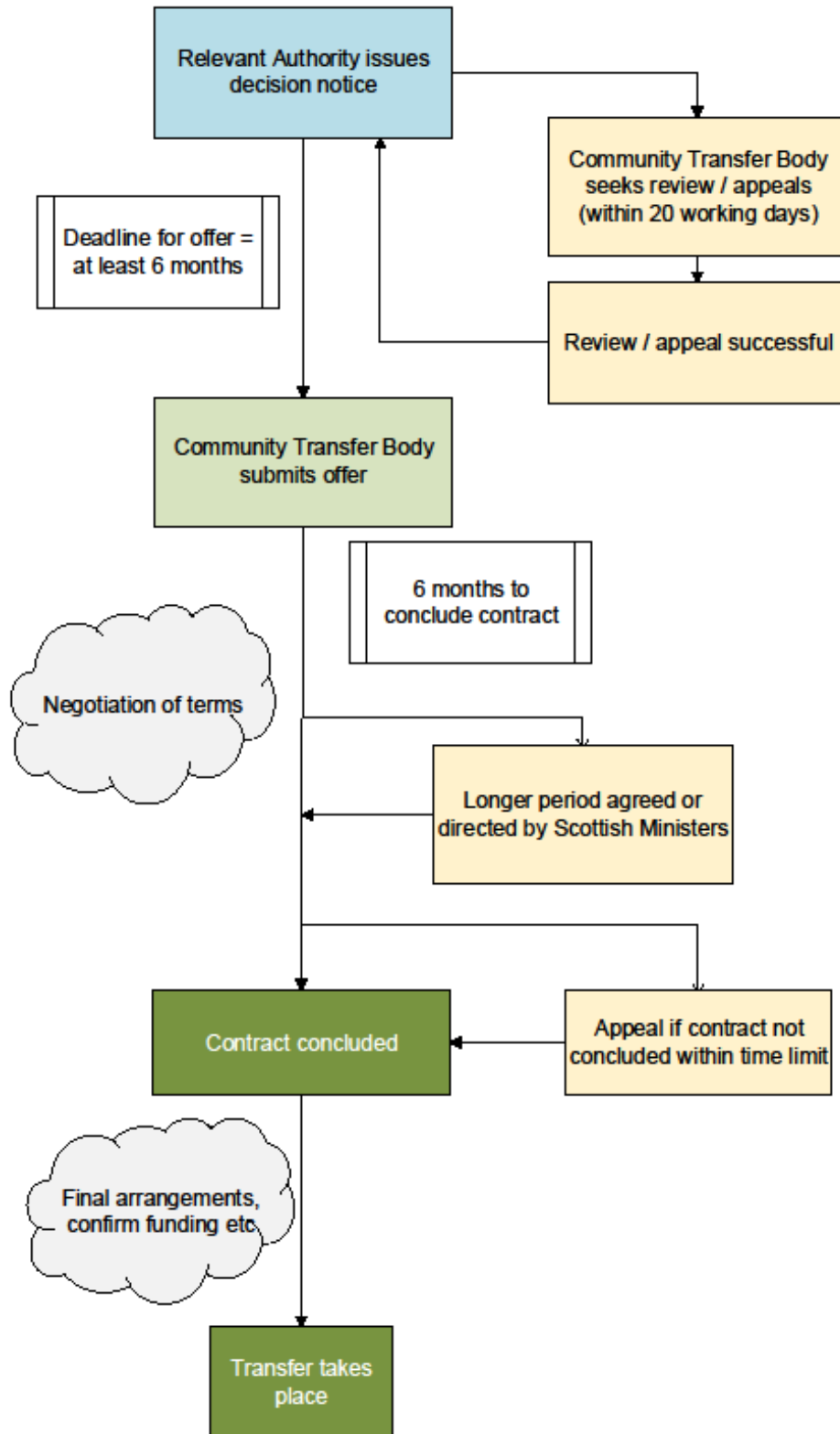
and if the request is agreed:

- G. specify the terms and conditions on which the authority is prepared to transfer ownership, lease the land or confer the rights requested
- H. state that, to proceed with the process, the community transfer body must submit an offer,
- I. specify the period within which the offer must be submitted (this must be at least 6 months from the date of the decision notice)

Notification and Publishing

The decision notice will be sent to the community transfer body at the contact address, and will also be published online. We will also inform anyone who made representations (and provided an address) of its decision and where the decision notice can be seen.

After Agreement



14. After Agreement

Community Transfer Body's Offer

Section 83 of the Act sets out the next steps after a relevant authority has issued a decision notice agreeing to an asset transfer request and detail is provided in the technical guidance.

In response to the decision notice, the community transfer body must submit an offer to take ownership of the land, lease it or take up the rights covered by the request.

- They must do this by the date stated in the decision notice.
- The offer must reflect the terms and conditions set out in the decision notice; if those terms and conditions are significantly different from those included in the request, and are not acceptable to the community transfer body, they can appeal or request a review.
- The offer can also include other reasonable terms and conditions that may be needed to make sure the transfer goes ahead within a reasonable time.

If no offer is made by the date set in the decision notice, (and the community transfer body did not appeal or request a review in relation to the terms and conditions within 20 working days of the decision notice), the process is at an end.

Conclusion of contract

Once the offer has been received by the Council, there may be further negotiations required to conclude the contract. If the request is for ownership or a long-term lease this will be like any other property transaction, with exchanges between lawyers to agree the final wording.

The contract must normally be concluded within 6 months of the date of the offer. This does not mean the transfer has to take place within that time, but the date for the transfer, the price or rent and any other terms and conditions must be agreed.

The contract may be conditional on other factors that are needed to allow the community proposals to go ahead, such as confirmation of funding or planning permission.

No contract concluded

If no contract is concluded within 6 months of the offer, and no other action is taken, the process is at an end.

Sometimes this is by mutual consent –circumstances may change, funding or other requirements may not be secured, and it may no longer be practicable to take the project forward.

However, if the community transfer body believes there is still progress to be made, they can take action to keep the request alive.

There are three options available to the community transfer body to keep the asset transfer request going beyond 6 months after the offer date:

- a) agree an extension with the relevant authority,
- b) apply to the Scottish Ministers for a direction to extend the period, or
- c) appeal to the Scottish Ministers, under section 83(6), to determine the terms and conditions of the contract, which the relevant authority can be required to accept.

An application to the Scottish Ministers for an extension must be made between 6 weeks and 4 weeks before the end of the 6 month period. The community transfer body must first try to agree an extension with the relevant authority, so this may be raised around 4 months into the negotiations. An extension can be agreed at any point, and need not be used if the contract is concluded sooner than expected. There is no limit on how long the extension may be, but there must be an end date.

If the end of the period is reached, either the original 6 months or an extended period, and no contract has been concluded, the community transfer body can appeal to the Scottish Ministers. This must be done within 10 working days of the end of the period. Procedures for such appeals are set out in the technical guidance issued by the Scottish Government.

15. Reviews and Appeals - Introduction

A community transfer body can seek a review (by the Council) or appeal (to the Scottish Ministers) if:

- their request is refused,
- the request is agreed, but the terms and conditions in the decision notice are significantly different from those in the request, or
- no decision notice is issued within the required period.

The community transfer body can apply for an internal review by the Council, as set out in section 86 of the Act. If the outcome of the review does not resolve the issue, or if no decision is made within the required period, the community transfer body can then appeal to the Scottish Ministers under section 88.

Section 91 of the Act provides that a community transfer body cannot seek a review or appeal in relation to the terms and conditions in the decision notice if it has already made an offer, unless it first withdraws that offer. If the community transfer body makes an offer after submitting an appeal or application for review, the appeal or review is treated as having been withdrawn.

A community transfer body can also appeal to the Scottish Ministers if a request is agreed, but no contract is concluded within the required time limit

In all cases the final decision lies with the Scottish Ministers. There is no further route of appeal beyond them (except by judicial review).

16. Local authority review

If an asset transfer request is made to a local authority, the community transfer body can apply for an internal review by the authority, as set out in section 86 of the Act. Procedures for such reviews are set out in the Asset Transfer Request (Review Procedure) (Scotland) Regulations 2016.

Section 86(10) amends the Local Government (Scotland) Act 1973 so that a review of an asset transfer decision must be carried out by a committee, or sub-committee made up of Councillors who were not involved in the original decision, and the review cannot be delegated to officers.

The process for this is documented in the technical guidance issued by the local authority and includes the application and acknowledgement process, notification to interested parties and advice on further representations.

Application for review and acknowledgement (as set out in Asset Transfer Request (Review Procedure) (Scotland) Regulations 2016)

The community transfer body's application for review must be made in writing to the local authority within 20 working days beginning with the date of the decision notice, or if no decision has been made, within 20 working days beginning with the date of the deadline for the decision.

The application must include the name and contact address of the community transfer body, and specify the land to which the asset transfer request relates. It must also include a statement setting out their reasons for requiring a review, and the procedure which they consider should be used to obtain further information, for example whether there should be a hearing or perhaps a site visit, in addition to written representations.

The application for review must include a statement setting out the reasons for the application. This must cover all matters which the community transfer body intends to raise in the review. They may only bring forward further matters or evidence in response to representations on the application, or if the local authority request it. The application must also be accompanied by a list of documents and other evidence supporting the case, and copies of any of those documents or evidence the local authority does not already have. All these review documents will be published on the council's website with personal information should be redacted before publication.

An acknowledgement of the application for review to the community transfer body will be made within 10 working days of receiving it. The acknowledgement will state the date on which the application was made, and tell the community transfer

Asset Transfer Guidance for Relevant Authorities – Draft Final
body how the review documents can be inspected.

Notification of interested parties

Notification must also be given to other interested parties. Further information on this is provided within the technical guidance.

Further representations

Once they have the initial evidence, any representations from interested parties and comments on those representations, the Council may have enough information to determine the review, without further procedure. If not, they may decide what further procedure to use to get more information. This could be by written submissions, a hearing session, or other procedures such as a visit to the land to which the asset transfer request relates or to another relevant site (for example the community transfer body's existing premises or another similar community project). The community transfer body can say in their initial evidence what procedures they think should be used, but the final decision will be made by the Council.

Anyone may be asked to provide further information by written submissions, or by attending a hearing session, including people not previously involved in the case.

Any request for further information will be proportionate to the transfer request to which the review relates.

If further written submissions are required, a notice will be sent requesting this detailing the matters on which further representations are required, and the date by which they are to be received.

Hearing session rules

The rules for arranging and conducting a hearing session are set out in the Schedule to the Regulations.

Additional evidence

If it is proposed to take into consideration any new evidence that was not obtained through the process for written representations or hearing sessions, the community transfer body and other —relevant parties will have an opportunity to comment on that evidence prior to a decision being made

Decision

Section 86(8) of the Act states that section 82, subsections (3) to (5) apply to a review as they apply to an original asset transfer request.

Having carried out the review, we will either confirm the original decision, modify it or any part of it (including the terms and conditions set out in the decision notice) or substitute a different decision.

A new decision notice, which replaces the previous decision notice will be issued. The decision notice must be given within 6 months of the date the application for review was made, or a longer period if agreed with the community transfer body. If it is refused (or no decision is made within the time limit, or the terms and conditions are not acceptable) the community transfer body can appeal to the Scottish Ministers

In addition to sending the decision notice to the community transfer body, it will be published online to allow every person who made written representations in relation to the review of the decision and where the notice can be inspected.

17. Appeal to the Scottish Ministers

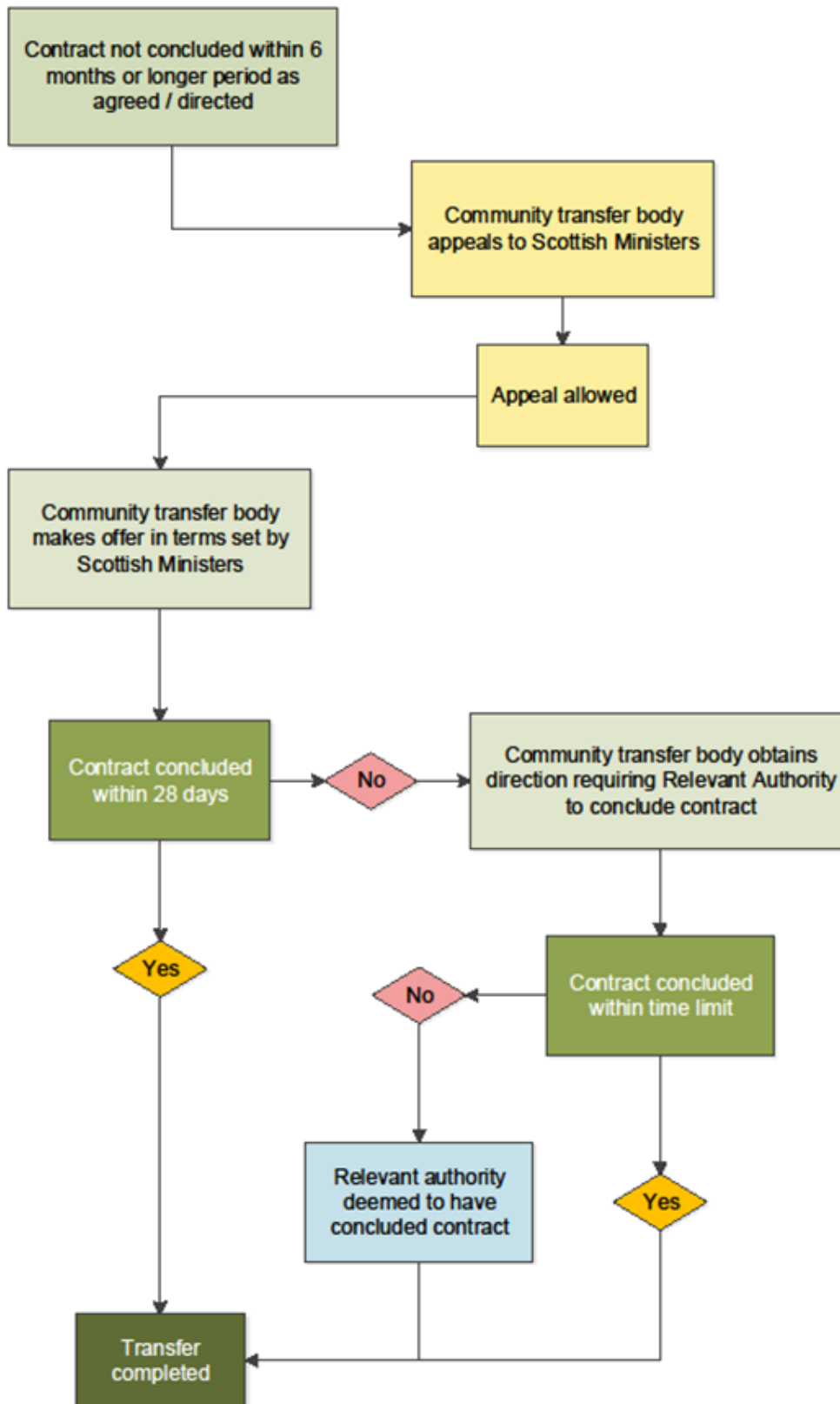
Community transfer bodies can also appeal to the Scottish Ministers following a review by a local authority, as provided by section 88 of the Act. The procedure is the same in both cases. Part 4 of the regulations sets out the technical differences in how they refer back to section 88 instead of section 85.

The process for this is set out within the technical guidance notes.

18. Appeals where no contract is concluded

Once an asset transfer request has been agreed, if no contract has been concluded within the period allowed, the community transfer body can appeal to the Scottish Ministers under section 83(6) of the Act. Procedures for such appeals are set out in the Asset Transfer Request (Appeal Where No Contract Concluded) (Scotland) Regulations 2016.

The process for this is set out within the guidance notes.



Annex A: Useful Websites and links

Community Ownership Support Service <http://www.dtascommunityownership.org.uk/>

Community Woodlands Association www.communitywoods.org

Community Energy Scotland <http://www.communityenergyscotland.org.uk/>

Community Land Advisory Service Scotland <http://sc.communitylandadvice.org.uk/>

Forestry Commission Scotland <http://scotland.forestry.gov.uk/managing/get-involved/communities>

National Standards for Community Engagement
<http://www.scdc.org.uk/what/national-standards/>

Communities Channel Scotland <http://www.scdc.org.uk/what/national-standards/>

Community Land Scotland <http://www.communitylandscotland.org.uk/>

Community Funds <http://www.gov.scot/Topics/Built-Environment/regeneration/communityfunds>

Asset Transfer Guidance for local authorities –
<http://www.gov.scot/Publications/2016/11/1889>

Asset Transfer Guidance for communities –
<http://www.gov.scot/Publications/2016/11/3688>

<http://www.gov.scot/Topics/People/engage/AssetTransfer>

<http://www.gov.scot/Topics/People/engage/AssetTransfer/AssetTransferRequestForm>

<http://www.gov.scot/Topics/People/engage/AssetTransfer/LocalAuthorityAcknowledgementLetter>

<http://www.gov.scot/Topics/People/engage/AssetTransfer/ModelNoticeofRequest>

<http://www.gov.scot/Topics/People/engage/AssetTransfer/NoticeofRequestExamples>

<http://www.gov.scot/Topics/People/engage/AssetTransfer/AgreedModelDecisionNotice>

<http://www.gov.scot/Topics/People/engage/AssetTransfer/RefusedModelDecisionNotice>

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	9 March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Twinning & International Partnerships
REPORT NUMBER	CHI/17/043
CHECKLIST COMPLETED	YES

1. PURPOSE OF REPORT

The purpose of this report is to bring before Committee applications for financial assistance from the International Twinning Budget 2017-18 and to make recommendations.

2. RECOMMENDATION(S)

- a) That Finance, Policy & Resources Committee approve the following grants from the International Twinning Budget 2017-18:
 - i) Contribution of £1,640 towards 4 teachers from Education & Children's Services travelling to Clermont – Ferrand, 21 – 24 May 2017.
 - ii) Contribution of £2,000 towards representatives from the Look Again Festival and The Poundshop travelling to Stavanger, May/June 2017.
 - iii) Contribution of £5,027 towards players and parents from Culter Youth Football Club travelling to Regensburg, 2-5 June 2017.
 - iv) Contribution of £4,000 towards the 21st Aberdeen (Cults) Scout Group travelling to Stavanger, 30 June – 13 July 2017.
 - v) Contribution of £8,109 to Aberdeen International Youth Festival (AIYF) to support a group participating from Bulawayo, 27 July – 5 August 2017.
 - vi) Contribution of £10,000 towards the Adventure Aberdeen Summer Camp, 31 July – 11 August 2017

3. FINANCIAL IMPLICATIONS

Full council approved the International Twinning Budget for 2017-2018 of £137,250. The approved budget from the Common Good Fund provides £102,000 of monies towards the support of twinning projects and/or visits. Remaining funds support the infrastructure of the programme, such as salary and ICT costs. .

	Balance of budget available as at April 2017	£102,000
	Opening Balance	£102,000
i)	Contribution of £1,640 towards 4 teachers from Education & Children's Services travelling to Clermont – Ferrand, 21 – 24 May 2017.	£1,640
ii)	Contribution of £2,000 towards representatives from the Look Again Festival and The Poundshop travelling to Stavanger, May/June 2017.	£2,000
iii)	Contribution of £5,113 towards players and parents from Culter Youth Football Club travelling to Regensburg, 2-5 June 2017.	£5,027
iv)	Contribution of £4,000 towards the 21st Aberdeen (Cults) Scout Group travelling to Stavanger, 30 June – 13 July 2017.	£4,000
v)	Contribution of £8,109 to Aberdeen International Youth Festival (AIYF) to support a group participating from Bulawayo, 27 July – 5 August 2017.	£8,109
vi)	Contribution of £10,000 towards the Adventure Aberdeen Summer Camp, 31 July – 11 August 2017	£10,000
	TOTAL	£30,776
	Closing Balance (if recommendations approved)	£71,224

4. OTHER IMPLICATIONS

The health and safety implications of all visits are taken into account during planning, with any exceptional implications addressed at the time of application. The Twinning & International Partnerships Officer receives automatic updates with regards to situations in countries from the Foreign and Commonwealth Office (FCO) and is in close contact with counterpart officers in the twin cities to ensure information provided to participants is accurate and up-to-date. All travel guidance issued by the Twinning & International Partnerships Officer is based upon the advice of the FCO and local intelligence, such as the police and local government authorities. All individuals/groups who have been supported by the Twinning Grant must follow the advice of these authorities when visiting the twin cities, including changing travel or programme arrangements if required. If any of these authorities advice against travel to an area, then travel and the project must be postponed with immediate effect until it is deemed safe to continue.

Where individuals/groups from Aberdeen are travelling overseas, comprehensive pre-visit briefings are offered by the Twinning & International Partnerships Officer and all have the opportunity to ask questions and request support. When participating in overseas visits, Council employees are covered by the Council's insurance policy while non-Council employees are instructed by the Twinning & International Partnerships Officer to obtain comprehensive travel insurance.

A review of the financial systems used to administer the Twinning Grant was undertaken in July 2016. As per recommendations in the Local Code

for Practice (Approved FPR Committee September 2015), Following the Public Pound Tier 4 procedures are adhered to:

“Where annual funding is less than £15,000, an officer may still chose to follow the procedures laid down for Tier 4, as although the level of funding does not fall within the following the public pound guidance, the level of risk may be such that it would be prudent to follow these procedures.”

Following this review, existing measures were strengthened and new practices implemented to ensure that the Twinning Grant is fully accountable in its allocation of the public pound.

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

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

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

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

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

5. BACKGROUND/MAIN ISSUES

- a) These recommendations involve the allocation of funds made available from the 2017 -18 budget:
- i) **Contribution of £3,240 towards 4 teachers from Education & Children’s Services travelling to Clermont – Ferrand, 21 – 24 May 2017**

This is the return visit to Clermont-Ferrand following the one by French colleagues in November 2016 to Aberdeen that consisted of 2 Modern Languages Education Officers, one primary Head Teacher and one primary class teacher.

During their stay in Aberdeen, the delegation visited Quarryhill and Muirfield primary schools. Their emphasis was on the teaching of Modern Languages, observation of the Scottish Curriculum for Excellence methodology and establishing new links for schools. They also discussed the Singing project between Aberdeen and Clermont-Ferrand primary schools to be held on 21st June 2017.

The returning ACC delegation will visit primary and secondary schools in Clermont-Ferrand with the aim of establishing new links. They will attend meetings with education partners: head teachers, teachers, education officers and school inspectors to familiarise themselves with the French school system.

This visit aligns to the following criteria:

- Promoting the Scottish Government 1+2 Modern Languages initiative in ACC primary schools
- Reinforcing existing schools' partnerships and establishing new ones.
- Evaluating the visit from Clermont-Ferrand delegation due in March 2017 including head teachers and school inspectors coming to look at Scottish educational developments including: Inclusion and Bridging the Gap
- Liaising with French colleagues to host the 2017 international summer camp
- Meeting with Modern Languages Education Officers to share methodology in learning and teaching modern languages
- Planning summer camp 2017 following successful first event in France in 2016: giving opportunities to ACC young people in secondary schools to take part in an international exchange

This will also support "Shaping Aberdeen" ACC strategy in promoting culture and improving staff experiences.

The educational links between the cities of Aberdeen and Clermont-Ferrand have strengthened since 2015 following a visit by French education officers.

Since then, visits have happened on a yearly basis leading to strong and durable school partnerships, projects which enhance ACC pupils' awareness of languages and cultures, cultural and practical exchanges and opportunities to ACC teachers to acquire a wider knowledge of education systems for the benefit of pupils in Aberdeen.

The French education authorities and Education Scotland wish to strengthen encourage working relationships and partnerships between Scottish local authorities and French regions. The main objectives are:

- Promote language learning and global citizenship
- Support CPD, peer learning and staff mobility
- Encourage creativity and awareness of other cultures

This is the third exchange visit from ACC Education and Children's Services reciprocal visit to Clermont-Ferrand.

Following the summer camps in August 2016 in France, 2017 in Scotland, we are hoping to offer opportunities for 12 young people from Aberdeen to travel to Germany in 2018 and ensure that the project becomes a triannual regular event, open to more young people from Aberdeen in the future.

Total applying for:

Expenditure	
Flights - 4 x £500	£2,000
Accommodation - 3 nights x 4 guests	£1,740
Subsistence	£1,200
Total	£4,940
Income	
Ville de Clermont	£3,300
Total	£3,300
Expenditure-Income	£4,940 - £3,300
Total Applying For	<u>£1,640</u>

ii) Contribution of £2000 towards a representative of the Look Again Festival and a representative from The Poundshop to visit Stavanger, May/June 2017

The Poundshop Commission for the Look Again Festival of Art and Design is Phase 1 of a design collective to produce a pop up design shop as part of Look Again 2018, creating new opportunities for designers in Aberdeen to twin with designers in Stavanger to produce affordable high quality products, broaden their networks and create potential for ongoing collaborative working such as residencies, reciprocal pop up and makers events in both cities.

The Look Again Festival showcases the very best contemporary art and design in Aberdeen, inviting public and visitors alike to become a tourist in your own city. The festival works to develop the creative sector in the

North East across the year through partnerships, programming, professional and skills development.

In year 1 (2015) Look Again attracted 14,683 audience members, increasing in 2016 to 17,709 across the commissions. Key to our mission is to encourage the public to see the city through fresh eyes, and 'become a tourist in your own city', thereby contributing to a changed perception of Aberdeen locally and further afield.

The aim of **The Poundshop** is to spread design to a wider audience by making it accessible through price and engagement. Products are sold within the affordable price bands £1, £3, £5 and £10. Working with a wide range of designers, this project allows for experimentation and testing within a professional brief. The Poundshop has worked prominent institutions and retailers such as, [Somerset House](#), [The Architecture Foundation](#), [Selfridges](#), [British Council](#), [Wasps Studios - Glasgow](#), [ICA – The Institute of Contemporary Arts](#).

The research visit to Stavanger in May/June 2017 will establish contact with a potential 8 Stavanger design practitioners with 8 Aberdeen designers. This engagement will then create a developed plan to support a range of affordable new design products for the Aberdeen pop up shop. From September-October The Poundshop will select designers from Aberdeen and Stavanger, and support them to develop and prototype work to The Poundshop brief. Work will also be undertaken to secure funds to support future activities with the Exhibition/Pop Up Shop open at the Look Again Festival in 2018 for 5 days during last weekend of April.

It is anticipated that this project will provide a range of outcomes including valuable international relationships established between designers in twinned cities, to support ongoing professional development and market growth opportunities for the sector in Aberdeen. Assist Look Again in developing stronger international partnerships with key organisations, building profile and reputation nationally and internationally. Support Aberdeen-based artists feel more confident and connected both by working with and being mentored by Poundshop and through working with international practitioners, ensuring the professional legacy develops through the project, with Aberdeen growing a reputation for excellent design by creating opportunities for local people to enjoy and acquire and be inspired by innovative new design products are increased.

This funding will be the first part of a three phase project that will result in a new design collection for Aberdeen, that we hope will go on to be stocked by Aberdeen Art Gallery, on an ongoing basis. We would also hope that reciprocal arrangements can be made for Aberdeen designers work to be stocked in Stavanger.

This will also, more broadly allow Look Again to establish links with a 'Northern Arc' neighbour, as outlined in the Creating a New North report that has informed the conceptualisation of the festival aims and objectives to do with :-

- How to attract and retain talent
- How to change perceptions of the city
- How to create places and spaces that are vibrant, attractive, meaningful
- How to better value the distinctive culture and heritage of the region

Look Again will encourage a deeper, more active level of participation for interested individuals across the festival, and there will be workshops, talks tours and events to encourage creative and critical engagement with the festival. Opportunities will be created for individuals to express themselves, work together and be creative impacting cumulatively on public perceptions of Aberdeen, adding cultural value to the city.

Total applying for:

Expenditure	
Flights	£550
Airport transfers	£200
Accommodation - 3 nights x 2 guests	£1800
Food Costs	£480
R&D Fee for The Poundshop	£500
Venue hire/costs	£470
Total	£4,000
Income	
Creative Scotland Contribution	£2000
Total	£2000
Expenditure-Income	£4,000 - £2,000
Total Applying For	£2,000

iii) Contribution of £5,113 towards players and parents from Culter Youth Football Club travelling to Regensburg, 2-5 June 2017.

Following the visit of FC Walhalla to Aberdeen in 2015, Culter Youth Football Club are working to organise a reciprocal visit to Regensburg for the Under 13 team. The group travelling will consist of 15 players and 15 parents.

This is a sporting and cultural exchange where participants will play a number of football matches against FC Walhalla and teams in the district while encouraging international relationships and promotion of the strong twinning links between Aberdeen and Regensburg.

Aberdeen City Council previously supported FC Walhalla financially to travel to Aberdeen, so Culter Youth Football Club will seek similar support from the Civic authorities in Regensburg to deliver this exchange.

Culter Youth Football Club will seek to enhance its reputation as a youth sports organisation, attracting and retaining young people in Aberdeen to pursue healthy and active lifestyle choices.

FC Walhalla also has intentions to visit Aberdeen on a biennial basis to participate in football matches and cultural experiences that further enhance Aberdeen as a visitor destination.

Total Applying for:

Expenditure	
Flights x 30	£6,177
Accommodation – Youth Hostel	£2,700
Internal transport	£1,350
Total	£10,227
Income	
Fundraising and participants	£5,200
Total	£5,200
Expenditure-Income	£10,227 - £5,200
Total Applying For	£5,027

iv) Contribution of £4,000 towards the 21st Aberdeen (Cults) Scout Group travelling to Stavanger, 30 June – 13 July 2017.

Scouts and Leaders from the Norwegian Sea Scout Group visited Aberdeen in July 2016 on an exchange visit hosted by the 21st Aberdeen (Cults) Scout Group, which included home hospitality and a joint camp at the National Scout Activity Centre, Fordell Firs.

Scouts and Leaders from the group have been invited to visit Norway to camp with the Norwegian Sea Scout Group at the International Scout Jamboree followed by a week's home hospitality in Stavanger.

This exchange will see 40 children and 7 adults commemorate the 40th anniversary of the twinning link between the 21st Group and the Norwegian Scouts, with whom they have been twinned since 1977.

The anticipated outcome of this exchange is:

- to promote and develop the twinning link between Aberdeen and Stavanger
- to promote the international dimension of The Scout Association's training programme
- to give Scouts in Stavanger an opportunity to meet and develop friendships with Scouts from Aberdeen
- to learn about different cultures and experience Norwegian home hospitality
- to attend Norway's Scout Jamboree where 10,000 Scouts from worldwide will attend

The community in Aberdeen will hopefully encourage others to become involved with the participants reporting back to their schools, providing

photos and articles for local and national Scout websites and publications, as well as a number of special events organised by local Scout Groups.

Total applying for:

Expenditure	
Flights	£8,930
Airport transfers	£164.50
Travel and Medical Insurance	£658
Sea freight of camp gear	£346
Total	£10,098.50
Income	
Fundraising	£1,000.50
Participants contribution	£5,098
Total	£6,098.50
Expenditure-Income	£10,098.50- 6,098.50
Total Applying For	£4,000

v) Contribution of £8,109 to Aberdeen International Youth Festival (AIYF) to support a group participating from Bulawayo, 27 July – 5 August 2017.

This project is to work with AIYF's twinning partner Umkhathi Theatre in Bulawayo to deliver a wide range of activity including workshops and performances showcasing the music and song of their region. AIYF want to promote a better understanding of the twin city and country through this project and create some links to future activity and connection for some of the partners in the city

The group, who have a long term relationship with AIYF, will be bringing a number of workshop programmes and a performances repertoire. Throughout the project they will work with local groups and organisations and as part of the main AIYF programme to deliver workshops in a wide variety of settings. The project aims to connect as main local people and most specifically young people with the groups thorough this range of opportunities.

The project is to work with both experienced and non-experienced young people as well as have performances in community and main performance venues giving an opportunity for engagement and sharing to a wide range of Aberdeen citizens and our visitors to the AIYF.

AIYF propose to create a schedule of activity that delivers the ambition of the project that encompasses the aims of the project to share social, artistic and cultural experiences with local young people and audiences.

The schedule will include:

- a series of half-day workshops with community groups that don't have as much opportunity to engage in artistic activity as others – summer clubs in regeneration areas, residential homes and groups with specific needs such as the North East Sensory Services & Befriend a Child who we have built relationships with over the past few years.
- workshops with groups that take part in regular artistic music and song at different levels of experience to enable not only the teaching by the Umkhathi group but opportunities to share local repertoire with them and with one of the groups create a collaboration for one of the performance evenings.
- performance opportunities as part of the community and main city programme. Most of these will be shared evenings of music and song and will provide a showcase for any collaborative work.
- social activities and chances to meet with the AIYF team, other visiting group leaders and leaders of the community groups

There are number of project outcomes:

- To give a better understanding of the social, cultural and artistic history and activity from Zimbabwe for local young people, audiences, festival participants and the different community groups across the city through discussion, performance and workshops.
- Create links directly with local youth arts groups which they can carry on afterwards – including ACE Voices, North-east folk collective and local music groups.
- Develop collaboration performances pieces to be part of the main festival programme
- Share skills with the traditional music school run by AIYF which can be incorporated into their work.
- Help promote a more positive image of life in Bulawayo, our twin city, with Aberdeen residents.

It will benefit the local community through:

- Exposure to Umkhathi's range of performances and workshops, providing a greater understanding of the culture & life in Bulawayo our twin city
- watching and participating in high quality performances and workshops at community centre, residential homes and youth summer projects venues. Being able to meet and discuss and find out more about our international partners
- Aberdeen audiences hearing the work of the Umkhathi group at main performances and see the results of their collaborations and adding to the enjoyment of the youth festival events.
- Longer term connections and twinning opportunities with the company in the future for AIYF and one or two local organisations.

Total Applying for:

Expenditure	
Flights x 8	£7,760
Visa applications	£1,200
Accommodation – 10 nights at The	£1,560

University of Aberdeen Halls of Residence	
Transport – van hire and First Bus	£1,000
Subsistence	£1,248
Venue Hire – rehearsal/% of performance costs	£2,500
Staff members working with group	£450
Administration & promotion	£500
Total	£16,218
Income	
Fund raising	£1,050
Ticket Sales	£3,000
Other sources	£4,059
Total	£8,109
Expenditure-Income	£16,109 – £8,109
Total Applying For	£8,109

Return flights to Zimbabwe are approximately \$1,200 (£970)

Visa application is \$180 (approx. £150)

Residence is £19.50 per night and we propose the 8 members of the group are with us for 10 nights.

Meals at university are £7.20 lunch, dinner or packed meal.

vi) Contribution of £10,000 towards the Adventure Aberdeen Summer Camp, 31 July – 11 August 2017.

The summer camp project is a collaboration between Clermont-Ferrand, Regensburg and Aberdeen which was set up in 2016. In 2016 the City of Clermont-Ferrand hosted the first event with 10 students from Aberdeen selected to attend and represent the city. The pupils were from St Machar Academy, Northfield Academy, Hazlehead Academy, Bucksburn Academy and Aberdeen Grammar.

Following the success of the camp the decision was taken to run the camp annually with each country hosting on a 3 year cycle, with Aberdeen chosen to host in 2017.

2017 is the second camp and Aberdeen's first time hosting the event which gives us the opportunity to Showcase Aberdeen and Scotland. During the project ACC staff will work in close collaboration with their counterparts from Clermont-Ferrand and Regensburg to develop the long term strategy and educational aims of the project which will be shared with the Head Teachers and divisional leadership team within ECS.

The camp enables young people from the twin Cities to directly engage with their peers in different languages and from different cultural perspectives. Access to native or fluent speakers is essential to stimulate interest in learning languages and engaging in new cultural experiences. The young people all collaborate and work together on a variety of activities which include language based, culture based and sport based with the main emphasis on tolerance, understanding and becoming 'global citizens' who are able to communicate in more than one language.

The camp will be hosted by Aberdeen City Council's Education and Children's Services using their base at Adventure Aberdeen, Kingswells and at the Council's Outdoor Education Centre in Cromdale, Speyside. Transport will be provided using ACC minibuses.

The aims of this twinning project include introducing the young people from Clermont-Ferrand and Regensburg to the City of Aberdeen and its people. There will be a historical tour of the City where they will learn about the history of the city and how important it is to the economy of the country, this will be done by the young people from Aberdeen.

The group will engage in a variety of Scottish Cultural activities both in Aberdeen and at Cromdale with historical visits, outdoor activities and language classes where they work together on team building and engaging with each other throughout. The young people from each country have to plan and deliver a cultural day for their own country. The groups will also be sharing tents and group accommodation with others from each country.

The benefits of this project are:

- To foster international understanding and friendship and an appreciation of cultural diversity.
- Provide Aberdeen's pupils with an awareness of, and insight into, international issues and perspectives and their impact on Aberdeen and Scotland;
- Promote the image and raise the profile of the city of Aberdeen overseas;
- Provide a forum for the exchange of knowledge, skills, ideas and language amongst the young people..
- To enable the Modern Languages Development Officer, and Educational Visits Co-Ordinator to develop partnerships and projects between Aberdeen City and its twin cities by working in collaboration with their counterparts from Clermont-Ferrand and Regensburg.

The applications for the summer camp will go out to every secondary school in the city, thus giving every pupil from the age of 12 – 16 the opportunity to take part in the summer camp.

Participants will make new friends and be able to learn about different cultures and spend two weeks with their peers from Clermont-Ferrand and Regensburg practicing their language skills learned in school. They

will also be able to learn from the Aberdeen students who were selected in 2016 and went to France, who will be volunteering as assistants and mentors in 2017.

The 2017 students may also be given the opportunity to attend the camp in Germany in 2018. The camp is also an opportunity to promote the City of Aberdeen to young people from across Europe who may wish to return in the future to study, work or as tourists.

Total Applying for:

Expenditure	
Flights	£10,800
Accommodation – Kingswells & Cromdale Outdoor Centre	£6,319
Internal transport	£975
Catering/Food	£4,050
Equipment, Activities & Instructors	£7,524
Cultural visits	£720
Total	£30,388
Income	
Fund raising	£3,588
Participants	£10,800
Income - Nexen	£6,000
Total	£20,388
Expenditure-Income	£30,388 – £20,388
Total Applying For	£10,000

6. IMPACT

Improving Customer Experience –

Twinning & International Partnerships supports the principles of the Common Good Fund:

- Upholding the dignity of the City: The expense of civic ceremonies; and of the provision of suitable hospitality on appropriate occasions and for appropriate persons, and guests would fall under this purpose;
- Any other purpose which, in the bona fide and reasonable judgement of the Council, is for the good of the community as a whole, or in which the inhabitants at large may share: to be distinguished from the separate interest or benefit of any particular individual or group of people, however deserving or needy.

Improving Staff Experience –

The Twinning and International Partnerships Officer works closely with internal departments to create partnerships and projects between Aberdeen City Council and twin cities, regularly working with the Education, City Events and Civic Teams amongst others.

Improving our use of Resources –

The International Twinning Grant is funded through the Common Good Fund. Recommendations for grant allocations are presented to council committee and all reports detailing grant allocations are readily available through the council website. Twinning & International Partnerships will be reviewed in 2016-17.

Corporate -

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

Public –

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

7. MANAGEMENT OF RISK

Twinning & International Partnerships upholds the principles of the Common Good Fund. The cessation of the programme could result in failure to 'uphold the dignity of the city' and a breakdown in projects 'which are good for the community as a whole'.

Should this diverse and engaging programme not continue, then Aberdeen could potentially cease to be an attractive destination for visitors and local residents with economic spend being distributed elsewhere in Scotland and international partnerships could be at risk.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Dawn Schultz
City Promotion & Events Manager
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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Christmas Village Feedback Report 2016
REPORT NUMBER	CHI/17/044
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to introduce feedback on the Christmas Village 2016 as set out in the Council's Service Level Agreement 2016 – 2019 with Aberdeen Inspired.

The Chief Executive of Aberdeen Inspired, Adrian Watson, will attend The Committee meeting to answer any questions arising from the information that is appended to this report from Committee Members.

James Bream, Research & Policy Director, Aberdeen & Grampian Chamber of Commerce will also attend.

2. RECOMMENDATION(S)

That the Committee:

- i) Notes the feedback report on the Christmas Village;
- ii) Seeks annual feedback reports in line with the Service Provision Agreement 2016 – 2019.

3. FINANCIAL IMPLICATIONS

The Council is contributing a total of £150,000 per annum to Aberdeen Inspired towards the delivery of the Christmas Village.

The Service Level Agreement with Aberdeen Inspired sets out the City Council's three year contribution to the Christmas Village.

4. OTHER IMPLICATIONS

Staffing: Aberdeen Inspired is required to engage with officers from the Council's Economic Development Service and other departments, including the Communications and Promotion Service, although there are no staffing implications for the Council.

5. BACKGROUND

The Christmas Village was first established by Aberdeen Inspired in November 2015.

The key objectives as detailed in Appendix 1 are:

- Create a festive offer in Aberdeen city centre on a par with other UK cities;
- Increase footfall in Aberdeen city centre during the festive period;
- Provide a positive economic benefit to Aberdeen city centre by encouraging the additional use of existing businesses.

Performance indicators for the Christmas Village include:

- Value of overnight stays and spend per head by visitor type;
- Day visitor numbers and spend
- Gross Value Added of tourism in the destination economy
- Customer satisfaction
- Reputation measured through traditional and social media sentiment analysis

Appendix 2 provides more detail on the research and analysis undertaken by Aberdeen & Grampian Chamber of Commerce on behalf of Aberdeen Inspired in relation to the Christmas Village.

Forthcoming priorities/ next steps:

- Determining the location of the Christmas Village in 2017
- Building on the Christmas narrative, development of a strong marketing campaign for the city and region in conjunction with Visit Aberdeenshire
- Ongoing support the development of events in the City and wider region
- Ongoing engagement with city centre businesses to enhance the Christmas Village offer while showcasing local, quality product through supply chain development.

6. IMPACT

Improving Customer Experience – Events support by the Council provides an opportunity to promote and enhance the long-term economic prosperity of Aberdeen and the wider region by attracting additional visitors to the city on account of the event. In turn this attracts additional commercial activity in the city and officers will work

with partners including Visit Aberdeenshire and Aberdeen Inspired to maximise both the benefit of events on city-centre businesses and provide information on the event itself.

Supporting and delivering a diverse programme of city events is expected to improve the customer experience by:

- Enhancing the reputation of the city for staging local, national and international festivals and events;
- Better positioning of Aberdeen as a leisure tourism destination for those looking for new and unique event experiences
- Providing city infrastructure that attracts and supports external event organisers

Participation at board level of Aberdeen Inspired and Visit Aberdeenshire helps the Council to promote and enhance the long-term economic prosperity of the North East of Scotland by attracting more business and leisure tourism to the area.

Aberdeen Inspired has a significant role to play in promoting the activities arising from the City Centre Masterplan and their importance to city centre businesses.

Improving Staff Experience – Staff within the Council’s Economic Development Service will work closely with colleagues from Communications and Promotions and Culture services to improve the city’s economic and tourism performance and make it an even more attractive city to live, work, invest and visit.

Improving our use of Resources – Collaborating with local, regional and national partners improves our use of resources and maximising financial leverage to secure events. By working in partnership the Council is able to share the workload and take lead or supporting roles where appropriate, without compromising the level of service delivered.

Participation in Aberdeen Inspired Board improves our use of resources by ensuring that at a strategic level we fully understand the needs of destination development and marketing to help support economic and tourism growth, and delivery of the objectives in the City Centre Masterplan and the Regional Economic Strategy.

Corporate – Representation on the Aberdeen Inspired Board ensures the Council is able to play a key role in the long term development of Aberdeen city centre.

Aligned to this, is its corporate role in providing confidence to the events market that the Council supports the attraction of the ‘right’ event for the city, and the contribution to wider economic, tourism and City Centre Masterplan objectives.

The report is also directly contributing to delivering the Smarter Aberdeen Objectives.

Public – This report is not of interest to the public as the financial implications of the report are minimal, and the paper does not present a new policy and strategy. There are no requirements for an EHRIA or a PIA.

There may be some public/media interest in the parts of the city events programme that involve participation by Elected members and/or officers.

7 MANAGEMENT OF RISK

The risk to the Council is minimised as each event is governed by a specific contract/Service Level Agreement between the organiser and the Council. This has been finalised in conjunction with the Head of Legal and Democratic Services and the Head of Finance. Any such agreement mitigates against any financial risk to the Council.

There is a reputational risk to the Council if an event does not develop as planned. This is mitigated by the experience of Council officers in securing and supporting the delivery of events by the local authority and external event organisers.

Aberdeen's city events programme is key to the destination promotion that Aberdeen City Council, Visit Aberdeenshire, Aberdeen Inspired and Visit Scotland currently undertake.

Should this diverse and engaging programme not continue, then Aberdeen could potentially cease to be an attractive destination for visitors and local residents with economic spend being distributed elsewhere in Scotland and event organisers considering alternative delivery locations.

9. BACKGROUND PAPERS

Appendix 1 – Aberdeen Inspired Report

Appendix 2 – Aberdeen & Grampian Chamber of Commerce Christmas Christmas Village Research

10. REPORT AUTHOR DETAILS

Dawn Schultz
City Promotion & Events Manager
Ext 2767

Dschultz@aberdeencity.gov.uk



Aberdeen Inspired Report: Aberdeen Christmas Village 2016/17

Overview

Following a pilot year in 2015/16, the Aberdeen Christmas Village 2016/17 was again located on Union Terrace and included multiple festive offerings including an ice rink, festive street market, food and drinks, an entertainment marquee and a range of fairground rides.

Key Objectives

Provide residents of Aberdeen with a festive offering on par with other UK cities, to create pride in Aberdeen and general festive cheer.

Increase footfall and dwell time in Aberdeen city centre over the festival period.

Provide a positive economic impact to Aberdeen city centre by encouraging additional use of city centre businesses.

Key Dates

Building for the Aberdeen Christmas Village took place from 12th November, with Union Terrace closing on Friday 18th November. The live event ran from Friday 25th November 2016 – Sunday 8th January 2017, only closing for Christmas Day. Derig of the village ran from Monday 9th January to Friday 13th January 2017 when Union Terrace was reopened.

Event Organisers

The event is run as a tri-partnership between Aberdeen Inspired, Codona's Pleasure Fairs Ltd and Aberdeen City Council.

Aberdeen Inspired contracted John Codona's Pleasure Fair's Ltd (JCPF) to manage and deliver the event on their behalf and worked closely with partner agencies including Aberdeen City Council, Police Scotland and Fire Scotland.

Codona's ran daily operations, with project team meetings with key partners taking place weekly through the live event.

Aberdeen Inspired Community Initiatives

The market featured 3 rotating stalls dedicated to 'Inspired at the Village' which gave local businesses/artists a chance to sell their products for a short period of time and increase the overall quality of offering at the village.

Community Entertainment ran in Moose Marquee throughout December and performances included several primary and secondary school groups, highland dancers, a ukulele band, acapella singers, a poetry evening and a gospel choir – all saw increased audience numbers in the marquee attending to watch performances. Codona's arranging additional entertainment during peak times.

A 'Festive Fun Day' took place on Tuesday 6th December. Arranged by Aberdeen Inspired with the specific aim of giving local charitable and social inclusion organisations a chance to experience the event. Over 350 attendees from organisations such as Befriend a Child and Children First were treated to free access to ice rink/rides, a disco and refreshments.

Attendance

Overall, general numbers are comparable to last year which is excellent considering the current economic climate in Aberdeen. Numbers were healthy over weekends and slower during the week as expected.

All aspects of the event will be fully branded and themed under the Aberdeen Christmas Village banner. This will include a themed entrance archway at the Union Street end of the terrace and various seasonal displays on the terrace.

Feedback

Feedback on the event was collected in the following ways:

- Attendance numbers
- AGCC evaluation (on street surveys)
- Written and verbal feedback before, during and after event (mainly collected through social media)
- Full partners debrief meeting on 31st January 2017

Highlights from AGCC Evaluation

- 54% of respondents were visiting for the first time when interviewed
- 67% rated the Christmas Village as either 'good' or 'excellent'
- 41% thought the Aberdeen Christmas Village was 'better' or 'much better' than last year (47% reported it was about the same)
- 80% strongly or tended to agree that the Christmas Village had a positive impact on their perception of Aberdeen (17% neither agreed nor disagreed)
- Net additional economic impact for the region: £1.7m
- Gross spend per head during visit: £40.87

Moving Forward

A full partners debrief session took place on 31st January 2017, with the output being used to inform the project plan for Aberdeen Christmas Village 2017/2018.

Some of the key actions from this meeting were:

- Adrian Watson, Aberdeen Inspired CEO has written to the Leader of the Council to ascertain where the event is likely to be staged for 2017/18 following redevelopment of the Marischal Square area. In addition, he requested ACC Project Management support, that was gratefully received the previous year.
- A Working Group be set up, in very early course, with key strategic partners to oversee the event planning process and to reach out to business in the city and wider North East to develop and expand on the offering for this coming year in a coordinated fashion.

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Page 421

Welcome

to the ultimate business network

Christmas Village Research 2016

Aberdeen Inspired

www.agcc.co.uk



- **Fieldwork Dates:** 09/12/2016 – 21/12/2016
- **Research method:** face-to-face interviews
- **Participants:** Christmas Village visitors
- **Number of interviewers:** 5
- **Number of completed surveys:** 254
- Comparison with 2015 data provided where appropriate*

*90 responses were gathered in 2015

- 54% of respondents were visiting for the first time when interviewed
- 67% rated the Christmas Village as either 'good' or 'excellent'
- 41% thought the Aberdeen Christmas Village was 'better' or 'much better' than last year (47% reported it was about the same)
- 80% strongly or tended to agree that the Christmas Village had a positive impact on their perception of Aberdeen (17% neither agreed nor disagreed)
- Net additional economic impact for the region: £1.7m
- Gross spend per head during visit: £40.87

2015 vs. 2016

	2015	2016
Spend per head during visit	£18.58	£40.87
Spend per head on-site	£5.61	£10.74
Gross impact*	£9.59m	£21.1m
Net additional impact*	£1.95m	£1.7m
Overall rating (% rating it excellent/good)	76%	67%
Recommend to friends and family (% completely likely to)	23%	38%
Desire to see it repeated next year (% strongly agreeing)	57%	74%

**Please note that some caution should be taken when directly comparing the two years due to the smaller sample in 2015 and use of independent interviewers in 2016*

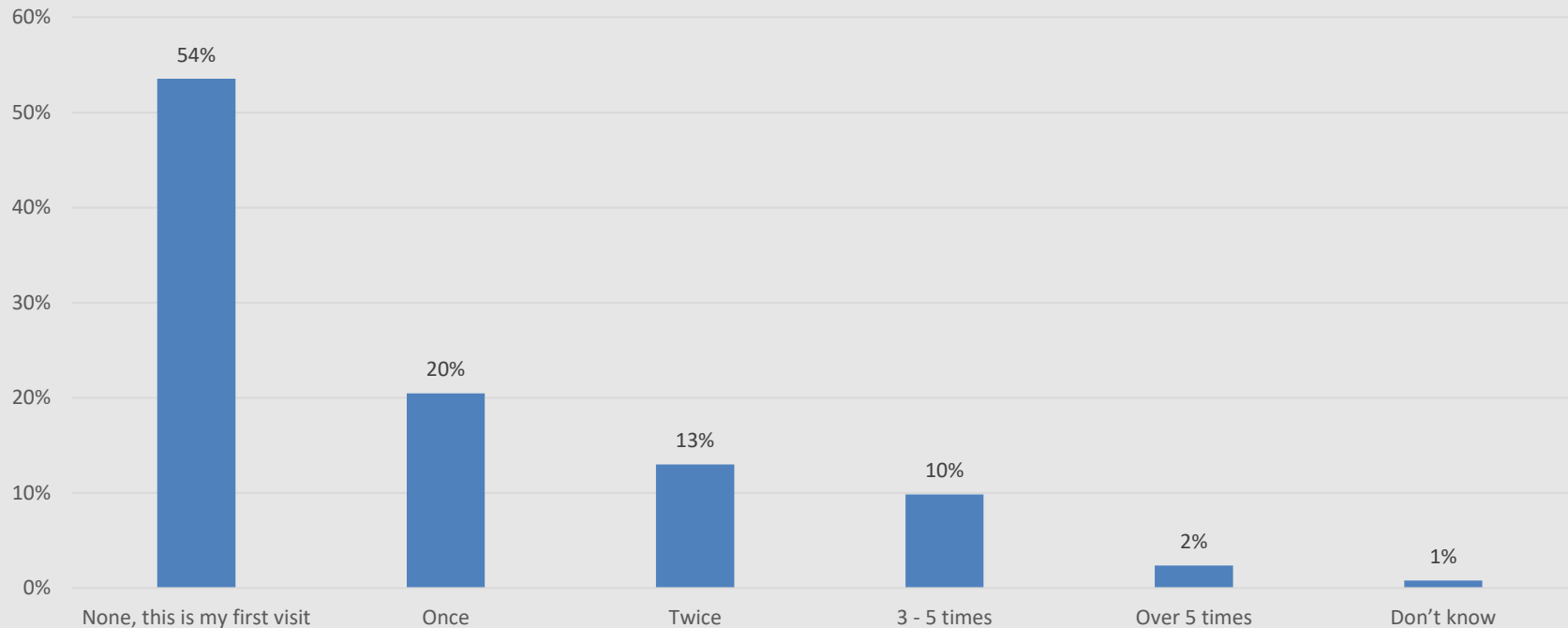
Christmas Village Visit

54% were visiting for the first time when interviewed

33% had been 1-2 times already

12% had visited 3 or more times

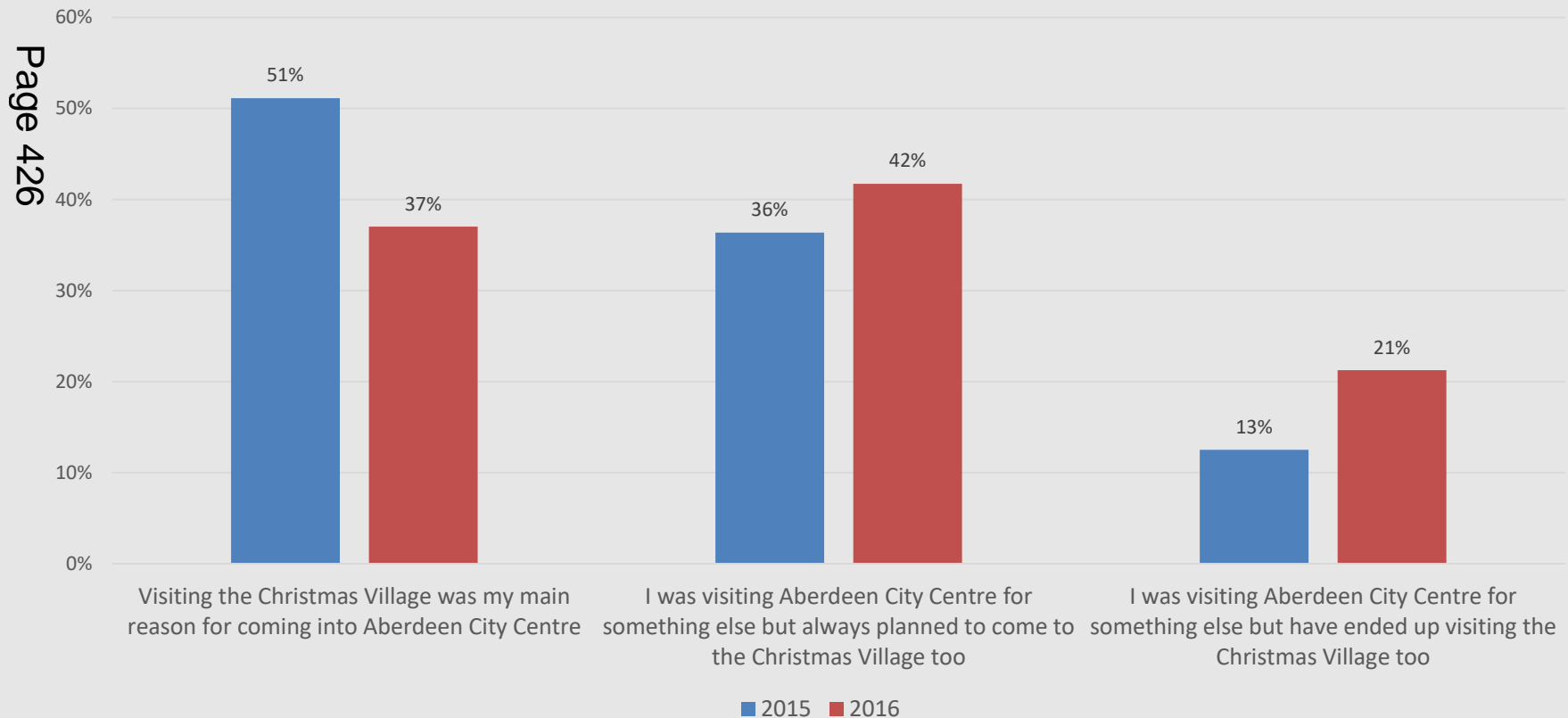
How many times, before today, have you visited the Christmas village this year?



Base: 254

Christmas Village Visit

Which of the following statements best describes your reason to be here today?



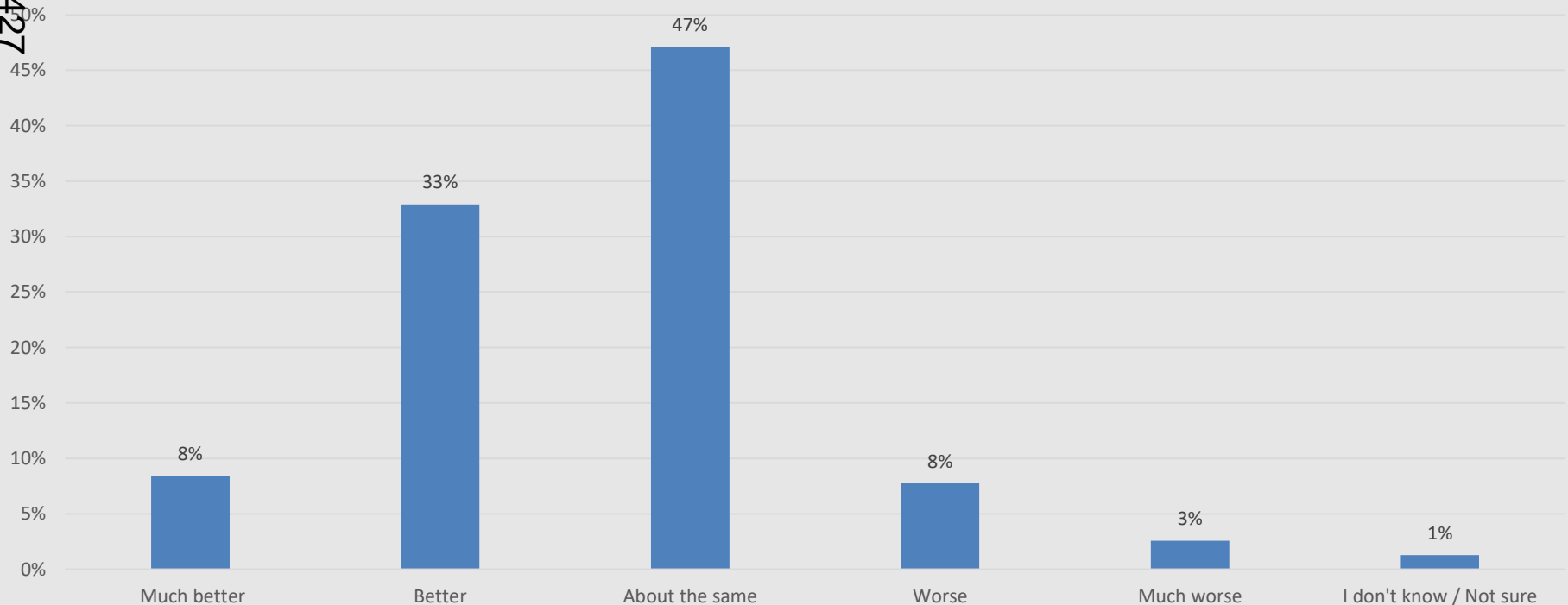
Base: 254

Perceptions of the Christmas Village

61% of those interviewed had visited the Christmas Village last year

41% of those who visited in 2015 stated that the Christmas Village was better or much better in 2016

How does the Christmas Village compare to last year?



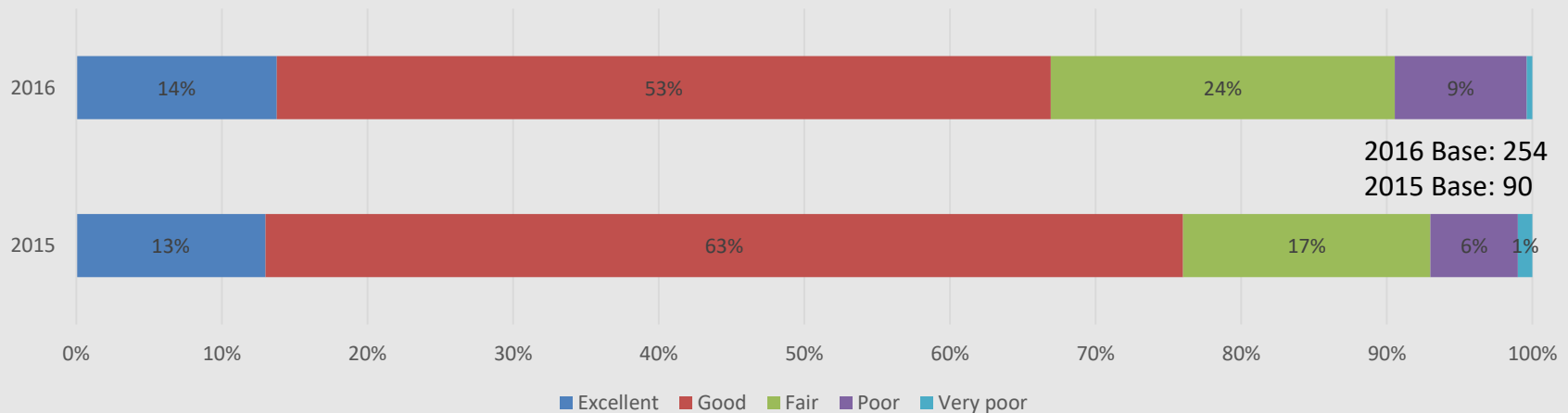
Base: 155

Perceptions of the Christmas Village

67% of visitors rated the Christmas Village excellent or good overall, compared to 76% in 2015

Overall rating of the Christmas Village

Page 428

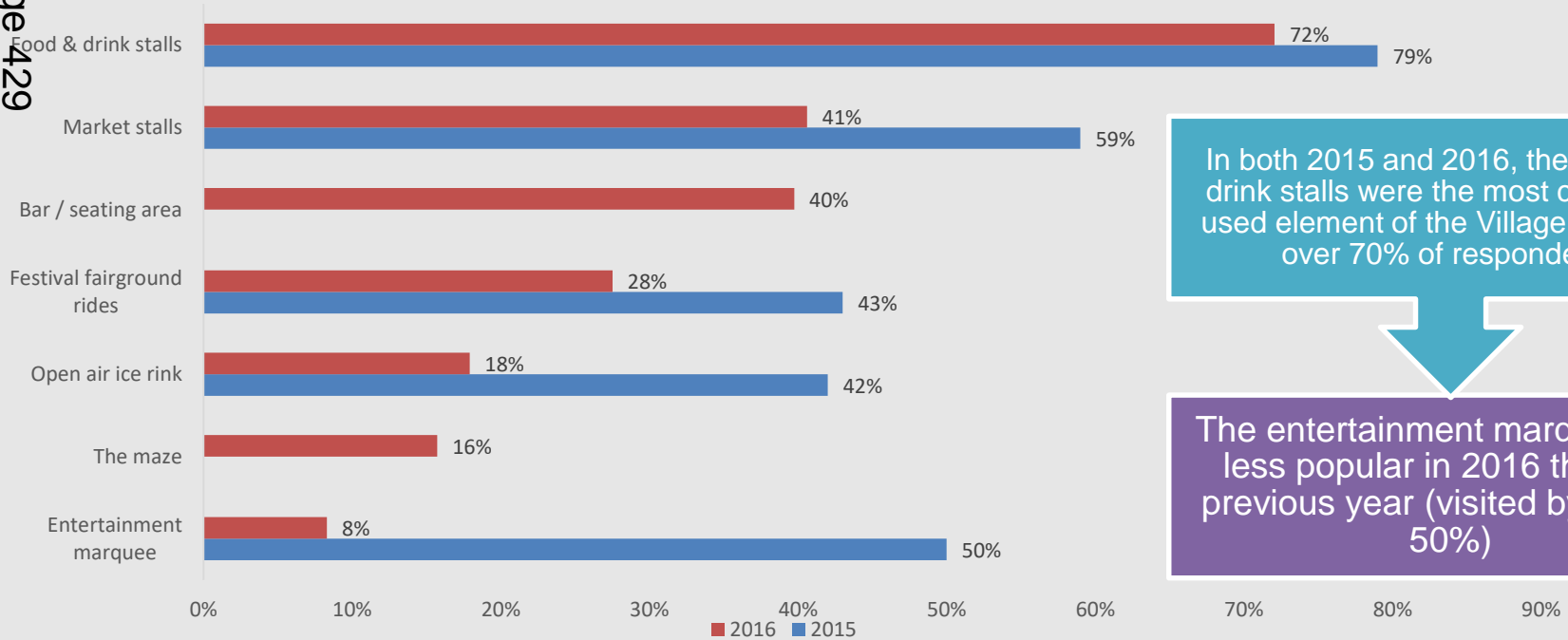


51% strongly agreed that the Christmas Village had a positive impact on their perception of Aberdeen, compared to 45% in 2015

Christmas Village attractions

Which of the following elements of the Christmas Village have you used and/or visited?

Page 429



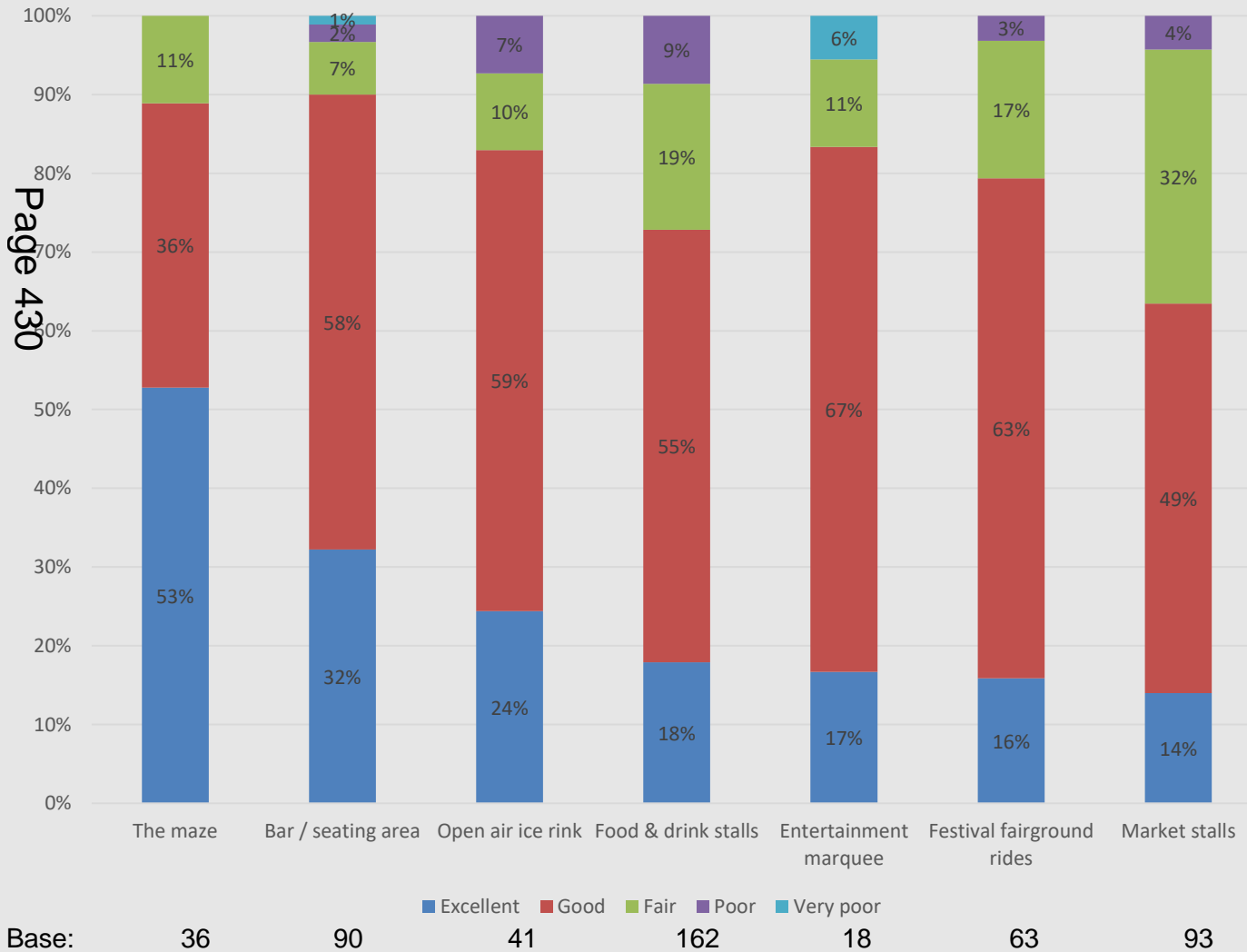
In both 2015 and 2016, the food and drink stalls were the most commonly used element of the Village attracting over 70% of respondents

The entertainment marquee was less popular in 2016 than the previous year (visited by 8% vs. 50%)

2016 Base: 229

2015 Base: 90

Rating of attractions

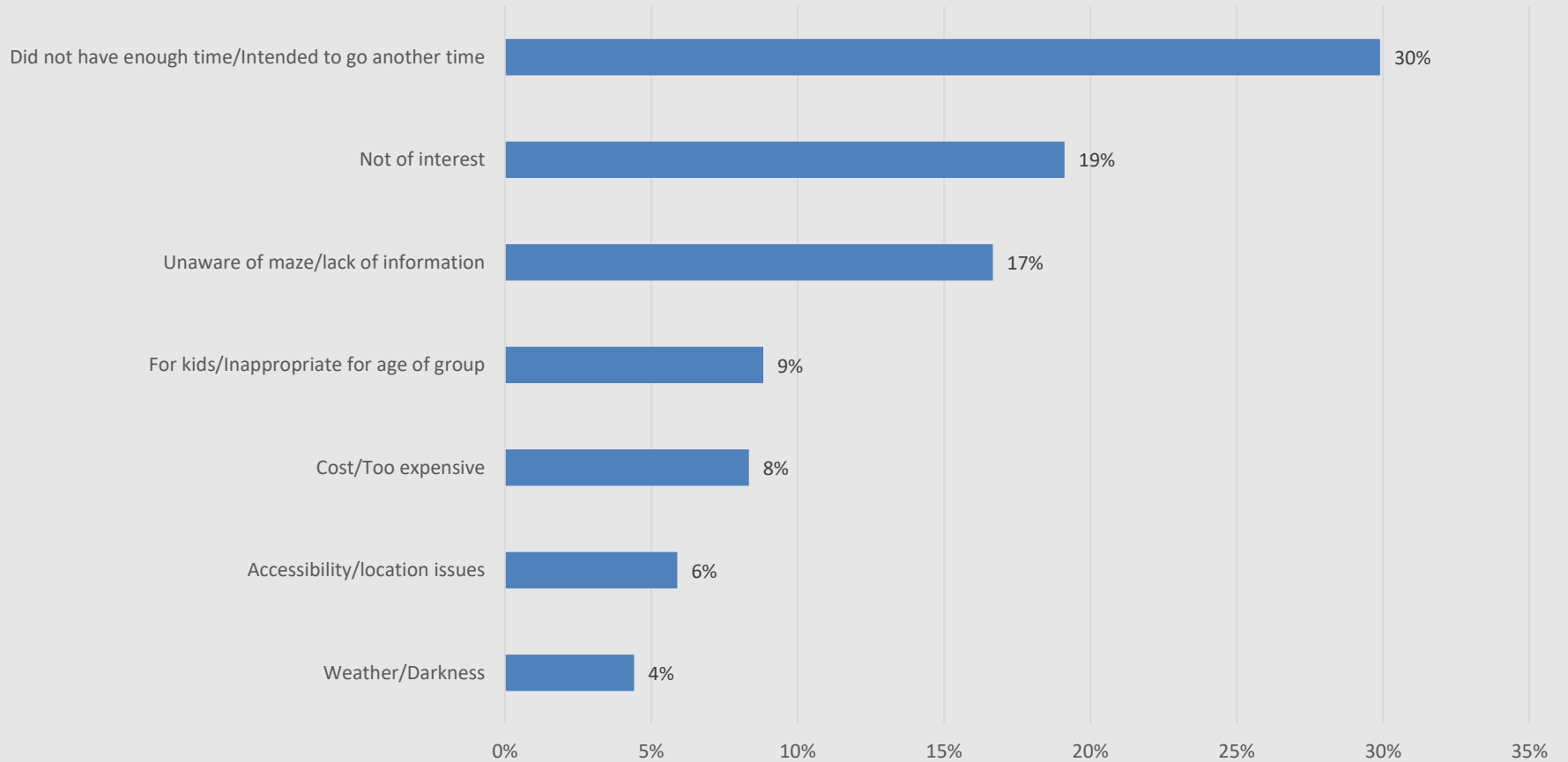


9 in 10 rated the maze and bar/seating area as either 'Excellent' or 'Good'

63% rated the market stalls as 'Excellent' or 'Good'

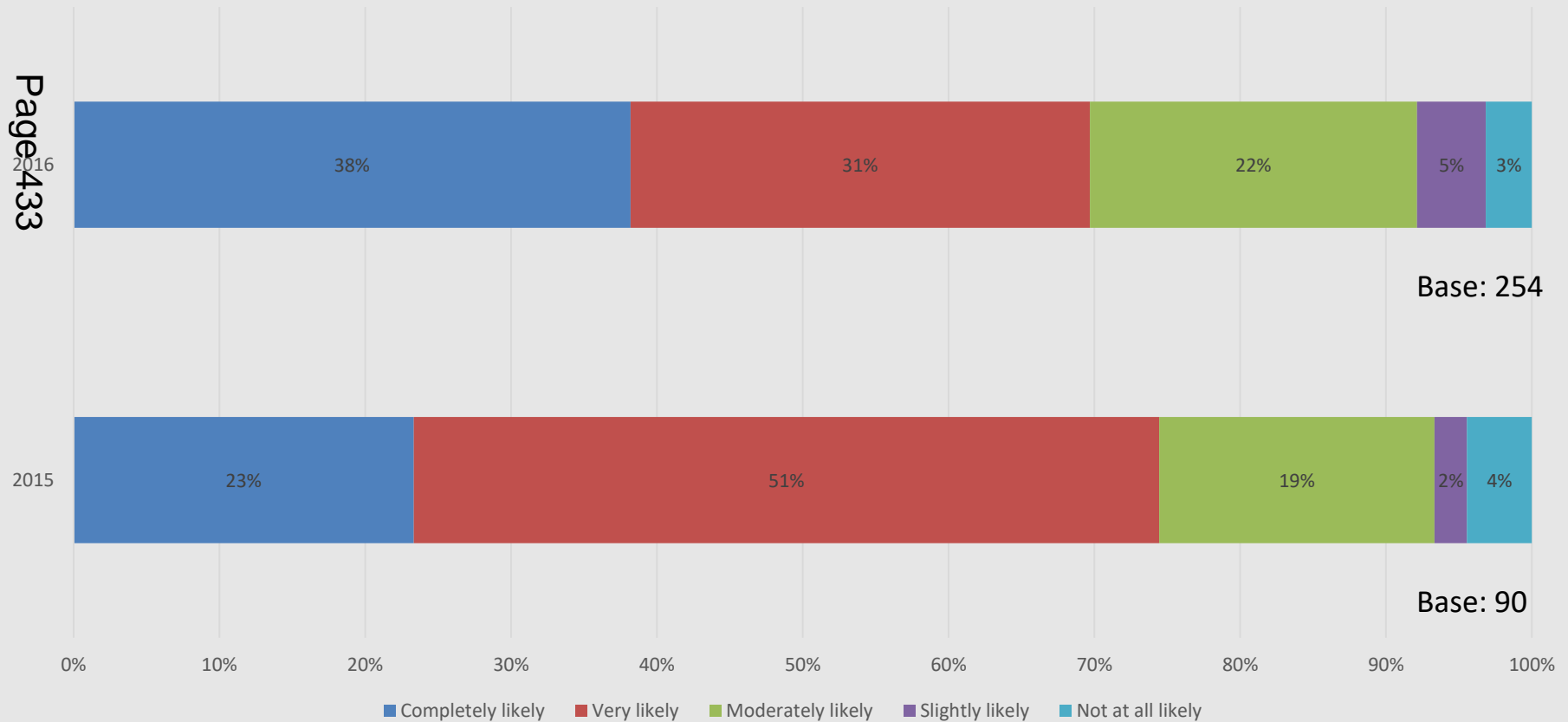
- Reasons for not visiting:
 - *“I am quite busy, maybe later on.”*
 - *“Not our cup of tea.”*
 - *“I did not know that it was there.”*
 - *“I think that I am too old to go without my children.”*
 - *“Seems expensive for what it is.”*
 - *“It is not accessible with a buggy.”*
 - *“Due to the weather - very rainy.”*

Reasons for not visiting



Advocacy for the Christmas Village

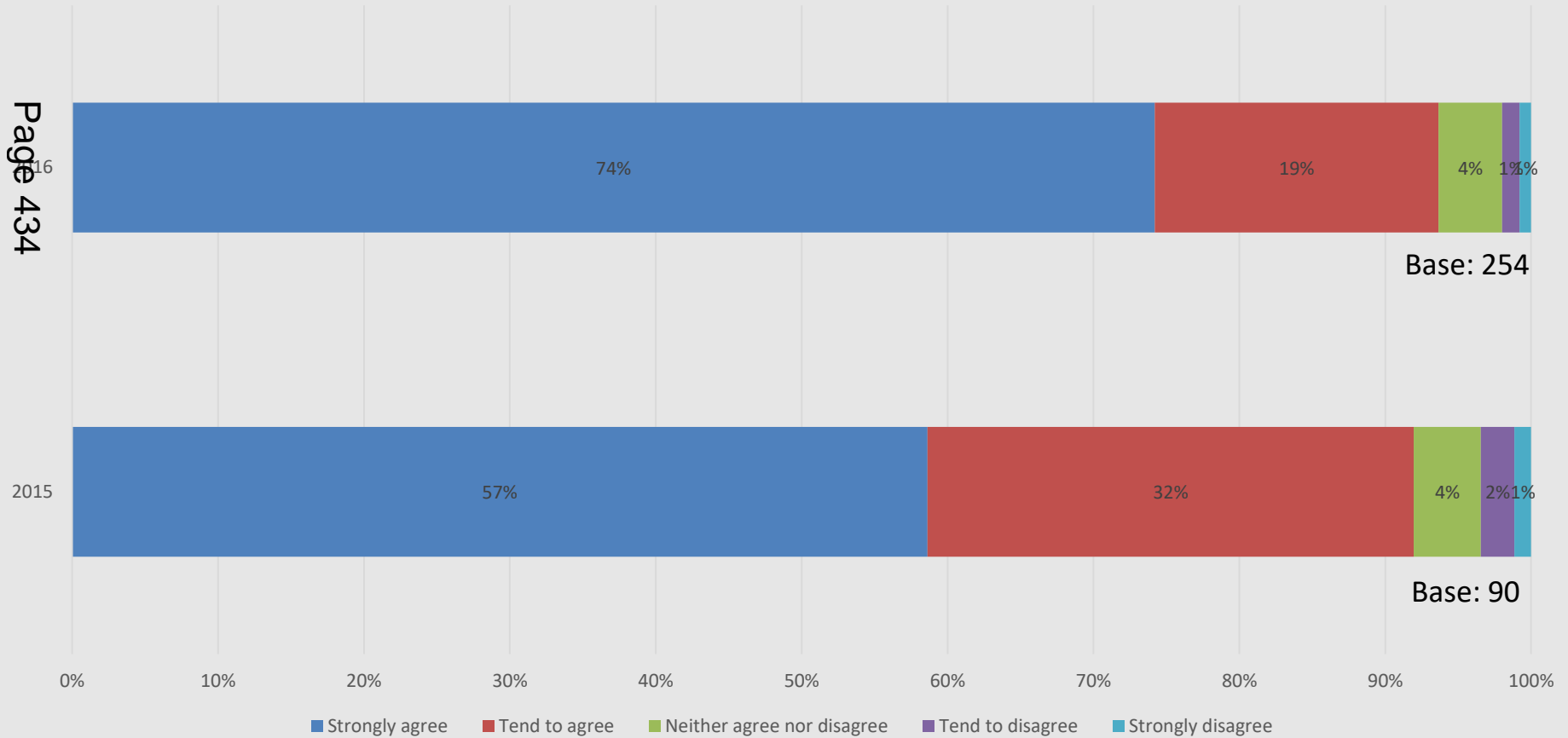
How likely or unlikely are you to recommend friends and family to visit the Christmas Village in the future?



29% of those who were completely likely to recommend the Christmas Village to friends and family had rated it 'Excellent' overall

Advocacy for the Christmas Village

I would like the Christmas Village to be repeated in Aberdeen next year



75% of those who strongly agreed that they would like the Christmas Village to be repeated next year had rated it 'Excellent' or 'Good' overall

Gross spend per head

Method

1. Surveyed visitors on
 - a. Spend using various categories
 - b. Reason for visit
 - c. Resident location
 - d. Whether this was their first visit or how many times they had visited
2. Used reported footfall data i.e. number of visitors
 - a. Applied a discounting value based on 1d to assess 'unique visits'

	Xmas village	Local travel, i.e. to get to Aberdeen City Centre	Food, drink, shopping, etc. outside the event	Other shopping	Anything else (e.g. parking etc.)	Total
Spend per head (rounded)	£10.74	£2.40	£7.26	£19.82	£0.65	£40.87

Economic Impact

Page 436

	Xmas village	Local travel, i.e. to get to Aberdeen City Centre	Food, drink, shopping, etc. outside the event	Other shopping	Anything else (e.g. parking etc.)	Total
Gross Total Economic impact	5,541,331	1,236,619	3,746,543	10,227,953	337,391	21,089,837
Net economic impact after removing 'deadweight'¹	2,706,296	603,945	1,829,751	4,995,166	164,776	10,299,934
Net additional to region²	244,428	277,759	347,494	797,582	18,675	1,685,938

1. Deadweight is a measure / reduction to allow for spending which would have happened anyway without the Christmas Village being there

2. Net additional – This is an assessment of what can be attributed to visitors from out of the region i.e. £1.7m was from people not from Aberdeen or Aberdeenshire.

Notes:

- i. The analysis is reliant on footfall data provided
- ii. The analysis takes no account of the impact of the delivery of the event (i.e. the economic impact of delivering infrastructure etc. to the local economy)
- iii. The analysis does not assess leakage of the above spend i.e. for companies who are not based in the region. E.g. a business could earn money but its suppliers are outside the North-east and its base including employees may be outside the North-east

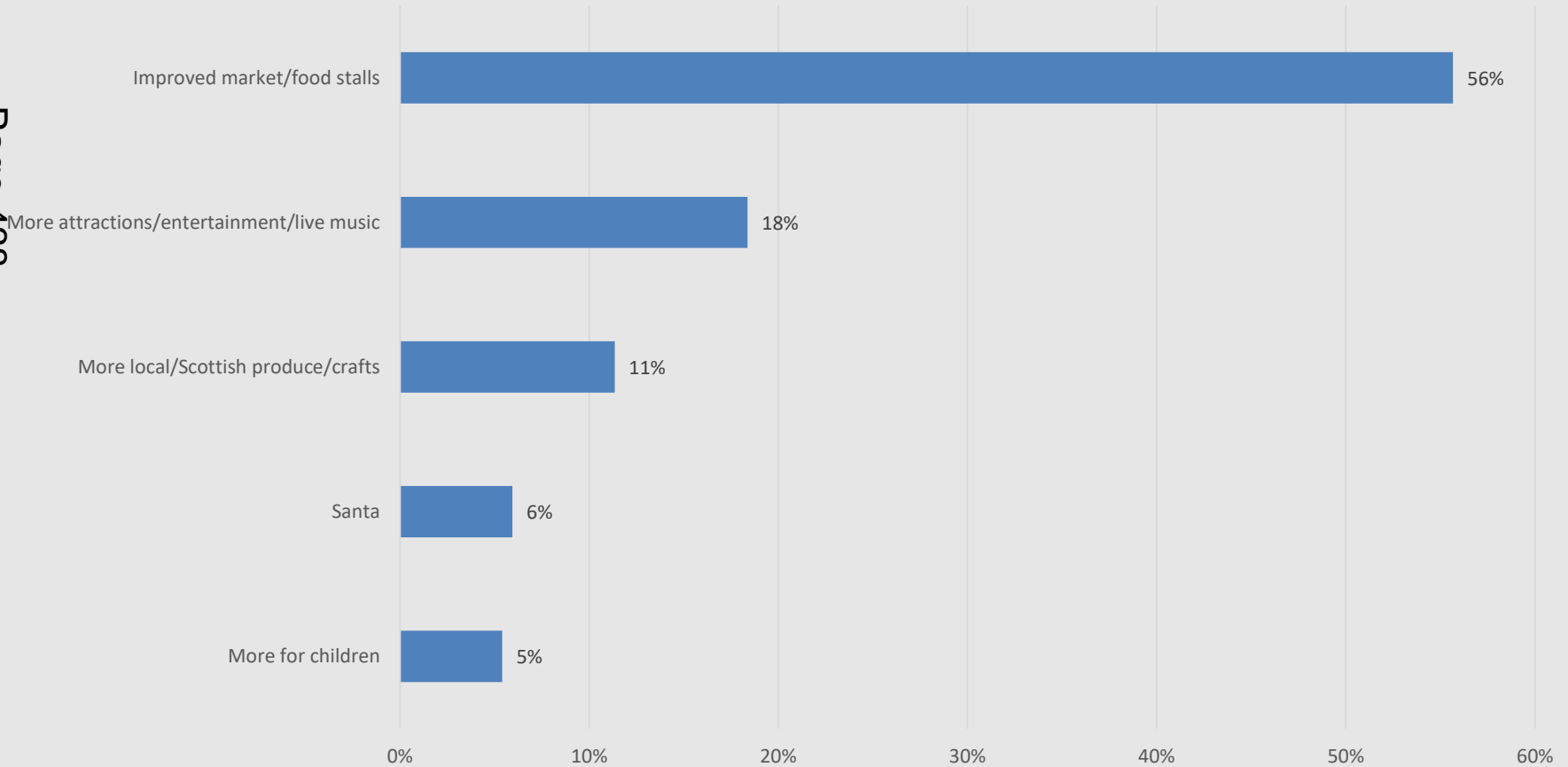
Looking forward

- What else, if anything, would you like to see at the Christmas Village in the future?
 - *“More stalls and a bigger selection of food stalls.”*
 - *“More live entertainment.”*
 - *“It would be good if there were more local stalls.”*
 - *“It would be good if there was a Santa.”*
 - *“More for children.”*

Looking forward

What else (if anything) would you like to see at this Christmas village in the future?

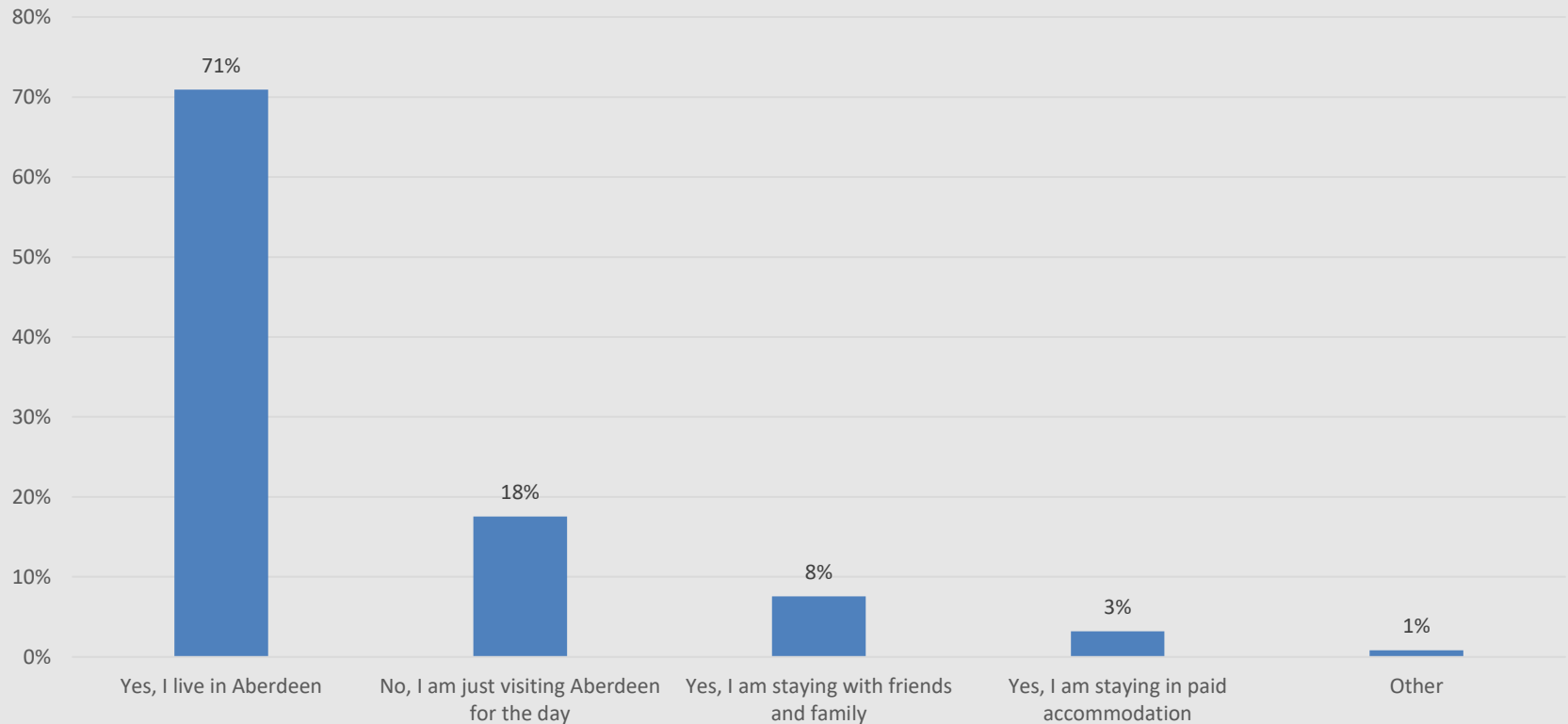
Page 438



Base: 185 *Open-ended responses were coded and those stated by at least 10 respondents have been included

Visitor Demographics

Are you staying overnight in Aberdeen?



- Mixed views from business – some felt a positive impact but it was difficult to attribute solely to the Xmas Village.
 - E.g. McDonalds reported as much as 30% increase at certain periods – a *“Huge success, massive”*
 - Café Nero said it was not as positive as in 2015 (when they had a bumper year) but this could be due to other factors (such as the Music Hall being closed)
- All businesses we spoke to reported an increase in the number of families that were using their establishment.
- One business reported that it was a little disruptive having restricted delivery times (businesses specifically on Union Terrace). *“It was positive in terms of footfall but not in terms of operations”*
- Other feedback (not directly about the business themselves) was that the Xmas Market brought a *“Festive and Christmassy”* atmosphere to the city. A couple of businesses commented that they thought some of the attractions were a little expensive but this was based on their personal experience.

Thank You

Page 441

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 th March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Tourism Levy
REPORT NUMBER	CHI/17/018
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The overall objective of the report is to provide Elected Members with an analysis of options for how a tourism levy could operate and the costs and benefits of a scheme.

2. RECOMMENDATION(S)

It is recommended that Committee:

- a) Notes that the analysis provided in Appendix 1 of this report.
- b) Notes that primary or secondary legislation would be required by the Scottish Parliament to implement a scheme and instructs the Chief Executive to write to the Cabinet Secretary for Culture, Tourism and External Affairs to seek legislation to introduce a scheme as part of Empowering City Government framework.
- c) Notes the estimated revenues of implementing a tourism levy.
- d) Notes simplest way of administering a tourism levy and the estimated cost of doing so.

3. FINANCIAL IMPLICATIONS

The financial implications for the Council could be restricted to the administration of a scheme. Based on comparator analysis, we estimate the cost to the Council of administering the levy is unlikely to exceed more than 0.75 of an administrative employee (around £18,000 per annum).

4. BACKGROUND/MAIN ISSUES

The proposal for a levy originated in the discussions with the UK and Scottish Governments on an Aberdeen City Region Deal, in 2015. Tourism is a key sector within the city and regional economy, and the December 2015 Regional Economic Strategy focused on diversification within the sector to reduce an over-reliance on the strong business tourism market and maximise opportunities in leisure markets, and particularly in relation to the Council's

delivery of new events infrastructure with the new AECC, its support to delivery of a new events strategy, the City Centre Masterplan, and supporting the new destination management organisation, VisitAberdeenshire.

The argument was that additional revenue funding would be needed to invest in the sector, and a levy on visitors, payable to the accommodation provider, and in turn to the local authority, could provide greater investment to the sector.

Since then, officers have been exploring this concept with other cities in the Scottish Cities Alliance, and with city and regional stakeholders. In August 2016, the Council noted the Empowering Scottish Cities – Empowering City Government analysis and agreed it would provide a framework within which further discussions are progressed. The Council instructed officers to assess the implications on the Council's finances and the economy of Aberdeen if additional powers (including a tourism levy) were pursued by the Council.

At the Council's Finance, Policy & Resources Committee in December 2016, officers were instructed to undertake further analysis of one of these, the costs and benefits of a tourism levy.

This analysis is provided in Appendix 1.

Purpose:

The purpose of a levy would be to generate a sustainable revenue stream that could be ring-fenced for investment in the development of the tourism sector, for example:

- a. Destination promotion and marketing;
- b. Specific marketing campaigns;
- c. Supporting the delivery of international and national events; and/ or
- d. Cultural development.

Legislation:

The report also considers legal issues around whether the Council has the power to introduce a tourism levy and what legislation could be required. The report finds that without support from Scottish Ministers, Aberdeen City Council cannot introduce a tourism levy. This would be required in the form of either primary or secondary legislation to enable Aberdeen Council to set such a levy.

Methodology:

Officers adopted the following approach to the analysis:

- Comparator research - compares how tourism levies are implemented in a number of other cities
- Consultation with internal and external stakeholders
- Analysis of the costs and benefits of introducing a tourism levy in Aberdeen.

Costs:

The report finds the simplest method of administering a tourism levy is to make accommodation providers responsible for collecting the levy and transferring it to the Council. Based upon the experience in The Hague, the cost of administering the levy is unlikely to exceed more than 0.75 of an administrative employee (around £18,000 per annum).

Benefits:

The report considers the revenue benefits of introducing a levy depending on the scope of the accommodation subject to any levy and the size of the levy. The report considers a range of accommodation options included in the levy and the different options around the size of the levy. The report finds that a flat rate levy of £1 a night on hotels, guest houses and B&Bs will generate around £1.7m a year of revenues.

The full set of costed option is in the table overpage.

Costed Revenues from a Tourism Levy

Accommodation Type	Number of Rooms	Occupancy Rate	Average Cost	Revenue from £1 Per Occupied Room	Revenue from 1.5% of Occupied Room Cost
Current Hotel Provision	6,414	66.7%	£65.38	£1,560,583.93	£1,530,464.66
New Hotels Currently Under Construction	325	66.7%	£65.38	£79,122.88	£77,595.80
Guest Houses / B&B	210	39.0%	£55.00	£29,893.50	£24,662.14
Camping (berths)	40	25.0%	£25.00	£3,650.00	£1,368.75
Youth Hostels (beds)	50	45.0%	£16.50	£8,212.50	£2,032.59
Air BnB/Self Catering	250 - 800	47.0%	£50.00	£42,887.50-£137,240	£32,165.63-£102,930
Total	7,289-7,839		-	£1,724,350-£1,818,703	£1,668,290-£1,739,054

In addition to hotels currently under construction there are a number of hotels that have had detailed planning consent granted as of 2016 which have a further 1,295 rooms planned.

5. CONSULTATION

Officers coordinated the drafting of the response with colleagues at:

- Aberdeen City and Shire Hotel Association
- Aberdeen and Grampian Chamber of Commerce
- Legal and Democratic Services, Aberdeen City Council
- Finance, Aberdeen City Council

Key issues for hotels at this stage include:

- Competitiveness - a tourism levy in Aberdeen would make Aberdeen a less competitively priced destination in relation to other Scottish cities and demand for hotel accommodation in a sector that has experienced a difficult period due to the downturn in the oil and gas sector could fall
- Demand - displaced to accommodation that is not liable for a tourism levy, and consideration needs to be given to the scope of a levy.
- Ensuring fairness - across types of accommodation providers when consideration is made towards the scope of the levy and also within any charging regime so that the hotel sector does not bear a disproportionate burden.
- The hinterland (or immediate hinterland) of Aberdeen, within the Aberdeenshire Council, is within the scope a levy to avoid any displacement if that was to occur
- Proceeds – if a levy was to materialise, the revenues must be ring-fenced for development of the tourism sector (eg marketing, destination development, events, culture etc).

6. IMPACT

This report estimates the costs and benefits of a tourism levy, whether it is legally possible for the Council to implement a levy and advises how to proceed if the Committee wants to adopt a tourism levy. It has no direct equality impact on the Council itself. However, depending on the detail of any future tourism levy including its scope, there could be a number of impacts that would be analysed at that point.

Improving Customer Experience –

Increased investment in the development of the tourism sector could improve the experience of both business and leisure tourists as well as benefits to the range of tourism stakeholders.

Improving Staff Experience –

N/A

Improving our use of Resources –

If a tourism levy was implemented, and the proceeds were ring-fenced for investment in the sector, it could provide additional resource for promoting Aberdeen's tourism offer, and in support of the tourism objectives in the Regional Economic Strategy.

Corporate -

Tourism is a key sector in the regional economic strategy and a tourism levy is a way of providing a sustainable revenue stream for investment in the sector and the wider economic development of the city, complementing investment in new tourism infrastructure such as the new arena and conference centre, Aberdeen Harbour Expansion and Aberdeen Airport Expansion.

Public –

The report is of interest to the public in terms of the potential economic benefits that any tourism levy could bring to the city through increased investment in the development of the tourism sector.

7. MANAGEMENT OF RISK

- There is some uncertainty as to the cost of administering the scheme to ensure accommodation providers are fully compliant and are reporting levies correctly. We would discuss the detail of administering such a scheme with officers from the Council's finance service if this is to be pursued further.

8 BACKGROUND PAPERS

- Council Committee 17 August 2016 "Additional Powers"
- Finance Policy and Resources Committee 07 December 2016 "Events Strategy Plan"

9 REPORT AUTHOR DETAILS

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An Analysis for Introducing a Tourism Levy in Aberdeen

Table of Contents

1	EXECUTIVE SUMMARY.....	3
2	BACKGROUND	5
	Origins of the Proposal	5
	Consultation With Stakeholders	6
	Value of the Sector	6
3	COMPARATOR ANALYSIS.....	8
4	LEGAL ISSUES.....	17
	Power to advance well-being	17
	Support from Scottish Ministers to Legislate	17
	Primary Legislation	17
	Secondary Legislation	17
5	COSTS	18
	Administering Tourism Levies: Experience from abroad	18
	How to administer a Tourism Levy in Aberdeen	19
6	BENEFITS.....	21
	Hotels.....	21
	Guest Houses/B&B, Camping and Youth hostels.....	21
	Air BNB/Self-Catering	22
	The effect on demand of increasing the cost of tourism.....	22
	The value of Sterling and increased demand	23
	Revenue Benefits from attracting additional events.....	24
	Recommendation	24

1 EXECUTIVE SUMMARY

1.1 The overall objective of the study is to consider the costs and benefits of a tourism levy. The purpose of a levy would be to generate a sustainable revenue stream that would be ring-fenced for investment in the development of the tourism sector, for example:

- a. Destination promotion and marketing;
- b. Specific marketing campaigns;
- c. Supporting the delivery of international and national events; and/or cultural development
- d. Supporting the delivery of new tourism infrastructure to attract more visitors
- e. All activities funded through the fund would have to demonstrate an additional impact on overnight stays.

1.2 The report provides a background to the origins of the proposal. It also looks at the value of tourism to the Aberdeen economy, how much the Council invests in the tourism sector and how a levy can be used as funding stream to promote tourism.

1.3 A comparator analysis of tourism levies in major cities is undertaken to establish how levies vary across cities and regions that are not applied or calculated consistently:

- some are applied locally while others are on a national basis;
- some apply it only to one or two locations while others apply to certain cities;
- some are based on hotel rating/type while others are based on overall cost and others are a set fee.

1.4 As it currently stands, a local authority cannot introduce a levy. The report considers legal issues around implementing a levy and the legislation to do so. Without support from Scottish Ministers, a council cannot introduce a tourism levy and that either primary or secondary legislation would be needed.

1.5 The simplest method of administering a tourism levy is to make accommodation providers responsible for collecting the levy and transferring it to a local government or an independent third party to administer. The cost of administering the levy is unlikely to exceed no more than 0.75 of an administrative employee (around £18,000 per annum).

1.6 The revenue benefits of a scheme depend on application by accommodation type and the resulting charge. The report considers a range of accommodation options included in the levy and the different options around the size of the levy. If implemented, and based on assumptions on accommodation type and occupancy, a flat rate levy of £1 a night on hotels, guest houses, serviced accommodation and B&Bs could generate around £1.7m a year of revenue.

1.7 The Air BnB sector is difficult to regulate and assess its size and the scale of revenue that could be obtained from a tourism levy. As a close competitor to hotels and guest houses, if it were to be included in the scope of any tourism levy careful consideration would have to be given to any legal drafting as well as how to enforce payment.

2 BACKGROUND

Origins of the Proposal

2.1 The proposal for a levy originated in the discussions with the UK and Scottish Governments on an Aberdeen City Region Deal in 2015. Tourism is a key sector within the city and regional economy, and the December 2015 Regional Economic Strategy focused on diversification within the sector to reduce an over-reliance on the strong business tourism market and maximise opportunities in leisure markets, and particularly in relation to the Council's delivery of new events infrastructure with the new AECC, its support to delivery of a new events strategy, the City Centre Masterplan, and supporting the new destination management organisation, VisitAberdeenshire.

2.2 The case to the governments for a levy was that additional revenue funding would be needed to invest in the sector, and a levy on visitors, payable to the accommodation provider, and in turn to the local authority, could provide greater investment to the sector.

2.3 Since then, officers in the Aberdeen City Council have been exploring this concept with other cities in the Scottish Cities Alliance, and with city and regional stakeholders.

2.4 Tourism promotion in general can be funded by either by a levy on accommodation, by the private sector, the public sector, or a combination of all three sources. The most frequently encountered form of tourism levy is the accommodation levy applied to occupied hotel rooms. This levy can be used by the government to raise revenue or they can be hypothecated or ring-fenced to support tourism.

2.5 As public sector finances continue to be under pressure, increasingly UK and Scotland tourism destinations are looking at alternative funding models. A levy on people staying in hotels and other types of accommodation is a proven, sustainable model of funding for destination development and marketing of a city region.

2.6 Key elements of this type of mechanism are:

- 100% of revenue collected must be ring-fenced for tourism activities;
- the revenue collected must be used to supplement, rather than substitute for, existing public sector support;
- the tourism industry is able to influence / govern how revenue is spent;
- to avoid 'freeloading' by non-participating businesses a fully inclusive scheme will be required;
- revenue must be collected from visitors and the collection of revenue must be simple and cost effective for business.

Consultation With Stakeholders

2.7 From initial discussions with representatives of the hotel sector, concerns were raised around the following issues:

- Competitiveness - a tourism levy in Aberdeen would make Aberdeen a less competitively priced destination in relation to other Scottish cities and demand for hotel accommodation in a sector that has experienced a difficult period due to the downturn in the oil and gas sector could fall
- Demand - displaced to accommodation that is not liable for a tourism levy, and consideration needs to be given to the scope of a levy.
- Ensuring fairness - across types of accommodation providers when consideration is made towards the scope of the levy and also within any charging regime so that the hotel sector does not bear a disproportionate burden.
- The hinterland (or immediate hinterland) of Aberdeen, within the Aberdeenshire Council, is within the scope a levy to avoid any displacement if that was to occur
- Proceeds – if a levy was to materialise, the revenues must be ring-fenced for development of the tourism sector (eg marketing, destination development, events, culture etc).
- The spending of the levy must deliver a greater benefit than cost
- Those whose customers contribute should have a major say (involvement) in determining how monies are spent

Value of the Sector

2.8 Tourism is a large and growing sector. In 2014, tourism in Aberdeen had an approximate turnover of £456 million and contributed £271m Gross Value Added to the economy (£26,150 GVA per employee). In 2015, 11,300 people were employed within Tourism in Aberdeen City, which was up from 10,300 the previous year¹.

2.9 Tourists from the UK between 2013 and 2015 made an average annual number of 660,000 trips a year to Aberdeen spending 1.85 million nights and £158 million². Overseas tourists made an average annual number of 217,000 trips a year to Aberdeen spending 1.18 million nights and £95 million³ in 2015. This equates to a total of 877,000 trips, 30 million nights and spend of £253 million.

¹ The Scottish Government. Scottish Growth Sector Statistics, 2016.

² Visit Scotland GB Tourist 2015, http://www.visitscotland.org/pdf/GBtouristreport_2015.pdf

³ Visit Scotland Scotland's Regional Markets 2015, <http://www.visitscotland.org/pdf/ScotlandRegional%20-%20MarketStats%20Oct2016%20-Final.pdf>

2.10 Visit Britain forecast that tourism is expected to grow at 3.8% per annum until 2025, which is significantly faster than the rest of the economy⁴.

2.12 The Council has a role in promoting tourism in the City and the wider region. The 2015/16 Local financial Return for Aberdeen City Council indicates that £35 million was invested in culture and related services category, of this estimates of £12.5 million could be categorised as tourism and recreational spend. The table below provides the summary of this spend.

Table 1: Summary of Spend

	£ (m)
Museums and Galleries	3,2
Tourism/Events	1,8
Parks/Open Space	7,5
	£ 12,5m

⁴ <https://www.visitbritain.org/visitor-economy-facts>

3 COMPARATOR ANALYSIS

3.1 Many European cities and a number of global cities have tourism levies which are levied via the hotel sector. Levies in these countries are typically a devolved issue so tend to be set and administered locally by the relevant municipal authority. For this reason, hotel levies can vary by individual city in the same country (for example, Rome and Venice in Italy).

3.2 Table 2 summarises tourism levies in European and global cities. Given the VAT rate in the UK, at 20%, and some VAT regimes are reduced for the tourism sector, we show the comparative VAT (or equivalent) rates. The table indicates that levies vary across cities and regions which are not applied or calculated consistently:

- some are applied locally while others are on a national basis
- some apply it only to one or two locations while others apply to certain cities
- some are based on hotel rating/type while others are based on overall cost and others are a set fee.

Table 1 : Tourism levies in other European and global cities

City	Tourism Levy	VAT rate on hotel accommodation
Paris	Levee de séjour Price per person per night based on star rating: ‘Palace’ €4.40 5* €3.30 4* €2.48 3* €1.65 2* €0.99 1* €0.83 Apartment hotels, furnished accommodation €0,83 3*, 4* and 5* campsites, caravan parks €0.60 1* and 2* campsites, caravan parks and marinas €0.22 Includes 10% ‘départementale’ levy	10% (Standard VAT rate on goods and services = 20%)
Berlin	City levy 5% of the room rate excluding VAT and extras such as the use of hotel facilities like spas or services not included in the room price. Applies to all accommodation types The collection of the levy is limited to 21 successive days	7% (Standard VAT rate = 19%)
Hamburg	Culture and tourism levy Per person per night based on the net payment for the stay (excluding VAT). . €10 = €0 €25 = €0.50 €50 = €1 €100 = €2 €150 = €3 €200 = €4 For every additional 50.00 euros of the net payment or part thereof, the levy increases by one euro each time. This means, for example, for accommodation costing 250.00 euros the levy will be five euros.	7% (Standard VAT rate = 19%)

City	Tourism Levy	VAT rate on hotel accommodation
	<p>Extra services such as breakfast are not subject to the levy. Applies to hotels, motels, boarding houses or guest houses Business travellers who have to stay overnight for essential professional or business-related reasons are exempted from the levy.</p>	
Amsterdam	<p>City levy / Toeristenbelasting 5% of the room rate per night (excluding breakfast and other extras) payable by non-residents of Amsterdam. Business travellers are liable for the levy.</p>	6% (Standard VAT rate = 21%)
Venice	<p>City levy / Imposta di Soggiorno Based on accommodation type, star rating and area of the city. Charged per person, per night, up to a maximum of 5 consecutive nights.</p> <p>For hotels in the historical centre (1st Feb to 31st Dec) :</p> <p>5* €5 4* €4.50 3* €3.50 2* €2 1* €1</p> <p>50% reduction for young people aged 10-16 50% reduction Nov-Mar, excluding Carnival and winter peak times, 40% reduction for accommodation on mainland, 30% for accommodation at Venice Lido, 5 star hotels excluded.</p>	10% (Standard VAT rate = 22%)
Rome	<p>City levy / Imposta di Soggiorno Per person, per night, max 10 nights.</p> <p>5* = €7 4* = €6 3* = €4 1* and 2* = €3 Farmhouses and residences = €4 Bed and breakfasts. Rented rooms, holiday homes = €3.5 Campsites = €2 (max 5 nights)</p> <p>Hostels excluded, Exemptions for residents in Rome, children aged up to 10, all who accompany patients for health reasons, police and armed forces, one coach driver and one tourist guide for every 23 group members..</p>	10% (Standard VAT rate = 22%)
Barcelona	<p>Tourism levy / Impost de turisme Per person, per night for a maximum of 7 nights.</p> <p>5* = €2.25 4* = €1.10</p> <p>Other establishments and facilities (including hotels, apartments, campsites, youth hostels, house for tourist use and mobile accommodation) = €0.65</p> <p>Children under 16 exempt.</p>	10% (Standard VAT rate = 21%)
Brussels	Tourism levy	6% (Standard VAT rate = 21%)

City	Tourism Levy	VAT rate on hotel accommodation
	<p>Proportionate to the number of rooms available in each hotel and by category of hotel as classed by the Commissaire au Tourisme or the Commissariat General Flamand au Tourisme:</p> <p>Levy levied per room, per night</p> <p>Unclassified – €2.15 Category 1 or H1 €2.10 Category 2 or H2 €2.90 Category 3 or H3 €4.50 Category 4 or H4 €7.15 Category 5 or H5 €8.75</p> <p>Exemptions for housing assigned for social assistance.</p>	
Vienna	<p>Orslevye 3.2% of accommodation cost</p>	
Lisbon	<p>Municipal Tourist Levy €1 per person per night up to a maximum of 7 nights.. Exemptions for children under 13 and those whose trip is for medical reasons during the period of hospitalisation + 1 additional night (and that of an accompanying party).</p>	<p>6% (Standard rate = 23%)</p>
Vancouver	<p>Municipal and Regional District levy (MRDT). 3% on the purchase price of the accommodation. short-term accommodation provided</p>	<p>8% Provincial Sales Levy (PST) on accommodation (Standard PST = 7% + Goods and services levy (GST) = 5%)</p>
New York	<p>New York City Hotel Occupancy levy = 5.875% New York City Hotel Unit Fee = \$2 per room per night for rooms above \$40 a night. New York State Javits Convention Center fund = \$1.50 per room per night.</p>	<p>8.875% comprised of: New York State Sales levy 4% New York City sales levy 4.5% MCTD (Metropolitan Commuter Transportation Mobility Levy) 0.375%</p>

3.3 Further Case Study information on some of these cities is provided below.

PARIS

In 2015, Paris moved from a flat rate levy to a new system based on the grading. The levy is levied on a per person, per night basis, which is added to the customer's bill by the hotel. The amount of levy charged is displayed by the landlord, hotel or accommodation owner and must appear on the bill provided to the customer.

The main exemptions from the levy are:

- Children under the age of 18
- People with a temporary contract to work in the area
- Those living in emergency housing or temporary rehousing
- People living in premises with rent below an amount determined by the local council.

The levy is charged at the following amounts:

- 'Palace'⁵ €4.40
- 5* €3.30
- 4* €2.48
- 3* €1.65
- 2* €0.99
- 1* €0.83
- Apartment hotels, furnished accommodation €0,83
- 3*, 4* and 5* campsites, caravan parks €0.60
- 1* and 2* campsites, caravan parks and marinas €0.22

These rates include a 10% départementale⁶ levy for subnational government.

BERLIN

Since 2014, tourists in Berlin staying overnight are subject to an accommodation levy. This applies to any type of short-term, paid accommodation, and the levy is due whether or not the hotel guest actually spends the night in the room. The levy is added to the hotel bill and collected by the accommodation providers. The hotel is responsible for collection and for passing it on to the federal state of Berlin. It is an indirect levy: the accommodation providers transfer the levy and are authorised to claim the same amount of money from their guests in turn. However, it is not obligatory to pass the fee on to guests. Accommodation providers are defined as

⁵ Exceptional hotels are awarded Palace status introduced by the French Minister of Tourism in November 2010 to award official recognition to the finest 5-star hotels..

⁶ Départements are effectively the middle tier of subnational government in France, in between regions and the communes. There are 96 departments in metropolitan France and five overseas.

businesses that provide short-term overnight accommodation, including hotels, guest houses, private landlords, independent hostels, youth hostels and campsites.

Business travellers are exempt from the City Levy provided they can prove the purpose of their trip with an official letter from their employer. The Occupancy Levy is 5% of the price of the hotel room (without extras, such as meals, items from the minibar, the use of hotel services and facilities not included in the room price, etc.). Germany has a reduced rate of VAT for hotel accommodation of 7 per cent compared to the standard rate of 20 per cent.

HAMBURG

On 1 January 2013, Hamburg introduced a culture and tourism levy. The operators of the accommodation are liable for payment of the levy and may pass it on to the guest. The operator of the accommodation is obliged to declare and transfer the levy to the revenue office on a quarterly basis. All of the revenue is invested in tourist, cultural and sporting projects.

The culture and tourism levy is charged per person, per night based on the net payment for the stay (excluding VAT) at the following rates:

- €10 = €0
- €25 = €0.50
- €50 = €1
- €100 = €2
- €150 = €3
- €200 = €4

For every additional €50.00 of the net payment or part thereof, the levy increases by one euro each time. This means, for example, for accommodation costing €250 the levy will be €5. The levy applies to hotels, motels, boarding houses or guest houses. Extra services such as breakfast are not subject to the levy. Business travellers who have to stay overnight in for essential professional or business-related reasons are exempt from the levy. Germany has a reduced rate of VAT for hotel accommodation of 7 per cent compared to the standard rate of 20 per cent.

AMSTERDAM

Amsterdam's levy is charged on overnight stays in hotels, guesthouses, apartments, holiday homes, holiday accommodation, camping mobile shelters, moorings for boats and non-professional leased premises on land or on water. The levy is 5 per cent of the room rate per night (excluding breakfast and other extras) payable only by non-residents of Amsterdam. Business travellers are however liable for the levy.

People that sublet their homes are required to collect and pay the tourist levy to the City of Amsterdam. The City of Amsterdam and third-party apartment rental website Airbnb collaborate to make it easier for Amsterdam residents to follow these regulations. As part of this collaboration, Airbnb collects and remits the tourist levy on behalf of the rental hosts. Residents subletting their home are required to register this information with the City of Amsterdam and collect the appropriate levies from their guests.

VAT on hotel accommodation in the Netherlands is charged at 6% compared to the national standard rate of 21%.

VENICE

Venice's city levy varies according to where the accommodation is located in the city and according to the type and grade of accommodation as well as the time of year. The following amounts are charged per person, per night, up to a maximum of five consecutive nights in the historical centre during the period 1st Feb to 31st Dec:

- 5* = €5
- 4* = €4.50
- 3* = €3.50
- 2* = €2
- 1* = €1

There is a 50% reduction for young people aged 10-16 years. A 40% reduction exists for accommodation on the mainland, and a 30% reduction for accommodation at Venice Lido. Five star hotels do not receive a reduction.

ROME

The tourist accommodation levy in Rome is one of the most expensive in Europe. It applies to guests of hotels, holiday homes, rented rooms, bed & breakfasts and camping grounds in Rome (but not hostels). The levy is paid on a per person per night basis. Rates are as follows:

- 5* = €7
- 4* = €6
- 3* = €4
- 1* and 2* = €3
- Bed and breakfasts, Rented Rooms, Holiday Homes and Holiday Apartments = €3.50
- Farmhouse Accommodation and Residences = €4
- Open air facilities, camping grounds and areas equipped for temporary stops = €2

The levy is applicable up to a maximum of 10 consecutive nights within one year for hotels and a maximum of five nights for campsites.

There are exemptions for:

- Persons who are residents of Rome, children up to age 10
- All who accompany patients for health reasons
- Members of the State police force and the other armed forces, and
- One coach driver and one tour leader/tourist guide for every 23 group members.

BARCELONA

The tourism levy for Barcelona applies to the Catalan region with revenue devoted to a tourism development fund, created to support policies aimed at the promotion, conservation and development of Catalan tourism infrastructure and activities. The levy is on a per person, per night basis levied at the following rates for a maximum of seven nights:

- 5* = €2.25
- 4* = €1.10
- Other establishments and facilities (including hotels, apartments, campsites, youth hostels, house for tourist use and mobile accommodation) = €0.65

VAT on hotel accommodation in Barcelona is charged at 10% compared to the national rate of 21%.

BRUSSELS

The tourism levy in Brussels is proportionate to the number of rooms available in each hotel and by category of hotel as classed by the Commissaire au Tourisme or the Commissariat General Flamand au Tourisme. The levies are levied per room, per night at the following rates:

- Unclassified – €2.15
- Category 1 or H1 €2.10
- Category 2 or H2 €2.90
- Category 3 or H3 €4.50
- Category 4 or H4 €7.15
- Category 5 or H5 €8.75

There are exemptions for housing assigned for social assistance. VAT on hotel accommodation in Belgium is charged at 6% compared to the standard rate of 21%.

VIENNA

Vienna's tourism levy is charged by the City of Vienna on all types of accommodation including hotels, B&Bs and private homes for let. The levy is set at: 3.2% of the accommodation fee (excluding VAT, breakfast and extras. The following exemptions are in place:

- Minors who are staying to attend school or vocational training or in hostels
- Students at Vienna university or technical schools
- People who take more than three months continuously stay in a private home

LISBON

A levy of €1 per person, per night up to a maximum of seven nights. Exemptions for children under 13 and those whose trip is for medical reasons during the period of hospitalisation + 1 additional night (and that of an accompanying party).

The revenue is put to a Tourism Development Fund: “to keep Lisbon a competitive and high quality destination: to strengthen tourism development in Lisbon; and to promote investment in tourism.”

VANCOUVER

Vancouver has a Municipal and Regional District Levy (MRDT) charged on the purchase price of accommodation, including any additional charges for extra beds, cots, cribs, linens and pets. Up to 3% is applied on behalf of municipalities, regional districts and eligible entities to sales of short-term accommodation provided in participating areas of British Columbia. Currently, all participating areas charge MRDT of 2 per cent except for the City of Vancouver which charges 3 per cent. The MRDT is charged in participating areas to raise revenue primarily for tourism marketing, programs and projects.

Provincial Sales Levy (PST) is 8% on accommodation.

NEW YORK

New York City and New York State impose multiple levies that apply to ‘transient occupancy or tourist use’.

- New York City hotel room occupancy levy = 5.875% of the room rate.
- New York City hotel Unit Fee = \$2 per room per night for rooms above \$40 a night.
- New York State Javits Convention Center fund = \$1.50 per room per night.

Sales levies on accommodation also apply at 8.875% comprised of:

- New York State Sales levy 4%
- New York City sales levy 4.5%
- MCTD (Metropolitan Commuter Transportation Mobility Levy) 0.375%

Proposed Edinburgh Tourism Levy

3.4 City of Edinburgh Council is also considering a tourism levy, although the Scottish Government have stated previously that there are no plans to make such an

order⁷. We understand that Edinburgh is currently considering it under its developing City Deal⁸.

⁷ <http://www.edinburghnews.scotsman.com/news/politics/government-rules-out-bed-tax-on-edinburgh-tourists-1-3592054>

⁸ <http://www.edinburghnews.scotsman.com/our-region/edinburgh/poll-should-edinburgh-have-a-tourist-tax-1-4343839>

4 LEGAL ISSUES

4.1 A Council only has the power to collect levies in the form of Council Levy and rates. Before a local authority can collect other levies, Scottish ministers would have to make an order allowing this power.

Power to advance well-being

4.2 There is a general power to advance well-being under section 20 of the Local Government (Scotland) Act 2003 (“the 2003 Act”). The power to advance well-being is a wide power which enables a local authority to do anything which it considers is likely to promote or improve the well-being of its area and/or persons within that area (whether in whole or in part). The power is intended to be used flexibly. It includes the power to incur expenditure, enter into agreements, facilitate or co-ordinate the activities of any person, or provide staff, goods, materials, facilities, services or property to any person.

4.3 However, the following limitation on the exercise of the power apply (section 22 of the 2003 Act):

- it does not enable a local authority to do anything for the purpose of enabling the authority to raise money by levying or imposing any form of levy or charge, by borrowing or otherwise;

4.4 Consultation with the Council’s Legal and Democratic Services indicate that they do not see the use of the Power to advance well-being as an appropriate tool for the Council to introduce a levy. Without support from Scottish Ministers, they do not see any other way to introduce a levy.

Support from Scottish Ministers to Legislate

4.5 The necessary support from Scottish Ministers would need to be in one of two forms. One would be in the form of the Scottish government making a new law through primary legislation.

Primary Legislation

4.6 Primary legislation can take a while to get through, as it is subject to additional scrutiny and consultation periods. The longest part of the process may be encouraging Scottish Parliament to make the law. Once persuaded, the law then needs to be drafted before going through various stages of scrutiny and consultation.

Secondary Legislation

4.7 There is an alternative way for the Scottish Ministers to legislate with secondary legislation. Under section 57(1) of the Local Government (Scotland) Act 2003, Scottish Ministers have the power to make an order to “amend, repeal, revoke

or disapply” any enactment to which the section applies to. This applies to “any enactment which the Scottish Ministers consider prevents local authorities from exercising their power under section 20(1)” (the power to advance well-being).

4.8 Therefore, the easiest way for Scottish Ministers to vary the legislation would be to repeal or amend section 22 (the limit on local authorities to raise money by a levy or levy other than Council Levy and rates). If Scottish Ministers can be persuaded to do, they would have to lay down a Scottish Statutory Instrument (SSI), which would need to be approved by the Scottish Parliament.

4.9 If the law was amended by Ministers, it would need to be specific enough to include organisations such as Air BnB, and not limited to just hotels, guest houses and B&Bs. Any law would have to be carefully worded to include them, as they would certainly not be volunteering to be included.

4.10 In terms of time taken it is difficult to estimate how long the legal process could take. Once persuaded, the law then needs to be drafted before going through various stages of scrutiny and consultation which could take a matter of months⁹.

5 COSTS

Administering Tourism Levies: Experience from abroad

5.1 Officers contacted The Hague and Alberta for information on how they administer their tourism levies. In both cases a tourism levy is collected on a range of accommodation including hotels, hostel, lodging house, boarding house, bed and breakfast and in The Hague campsites.

5.2 In both cases the levy is collected by the accommodation providers who are responsible for collecting the levy and transferring it to the municipality.

5.3 In The Hague tourist levies are paid once every three months to the Municipality while in Alberta they are paid monthly for large establishments and for smaller establishments every three months.

5.4 In both Alberta and The Hague accommodation providers that are liable for the levy are required to register with the municipality. In Alberta providers can pay

⁹ <http://www.parliament.scot/visitandlearn/Education/18641.aspx>

online but in The Hague this is not yet possible and a paper instruction form is sent to providers every three months.

5.5 In terms of enforcing that the correct amount is paid, Alberta Tourism Levy is administered on a self-assessing basis. However, registrants are required to maintain proper records and the tourism levy administering body does reserve the right to conduct financial audits of returns filed. The Hague checks the returns with the website of the provider and compares it with previous data and other information relating to bookings. In the case of big discrepancies the accommodation provider is asked to provide an explanation.

5.6 The Hague estimates that it costs 0.75 FTE (around £18,000 per annum) of an employee to administer their tourism levy while Alberta cited confidentiality and wouldn't provide figures for it.

How to administer a Tourism Levy in Aberdeen

5.7 If a scheme materialised in Aberdeen, accommodation providers would be required to register with the Council and would be responsible for collecting the levy and transferring it to the Council. They would be required to maintain appropriate records of rooms occupied and the amount of levy paid.

5.8 At a certain frequency, accommodation providers would be required to make their tourism levy payment, and for simplicity this would be done electronically into a tourism levy body account.

5.9 To ensure compliance, we anticipate the following information would be required:

- the accommodation providers that are liable for the tourism levy
- the number of rooms occupied during the period for payment

5.10 The Council will have information on the following with which to validate the returns:

- information on current and historic hotel occupancy rates within the City.
- current bookings information within the City and from the website of accommodation providers.
- historic return data from accommodation providers.
- returns from other accommodation providers within the City.

5.11 In the case of discrepancies the accommodation provider would have to provide a reason to the authority. Further, the tourism levy administering body would reserve the right to conduct financial audits of returns and obtain access to accommodation providers' occupancy rates information in the same way as assessors have access to this when assessing rateable values of hotels. This would be included in any legal process.

5.12 On the basis of the experience of The Hague we estimate it would cost 0.75 FTE (around £18,000 per annum) of an employee to administer the tourism levy for Aberdeen. We would discuss the detail of administering such a scheme with officers from the Council's finance service if this is to be pursued further.

6 BENEFITS

6.1 This section looks at the amount of revenue that a tourism levy might generate. Two options for revenue generation have been considered. Considering the variation of rates and mechanisms from Section 3 above, a preferred option for a Scheme in Aberdeen suggests a flat rate tourism levy of £1 a night for every room occupied.

Option 2 is a 1.5% tourism levy surcharge on the cost of the occupied room. Both options produce around £2m a year with slight variations depending on whether the accommodation provider includes just hotels or also includes guest houses, B&Bs, camping and Air BnB.

A flat rate of £1 a night is preferred for its simplicity and transparency.

6.2 The full set of revenues from the levy for is provided in the table in table 3 with the assumptions underlying the figures that underlie the revenues for each type of accommodation also presented.

Hotels

6.3 LJ Research provides data on average hotel room prices and occupancy rates in Aberdeen. An average cost of £65.38 and a 66.67% occupancy rate has been assumed based upon recent performance in the sector. Based on our estimate of the current number of hotel rooms in the City, plus planned rooms in the pipeline that have started construction, a total number of hotel rooms currently available and in the pipeline has been calculated.

Guest Houses/B&B, Camping and Youth hostels

6.4 ONS provide details of businesses that are guest houses, B&Bs, campsites and youth hostels in the city. This includes the number of employees in each business from which the number of available rooms has been estimated¹⁰. The average cost per room has been estimated from a search on booking.com for each accommodation category and the occupancy rate is from 2015 Visit Scotland occupancy data for Aberdeen and Grampian.

6.5 Camping and youth hostels are likely to be price sensitive and not direct competitors to hotels. There are relative few of these in Aberdeen.

¹⁰ UK government employment density guide 2015

Air BNB/Self-Catering

6.6 This is a difficult sector to regulate and assess its size and the scale of revenue that could be obtained from any tourism levy. From a search of available rental properties in Aberdeen on the Air BnB website there were 171 such rental options available and approximately 250 rooms available in the city which has been assumed as the available room supply. 2015 Visit Scotland data suggests an average occupancy rate of around 47% in self-catering properties and this has been assumed for Air BnB properties. An examination of available rooms on Air BnB suggests an average rental price of around £50 a night per room.

6.7 However, many accommodation providers that rent their property in such a way do not use the Air BnB website but use other home rental websites and there is some evidence that professional landlords are using these websites to avoid levies and evade planning laws¹¹.

6.8 Visit Scotland estimated that there may have been 458,000 tourist nights in 2015 in Aberdeen and Grampian which could translate into around 800 self-catered rooms available in the City.

6.9 Due to the uncertainty of the size of the sector we have presented it as a range of 250-800 rooms but this estimate should be treated with caution and there is some uncertainty around the scale of any tourism levy we could collect from it.

The effect on demand of increasing the cost of tourism

6.10 International tourism demand is influenced by a range of different factors including: population, income, prices in the host country, substitute prices in competing destination, tastes and habits, marketing, and one-off events. At its simplest, a tourism levy would be expected to increase the price of visitor accommodation and therefore at the margin reduce demand, other things being equal. The sensitivity of demand to changes in price, commonly referred to as the price elasticity of demand, is therefore a key factor in the decision whether to introduce a tourism levy.

6.11 There is little available evidence on Aberdeen-specific price elasticities of demand for tourism. Fluctuations in the exchange rate can be considered a proxy for price changes. Some more detailed research on price elasticities of demand exists at

¹¹ <http://economia.icaew.com/news/january-2016/airbnb-landlords-accused-of-tax-evasion>

a national level. In a report for the CBI, Durbarry and Sinclair (2000)¹² specify an econometric (gravity) model to assess the sensitivity of tourism demand in the UK to changes in prices, exchange rates and expenditure. Considering both the price of tourism and the exchange rate as separate variables, they suggest that an increase in the relative price level or an appreciation of sterling by 1% decreases tourists' expenditure by 0.6% and 0.5% respectively. However, they argue that tourists are more concerned with the effective price of tourism, which takes into account the price level and the purchasing power of the tourist together. Using the effective price variable they find a value of around unity. This implies that holding other variables constant, an increase of 1% in effective prices in the UK relative to the origin country would lead to a decrease in tourism expenditure in the UK of around 1%. This suggests that tourism expenditure is sensitive to price changes and results in a significant loss in revenue from tourism.

6.12 In contrast, research by the University of Nottingham (Blake and Cortes-Jimenez, 2007) for DCMS¹³ found an average price elasticity of demand of -0.61. This suggests that UK tourism is less sensitive to price changes than implied by these other studies with a 1% increase in price produces only a 0.61% fall in demand.

6.13 Demand for hotel rooms in Aberdeen has historically been driven by business from the oil and gas industry. This demand is likely to be price insensitive and resilient. Leisure tourism is more likely to be sensitive to price increases but we envisage even for this group only a very small if any decrease in demand as a result of a modest £1 tourism levy for example.

6.14 The tourism levy should be considered in the context of the fall in the value of Sterling since the EU referendum vote in 2016 and its potential impact on tourists to the UK and Aberdeen.

The value of Sterling and increased demand

6.15 The value of Sterling has fallen significantly against the Euro and the Dollar since the EU referendum in June 2016. This would have the effect of making it cheaper to visit Aberdeen than would otherwise have been the case. Indeed there is some evidence for this with ONS figures showing an "unparalleled" rush of tourists from the US and Canada as the pound plunged in value against the dollar, with the numbers of North American visitors increasing by 36% in the third quarter of 2016, in

¹² Durbarry and Sinclair (2000) "Tourism taxation in the UK"

¹³ Blake, A. and Cortes-Jimenez (2007) 'The Drivers of Tourism Demand in the UK' Christel DeHaan Tourism and Travel Research Institute, University of Nottingham for Department for Culture, Media and Sport.

a year-on-year comparison, and their total expenditure by 57%. Further, the fall in the value of Sterling should decrease demand for domestic tourists to holiday abroad potentially increasing demand domestically from domestic tourists.

6.16 Taking these factors into account we have assumed no change to demand as a result of the tourism levy.

Revenue Benefits from attracting additional events

6.17 A tourism levy could be used to support the attraction of additional events to Aberdeen. Attracting the right event to the city will generate additional footfall, and associated spend in the wider economy. For example, existing events already deliver additional visitors to the city and wider region. With additional financial resources from a tourism levy, bigger events, in terms of economic impact, could be attracted.

Recommendation

6.18 A flat rate of £1 a night is preferred for its simplicity and transparency. We recommend including hotels, B&Bs and guest houses in the scope of the tourism levy, which could generate revenues of around £1.7m a year.

6.19 However, we recommend that camping and youth hostels are not included in the scope of a tourism levy. Camping and youth hostels are likely to be price sensitive and not direct competitors to other forms of accommodation. There are relative few of these in Aberdeen.

6.19 The Air BnB sector is difficult to regulate and assess its size and the scale of revenue that could be obtained from any tourism levy. It could be substantial and a close competitor to hotels and guest houses. We recommend it should be included, but further consideration on how this could be achieved, including in any legal drafting and enforcement.

Table 3: Costed Revenues from a Tourism Levy

Accommodation Type	Number of Rooms	Occupancy Rate	Average Cost	Revenue from £1 Per Occupied Room	Revenue from 1.5% of Occupied Room Cost
Current Hotel Provision	6,414	66.7%	£65.38	£1,560,583.93	£1,530,464.66
New Hotels Currently Under Construction	325	66.7%	£65.38	£79,122.88	£77,595.80
Guest Houses / B&B	210	39.0%	£55.00	£29,893.50	£24,662.14
Camping (berths)	40	25.0%	£25.00	£3,650.00	£1,368.75
Youth Hostels (beds)	50	45.0%	£16.50	£8,212.50	£2,032.59
Air BnB/Self Catering	250 - 800	47.0%	£50.00	£42,887.50-£137,240	£32,165.63-£102,930
Total	7,289-7,839		-	£1,724,350-£1,818,703	£1,668,290-£1,739,054

In addition to hotels currently under construction there are a number of hotels that have had detailed planning consent granted as of 2016 which have a further 1,295 rooms planned.

Example Calculation:

Current Hotel Provision plus Hotels in Pipeline Revenues for preferred option:

$$= \text{Number of rooms} * \text{Occupancy Rate} * 365 \text{ days} * \text{Levy (£1 an occupied room)}$$

$$= 7,989 * 66.7\% * 365 * £1 = £1,944,962$$

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	09 March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Thomas Glover House
REPORT NUMBER	CHI/17/025
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To update members on the implementation of works and options for Thomas Glover House.

2. RECOMMENDATION(S):

- (i) To note the progress report on implementation of Option 1;
- (ii) To note feasibility of additional grant funding from external sources to implement further options;
- (iii) Note current position of Aberdeen Asset Management and the Universities.

3. FINANCIAL IMPLICATIONS

Aberdeen City Council appointed a consultant to carry out a study to provide an indication of the feasibility of Thomas Blake Glover House for a number of potential uses, the demand for these, and likely development costs involved. A consortium, led by MKA Economics in association with Hoskins Architects and Graham and Sibbald, were appointed following a tendering exercise to:

- Undertake a condition survey of the house;
- Provide an options appraisal of the potential uses for the property; and
- To provide an indicative Business Plan of the preferred option.

Three options for the property were identified:

- Option 1: Refine, Reconfigure and Refurbish Glover House, at an estimated £300,000 cost;
- Option 2: Refine, Reconfigure and Refurbish Glover House and Outhouses, £840,000;

- Option 3: Refine, Reconfigure and Refurbish Glover House, Outhouses and New Build, £1,710,000.

Officers were instructed to implement Option 1 at FPR Committee December 2016, using a budget of £155,000 approved by FPR Committee May 2014 and £150,000 of reserves accumulated by the Bridge of Don Trust which was approved at Full Council August 2016.

This report also details the feasibility of potential external funding sources, including grants, the universities and Aberdeen Asset Management to develop a sustainable use(s) at the house.

4. OTHER IMPLICATIONS

Restrictions were included in the titles to Glover House whereby the Grampian Japan Trust would use Glover House as a Grampian Japan Centre for a variety of cultural, community and education projects. If this was no longer possible then the property was to be transferred to a different body to continue these aims.

In November 2012 Aberdeen City Council discussed the possibility with the Grampian Japan Trust of considering transferring the ownership of the property to the Council rather than attempting to sell it on the open market. Glover House Trustees Ltd, which was incorporated on 14 April 2015, is now the sole trustee of the Trust and has assumed responsibility for Glover House in accordance with the conditions and purposes of the Grampian Japan Trust.

The responsibility for operating the building has been passed to Aberdeen City Council.

The overall objectives of the current Project is to ensure that Glover House remains in public ownership and is used to facilitate greater cultural exchange between Aberdeen and Japan.

Officers are currently exploring uses for the building once Options have been implemented. This includes opportunities for student accommodation, as well as liaising with Scottish tourism experts who can identify and assess tourist attractions and appraisal thereof. Suggested uses have informally been proposed as part of the consultation with officers and the consultants. These include the conversion of Thomas Glover House to tourist accommodation, such as a Japanese-themed guest house, and partial conversion to create student accommodation while retaining a public-use and educational element.

The feasibility study established the challenges in developing a tourist attraction at the House in the context of its location and offer. Therefore the objective was to develop other sustainable use(s), while at the same time ensuring that there was a 'Glover Room' that could be used to show to visitors and Japanese tourists in particular.

As a full-blown tourist attraction in its own right, or even conversion into a 'Japanese-themed' guesthouse/ B&B, there are challenges. Aberdeen is not yet established as a "must-visit"/ short break tourist destination by leisure/ recreational markets. As such, the existing characteristics of that demand do not match with the characteristics of the type of demand which would make a small/exclusive boutique/lifestyle hotel with a Japanese theme successful.

5. BACKGROUND/MAIN ISSUES

i) Progress report on implementation of Option 1

Option One – Refine, Reconfigure and Refurbish Glover House – seeks to create a flexible resource capable of meeting the potential requirement of corporate uses, as well as providing ad-hoc access to visitors seeking a Glover experience as part of the wider trail and associated permanent exhibition at Aberdeen Maritime Museum. This option focuses on repair, redecoration, and enhancements to Glover House.

A prioritised list of essential repairs, totalling an estimated minimum £144,000, has been identified. These include such works as treating damp, renewing fractured cast iron gutters, repairing the harling on the exterior walls, renewing woodwork, roofing repairs and demolition of the dilapidated outbuildings which are included in the site's Category B listing.

Economic Development Officers have met with Asset Management colleagues to discuss the required design works. Asset Management officers will investigate the scope of works and respond to the submitted request for services. This will include further design work to refurbish the property and improve access. It may be possible to undertake some of the works in-house, whilst others may require external expertise. Subject to planning permissions and procurement processes, it is intended that these works will be completed by Spring 2018.

Due to the continuing civic, business and other interest from Japan, additional building and re-fit works will be carried out to allow visits and receptions to take place at Glover House.

Information boards about Glover and a display of Glover-related artefacts held by the Museums and Galleries service will be included in the refurbished property.

Further tree works are scheduled to take place in early spring and will be carried out by Aberdeen City Council's arboriculture team. This will include pruning cherry trees on the boundary wall, felling 20 small to

medium self-seeded trees, raising the crowns of 10 trees to improve grass and shrubs or to prevent damage, and grinding out four stumps.

ii) Note the feasibility of grant funding from external sources to implement further options

The two further options which were presented to FPR December 2016 Committee would continue site development with the creation of a bespoke ‘business centre’ with a focus on internationalisation, innovation, enterprise and education, featuring:

- a conference room/ meeting rooms;
- supporting accommodation;
- student accommodation; and
- a Glover Room, which would be marketed alongside the gardens and the existing Glover Trail.

Officers within Economic Development have reviewed external funding sources which could assist with the implementation of these options. The objective of external funding would be to reduce any capital investment by the Council.

The two grants highlighted below have the potential to significantly contribute to the levels of funding required to implement the proposed preferred option, which is the Refined Option Two – Refine, Reconfigure and Refurbish Glover House and Outhouses. This option incorporates Option One in terms of refurbishing and enhancing Glover House, as well as adding a 180 square metre extension within the footprint of the outhouse buildings and creating a landscaped area associated with the extension. The extension would increase the available floor space of the house by about 50%. This cost of this option has been estimated at £1million.

Historic Scotland – Historic Building Repair Grants Fund	
Funding Body	Historic Environment Scotland
Level of Grant	Maximum value of £500,000
Timetable	Applications assessed three times a year
Details	<p>This scheme covers grants for the repair and conservation of historic buildings assessed as being of outstanding architectural or historic interest.</p> <p>These grants are intended to achieve the appropriate repair of those elements of a building that provide structural stability and give protection from the weather. The aim is to ensure the continued survival of important historic fabric.</p> <p>Grants are primarily for urgent repairs that need to be done</p>

Historic Scotland – Historic Building Repair Grants Fund	
	within two years to prevent loss or damage to important historic fabric.
Eligible Costs	<p>HS aims to secure a sustainable future for the historic environment by ensuring that work carried out with a grant is:</p> <ul style="list-style-type: none"> • Sympathetic to the character and significance of the building. • Completed to an appropriate standard that normally matches the original detailing, workmanship, material and building technique used at the time of original construction. • Regularly maintained thereafter. <p>The following are not eligible for funding:</p> <ul style="list-style-type: none"> • Alterations and improvements. • Maintenance and minor repairs. • Demolitions. • Reinstatement and reconstruction where there is a lack of historic evidence of design and detail. • Retrospective costs. This includes any work already done, or underway, when an application is submitted.

HLF – Heritage Enterprise	
Funding Body	Heritage Lottery Fund
Level of Grant	Grants between £100,000 and £5 million
Timetable	Applications assessed quarterly
Details	<p>Funding is available for heritage projects that have the potential to unlock a heritage asset in need of investment and use it as a stimulus for economic growth. It is anticipated that in most instances this will involve the repair and adaptation of a historic building or a coherent group of historic buildings for an end-use that generates a sustainable commercial income.</p> <p>Projects are not required to provide open public access once the capital project is completed, but the project should look for opportunities for people to develop skills and learn about heritage during the lifetime of the project.</p>
Eligible Costs	<p>Funding can be used for the following:</p> <ul style="list-style-type: none"> • The purchase of a heritage asset in need of investment. • Essential conservation work, such as structural repairs to a historic building. • Work to bring vacant and derelict buildings and sites back

HLF – Heritage Enterprise

	<p>into commercial use.</p> <ul style="list-style-type: none">• Activities to help people engage with the heritage asset, including:<ul style="list-style-type: none">○ Training in conservation, mentoring, learning, management or digital skills for people delivering the project.○ Providing activities or information that allows people to learn about the heritage of the buildings or sites in the project.• Work to help develop and manage the project, such as:<ul style="list-style-type: none">○ Valuations, professional fees or the costs associated with obtaining the necessary statutory consents.○ Specialist research to ensure the conservation and development works are properly informed by a thorough understanding of the significance of the heritage asset and its repair needs.○ Preparing a development appraisal.○ Employing project staff.• A limited amount of funding for capital expenditure during project development to support:<ul style="list-style-type: none">○ Urgent repairs to prevent further deterioration of the asset whilst detailed planning work is completed.○ New temporary structures designed to allow 'meanwhile uses' during project development.
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Other grants may be available to assist with the development of the project but these are dependent on the final use of the building. Factors which influence available funding for Options Two and Three include levels of public access, regeneration of community assets and upskilling of local workforce.

iii) Note current position of Aberdeen Asset Management and the Universities

Officers have had further constructive discussions with Aberdeen Asset Management, the University of Aberdeen and Robert Gordon University about the future use options for Glover House.

These focussed on a 'do-minimum' use whereby the house could operate for occasional corporate or civic events, if there was predicted demand for accommodation use by either / both universities. It was made clear that there is sufficient capacity for accommodation at both universities, but without a 'core' use, the ability to attract occasional other uses to the house was compromised.

The latest discussions considered a solution that could entail:

- The Council undertaking capital works required to bring the house into residential use, leveraging in match funding where possible;
- Private sector and universities working together to develop a potential international educational exchange programme;
- The house including a dedicated tribute to the Glover story;
- A commitment to utilise the house by other ad hoc users who have a dedicated interest in promoting Japan-Scottish relations.

Officers will continue to undertake more feasibility and testing on this new use option.

6. IMPACT

Improving Customer Experience –

The Council has led the development of the feasibility study to provide clarity on the future potential uses for the property and its potential role in contributing to the regional economic strategy goals (and the internationalisation priorities in particular). Officers will continue to engage with external stakeholders in the public and private sectors in bringing forward a solution for the site.

Improving Staff Experience –

Staff within the Council's Economic Development Service will work closely with colleagues in other services to develop the proposals in this report and promote Thomas Glover House and business links to Japan.

Improving our use of Resources –

Participation in the project provides strategic added value in working across key city, regional and national stakeholders to promote the feasibility study and to develop the House itself and contribute to the education and tourism objectives of the Aberdeen-Japan and Regional Economic Strategies.

Corporate -

Representation on the Trust ensures that the Council is able to play a key role in the long term development of Thomas Blake Glover House.

Public –

This report is not of interest to the public as at this stage the financial implications are minimal, and it does not present a new policy and strategy. There are no requirements for an EHRIA or a PIA.

7. MANAGEMENT OF RISK

There are no risks associated with this report as report is for information only. Any actions which result from this report will be assessed accordingly.

8. BACKGROUND PAPERS

CHI/16/259, Thomas Glover House, FPR Committee 01 December 2016

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy and Resources
DATE	09 March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Aberdeen-Japan Strategy update
REPORT NUMBER	CHI/17/023
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The report provides Elected Members with an update on economic development activity that has taken place as part of the Aberdeen-Japan Strategy (approved at Finance Policy and Resources Committee in February 2015) and sets out future proposals for this work.

2. RECOMMENDATION(S)

It is recommended that Committee:

- a) Note the update on economic development activity delivered as part of the Aberdeen-Japan Strategy during 2016 and early 2017;
- b) Agree that going forward, economic development activities in support of encouraging and increasing trade between Aberdeen companies and Japan will be considered as part of the annual report on the Council's international trade and inward investment priorities.

3. FINANCIAL IMPLICATIONS

There is no discrete budget allocation to support the delivery of the Aberdeen-Japan Strategy. The costs of hosting inbound delegations and the recent outbound visit by the Lord Provost to Nagasaki and Kobe were met from existing international trade budgets. Any future financial implications will be set out in the proposed report on investment and trade to Council in March 2017.

4. OTHER IMPLICATIONS

This report considers the recommendations in the Aberdeen-Japan Strategy that are specific to the remit of the Council's Economic Development Service. Other recommendations have been taken forward by third parties and are not covered by this report.

5. BACKGROUND/MAIN ISSUES

Finance Policy and Resources Committee approved the Aberdeen-Japan Strategy at its meeting in February 2015 and received an annual update report in February and September 2016. This report is proposed to be the last discrete report on activity with Japan, which will be incorporated into the Council's wider international trade planning going forward.

During 2016 and early 2017, the following activities have been delivered in support of the Aberdeen-Japan Strategy:

- An Economic Development officer attended the 12th International Hydrogen and Fuel Cell Expo in Tokyo in March 2016 to further develop Aberdeen's hydrogen sector. This resulted in an agreement with Toyota to supply 10 hydrogen cars to Aberdeen and the leveraging of a grant from the Office of Low Emission Vehicles for 75% of the costs with a value of £400,000. The vehicles will be deployed to the NHS, SEPA, Aberdeen City Council and the car club. Toyota are also sending a mission to Aberdeen from the bus company HINO to study the Aberdeen Bus project to assist with the development of infrastructure and planning for the Olympic Games in 2020.
- The Robert Gordon University (RGU) is hosting a group of fifteen Japanese students as part of the Nippon Marine Pioneers of the Future sponsorship programme in a bid to enhance capacity building in Japan. RGU are also working with Japan on environmental monitoring and health.
- One officer hosted a tour of Thomas Blake Glover House for representatives from Tokyo Sangyo Co and the University of Tokyo's Institute of Industrial Science
- In August 2016, the City Council hosted a delegation from Nagasaki City Council. The visit focussed on opportunities in the hydrogen sector and Aberdeen City Council's work on hydrogen transportation systems was showcased
- In September 2016, officers from Kobe City Council and Mitsubishi spent four days in Aberdeen and participated in a programme that highlighted economic strengths and opportunities in Aberdeen, with a particular focus on strengthening business-to-business networks
- Following this successful visit a second, more senior, delegation visited Aberdeen in February 2017 to assist the Lord Provost with his planned visit and to discuss how Aberdeen could work with Kobe in the development of hydrogen production facilities at the port of Kobe
- Also in February a delegation from Yokohama visited Aberdeen to learn how Aberdeen was successfully diversifying into marine renewables and to discuss possible industrial co-operation opportunities
- In February 2017, the Lord Provost and one officer travelled to Nagasaki, Nagoya, Tokyo and Kobe to further explore economic opportunities between those cities and Aberdeen. Meetings took place with various companies, Universities and the Scottish Development International office in Tokyo. These meetings have resulted in

companies expressing interest in inward visits to Aberdeen to look at potential investment in hydrogen projects. One such company is Asahi Kasei. They intend to visit Aberdeen in the next six months to look at opportunities for deploying their equipment to support projects in the city.

- Kobe City Council has also indicated that they will be bringing a delegation of politicians, university staff and businesses including Kawasaki Heavy Industries to talk to businesses in Aberdeen later this year.

Following a recent officer review of the Aberdeen-Japan Strategy, it is proposed that going forward the economic objectives it recommended be incorporated into the Council's core activity on international trade. A report on trade and investment priorities is scheduled to be considered by Full Council at its meeting on 15th March 2017.

The objectives from the Aberdeen-Japan Strategy that will be considered as part of the annual review of trade and investment priorities are:

- Promote Japan as a market to Aberdeen businesses
- Identify business opportunities in Japan and promote to relevant businesses
- Ensure Economic Development staff are knowledgeable about Japan to support Aberdeen businesses who wish to trade there
- Encourage attendance at sector-specific trade events in Japan

These are considered to be core activities for the Council's International Trade and Investment team and as such, opportunities in Japan will be considered alongside existing and emerging priority markets.

6. IMPACT

Corporate

Internationalisation is a key theme in the Regional Economic Strategy and Aberdeen City Region Deal and the implementation of the activities outlined in this report is expected to have a direct positive impact on Aberdeen companies' export success. The Council has a significant leadership role to play in terms of building civic and economic relationships that will deliver long-term economic benefits for the city and region. The contents of the report also relate directly to delivering the economic development aspects of the Administration's **Smarter Aberdeen** vision.

Public

No impact assessments are required for this report.

Improving Customer Experience

Delivering the activities outlined is expected to improve the experience of customers (Aberdeen's business community) by:

- Raising awareness among Aberdeen companies of business opportunities and how to access them in new, existing and target export markets in the energy sector
- Better positioning Aberdeen companies to win new export business by facilitating direct business to business links and maximising existing strategic partnerships
- Maintaining and building on the profile of Aberdeen as a global energy capital and world centre of excellence for subsea technology

Improving Staff Experience

Delivering the activities outlined provides the staff involved with valuable experience of dealing with a wide range of internal (Elected Members, senior officers) and external (businesses, Government personnel, diplomats etc) customers from a range of countries, cultures and backgrounds.

Improving our use of Resources

By working in partnership with North East Scotland Trade Group partners on the delivery of coordinated trade development activities the Council is able to share the workload and take lead or supporting roles where appropriate, without compromising the level of service delivered to the customer.

7. MANAGEMENT OF RISK

There are no particular risks that result from the proposals in this report. If the recommendations are approved, risk assessment related to future activity (including international travel) will be covered by the report to Full Council on 15 March 2017.

8. BACKGROUND PAPERS

- Scottish Government Economic Strategy
- Regional Economic Strategy
- *Aberdeen Japan Strategy Annual Report* [CHI/16/005] to FP&R, 16 Feb 2016 and subsequent minutes
- *Aberdeen Japan Strategy Update Report* [CHI/16/198] to FP&R, 20 September 2016 and subsequent minutes
- *Aberdeen Japan Strategy – Glover Club* [CHI/16/051] to FP&R, 19 April 2016

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy & Resource Committee
DATE	9 th March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	JIVE Project – Grant Agreement
REPORT NUMBER	CHI/17/050
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to seek a decision from Members regarding the signing of the Grant Agreement for the JIVE project.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Approve the signing of the JIVE Grant Agreement by a Proper Officer of Aberdeen City Council on condition that the Council must notify their intention to leave the project by October 31st if they are unable to demonstrate:
 - i) a Scottish Government financial contribution of £3,000,000;
 - ii) a bus operator's agreement including a significant financial contribution
- b) Instruct officers to investigate additional funding sources to reduce the Council's financial commitment to the project

3. FINANCIAL IMPLICATIONS

The financial implications of this project were discussed and approved on 1 December 2016. (See background papers).

4. OTHER IMPLICATIONS

This Committee approved participation in this project and a financial commitment from the Council at its meeting on 1 December 2016 subject to the following three conditions:

- a) A Scottish Government financial contribution of £3,000,000;
- b) Bus operators agreement and financial contribution;

- c) There is no provision in the current Capital Programme for the JIVE Project. The Council has committed a contribution of £2.5 million which is not yet included in the capital programme at this stage as it waits to hear whether the Scottish Government will match the Council's contribution (General Fund Revenue Budget, Full Council February 22nd 2017, CG/17/015, Item 5.20).

In order to enable Aberdeen City Council to participate in this project and access the grant funding available there is a formal requirement to sign a grant agreement issued by the funding body.

Officers concluded that without having satisfied two of the three conditional requirements of the earlier paper, there was no authority to enter the Grant Agreement.

The deadline for signing the Grant Agreement was 17th February 2017. Only thirty days from the date of issue. Failure to sign could have led to exclusion from the project, however signing the grant agreement was not an option as the conditions of FP&R on 1 December had not been met.

It is the case that two of the conditions remain unsatisfied at this time:

- a. A Scottish government financial contribution of £3,000,000
- b. Bus operator's agreement and financial contribution.

The option which officers present in this report is a compromise solution. Internal legal advice, plus written communication from Element Energy (Lead Partner) are clear that entering the Grant Agreement is not an unconditional agreement to deliver. There are exit clauses which allow partners to exit the project. Such reasons include a change of economic situation for one of the partners (Grant Agreement 50.3.1).

Should this be the case, the Council would still be able to recover grant funding for any eligible costs incurred during the period prior to exiting the project. A period of 6 months is suggested to ensure that such costs are minimised and that if we do have to exit the project it would be at an early stage which allows another region the opportunity to replace Aberdeen and minimise disruption to the overall JIVE project.

In order to ensure access to grant funding a recommendation is put forward for consideration, which would allow officers additional time to secure the necessary commitments from external partners, whilst not losing out on the offer of grant funding totalling up to €1.95 million.

5. BACKGROUND/MAIN ISSUES

A funding application for the JIVE project has been accepted by the FCHJU, with Aberdeen City Council one of a number of partners. In

order to receive such funding there is a requirement upon all partners to sign a Grant Agreement.

Committee previously approved participation in this project subject to conditions, however as those conditions have not yet been met the Grant Agreement has not been signed.

As we are dependent upon external bodies providing their confirmation to satisfy those conditions, we are seeking a solution which will allow us to sign the Grant Agreement with an extended timescale to satisfy those conditions. Failure to satisfy those conditions will result in Aberdeen City Council then exiting the project.

It is noted that Dundee City Council has signed the Grant Agreement despite not having any confirmation from Scottish Government regarding any financial contribution.

Dundee City Council are one of a number of “substitute partners” who will become an active partner financially if any of the initial partners are forced to withdraw/unable to sign the grant agreement.

In light of the unusual circumstances which these are, officers have written to the Element Energy (Lead Partner) and the funding body (FCHJU) to explain the situation and the FCHJU has granted a 30 day extension to sign the agreement so that this report can be present to committee for agreement.

Officers have continued to meet the two conditions agreed by committee and the current position is as follows:

- 1) Several requests to Scottish Government have been made in regard to their funding decision. This decision is dependent upon Transport Scotland and the Scottish Government’s Energy and Climate Change department budget setting process and confirmation is anticipated before June 2017.
- 2) Bus operators are engaged already and further discussions will take place to seek their formal commitment once Scottish Government funding is in place.

6. IMPACT

Improving Customer Experience –

This proposal will benefit both the operators and the general public in future by providing clean, quiet, zero emission buses and improving air quality in the city.

Improving Staff Experience –

Working within this technically challenging but rewarding sector has broadened the knowledge, improved project management and negotiation skills of the staff involved in various projects.

Improving our use of Resources –

This project has gone through a validation process to ensure the outcome of the project will reap the rewards for Aberdeen city council moving forward in terms of providing the public with clean, quiet, zero emission buses, improving the air quality within the city and the travel and wellbeing on citizens.

Corporate -

This project links into the North East's Regional Economic Strategy – "Further diversification into alternative energy technologies must be accelerated to complement work already being undertaken in shale gas, tar sands, hydrogen fuel cell supply chain opportunities, energy and carbon capture and storage and decarbonising food production."

This project was also detailed within the Strategic infrastructure Plan as one of the projects with substantial direct involvement from Aberdeen city Council that contribute to economic growth. It will also offer many opportunities for joint working with partner organisations on projects. One of the key successes of the hydrogen projects to date is the public/private partnerships which have been developed. Without this collaborative approach the aims of Aberdeen City Region's hydrogen Strategy cannot be delivered. The External Funding Plan reinforces the importance of joined up partnerships at local, national and international level.

This project also links Aberdeen City Region Hydrogen Strategy and the transport and energy priorities within Aberdeen – the Smarter City Vision to "define the image of an international 21st century energy city, leading a new leaner, cleaner, industrial revolution using the intensity of our social, business and community connection" and taking "a European lead in adapting new transport technologies" to "provide and promote a sustainable transport system, including cycling, which reduces our carbon emissions".

Public –

This project is of interest to the public in terms of the potential economic and environmental benefits that hydrogen and fuel cell technologies can bring to the City including job creation as well as air quality improvements. Significant local and national air quality benefits

can be derived from the deployment of low carbon vehicles offering zero exhaust emissions, reducing harmful pollutants such as nitrogen oxides (NOx), sulphur dioxides (SOx) and particulate matter (PM₁₀)

7. MANAGEMENT OF RISK

Overall project management of risk was presented to Committee on 1 December 2016 and therefore not repeated in this paper.

The purpose of taking this report to committee is to manage the risk to ensure that the correct authority is given to the proper officer to allow them to sign the grant agreement on a conditional basis as per the recommendation of this paper.

Should committee support the recommendation then there will be a clear timescale in place for officers to satisfy the conditions of FP&R on 1 December within a set deadline. If this is not met, then officers are instructed to exit the project.

8. BACKGROUND PAPERS

CHI/16/258 – FCHJU JIVE Business Case.

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	March 2017
DIRECTOR	Gayle Gorman
TITLE OF REPORT	Review of Access to Leisure Scheme
REPORT NUMBER	ECS/17/ 017
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to update this Committee with the responses received from the Disability Equity Partnership (DEP) and the Grampian Region Equality Council (GREC) whose views were sought on proposed changes to the Council's Access to Leisure (A2L) scheme, recommended by the cross-service / ALEO Access to Leisure Working Group. This follows the initial report to this Committee in May 2014 which set out both policy recommendations and specific actions recommended by the Council's Consultants, Strategic Leisure Ltd. These recommendation have since been considered in further detail by the A2L Working Group, with a previous report to this committee in September 2016.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Note the responses to the consultation with DEP and GREC as required by this Committee;
- b) Approve changes to the current scheme based on the following:
 - I. Eligibility based on receipt of disability and / or income related welfare benefits;
 - II. In the case of disability and / or long-term conditions, evidence based referral from a health professional;
 - III. Age entitlement linked to national state retirement age and / or free bus travel entitlement;
- c) Approve the provision of subsidised teas and coffees only be provided by partners 'Loyalty Card' arrangements;

- d) Approve the reduction in discount for crèche and childcare related activities to 25% across the services and the discount for crèche provision in sports centres should only be applicable when the parent/carer is taking part in sport and physical activity.
- e) Approve the proposal that the revised A2L scheme be applicable during all public opening hours of the facilities and services.

3. FINANCIAL IMPLICATIONS

The Council's Early Years' Service has a budgetary provision of £20k to support Access to Leisure participation. Costs associated with the current access to leisure entitlement has reached £50k. As part of the service budget savings it has agreed to make the service cost neutral within five years and the proposal to reduce the A2L discount to 25% will support this requirement.

The Council's Museum and Galleries Service receives no additional budget to cover the provision of half price teas and coffees. The proposed changes to the scheme to offer reductions by way of a loyalty discount will have a marginal positive impact on the service.

The Council's sporting Arms' Length External Organisations (ALEO's) including Sport Aberdeen, Garthdee Alpine Snowsports Centre and Aberdeen Sports Village are required to recognise the scheme and this is built into their core grant settlement.

Except as outlined above in terms of the Early Years' Service changes to the A2L scheme will have a neutral impact on the Council's overall budgetary position.

4. OTHER IMPLICATIONS

- 4.1 Legal – Whilst there is no statutory obligation for the City to provide A2L it is included within the contractual arrangements with all ALEO's.
- 4.2 Resource – In order to market the scheme additional resource will be required which will be met from existing budgets. There will be no implications on the additional resource.
- 4.3 Personnel – A2L is administered through the Customer Service teams at the Customer Service Centre and Customer Access Points and libraries. Future plans may include administering A2L cards at venues where they are available for use and this would require additional training for staff on the process involved. This additional time would be minimal. The launch of the new A2L scheme personnel training will be required in order to ensure accurate monitoring and evaluation of the scheme going forward.

- 4.4 Property – No implications.
- 4.5 Equipment/Health and Safety – All equipment within each organisation will be to a high standard where it is regularly checked to ensure compliance with regulation standards. For the purpose of A2L it is noted that there may be additional needs concerning equipment and those that meet the criteria of A2L i.e. disability but additional provisions will be put in place to ensure no risk is presented. All ALEO's adhere to their own health and safety policies which encompasses the A2L requirements.

5. BACKGROUND / KEY ISSUES

- 5.1 A previous report considered at the Finance, Policy & Resources Committee in May 2014 approved 10 policy recommendations and made 6 specific recommendations in relation to operational changes that were being proposed, including the setting up of an Access to Leisure Working Group to identify the specific actions and implications of some of the changes being proposed. A Working Group comprising Officers from ECS (Museums and Galleries, Accord Card Team, Assets and Finance, Equalities, Policy, Performance and Resources, Early Years Services and representatives from the Council's Arms' Length External Organisations (ALEO's) including Sport Aberdeen, Aberdeen Sports Village and Garthdee Alpine Snow Sports Centre has been established and is leading this A2L review.
- 5.2 Since that time this Committee has considered further reports from the Working Group. At the last meeting the Committee instructed Officers to pass the report in its entirety to the Disability Equity Partnership (DEP) and also to the Grampian Regional Equality Council (GREC) for their views, in light of any possible impacts on key groups currently covered by the A2L scheme.
- 5.3 Representatives of the A2L Working Group provided the FP&R Committee report in full to both DEP and GREC as required by this Committee, together with supporting background information. They also attended the December meeting of the DEP using this as an opportunity to provide further information on the proposed amendments to the A2L scheme and to receive feedback. They also met directly with GREC representatives for the same purpose.
- 5.4 The full responses from each organisation are appended to this report as Appendix A (DEP) and Appendix B (GREC).
- 5.5 The response from DEP is broadly supportive of the A2L Working Group proposals for revisions to the current scheme. The DEP response supports an A2L scheme operating within Aberdeen City which gives reduced prices to people with disabilities or long term health problems to all sport, leisure and cultural activities provided by Aberdeen City Council and its ALEO's. In practice this goes beyond the current scheme, as not all cultural activities provided by ALEO's are

formally included within the scheme. DEP also agrees with the findings of the Working Group that the current scheme is complicated, confusing and not as widely marketed as it might be. It identifies that future marketing of the scheme should therefore be more targeted towards those who would most likely benefit from the scheme. This fully supports the findings of the original Consultants and the Working Group and the recommendations to simplify the scheme, its administration and improve the marketing of the scheme.

5.6 DEP have also provided a number of areas for the Council to consider in devising a new or replacement A2L scheme. Again these all support the previous recommendations made by the Working Group in the following key areas:

- a) Improved marketing of the A2L scheme, particularly aimed at those to whom the scheme is intended with clearer messages around the importance of sport and physical activity participation to physical and mental health and wellbeing;
- b) Pricing policy: A reduced admission rate for residents with a disability to reduce the potential impact of price as a barrier to participation;
- c) A simplified application process clearly linking entitlement for people with disabilities, linked to receipt of a recognised disability benefit, free bus travel and /or blue badge entitlement; exceptionally, where a disabled applicant is unable to prove entitlement in this way an evidenced based health referral would be acceptable;
- d) Facilities should be available at all times, not just off-peak to encourage social participation with friends and / or family at peak times.

5.7 A number of other suggestions are also made by DEP which are outside of the current remit of the Working Group but will be taken forward for further discussion and consideration by the Working Group and / or directly by ALEO's.

5.8 The GREC response is also supportive of the proposed changes for aligning the scheme with the national retirement age and entitlement to free bus travel. It does however identify that it will be important to monitor whether there is any adverse change of service users by those in their early to mid-60's. The removal of asylum seekers as an eligibility category is not anticipated to have a significant impact given the very low numbers of asylum seekers in Aberdeen City at present. GREC itself has considered that DEP is best placed to provide a response in terms of the impact of the proposed changes on those with a disability. It does however support the potential for individuals to provide evidence of entitlement by way of a letter from GP's or Specialists as a means of ensuring that those who may be adversely affected by future welfare reform changes are protected.

- 5.9 As a result of the broad level of support shown by both organisations, the Working Group recommend that changes to the current A2L scheme be made so that eligibility is based on the following:
- a) Receipt of disability and / or income-related welfare benefit;
 - b) In the case of disability and / or long-term condition evidence-based referral from health professional;
 - c) Age entitlement linked to national state retirement age and / or free bus travel entitlement;
- 5.10 It is also recommended that previously recommended changes to the scheme in terms of removal of free teas and coffees and for such provision to be by means of partners /ALEO's loyalty card arrangements, a reduction in the maximum discount of 25% for crèche activities and extension of the scheme to cover all opening hours of sports venues be incorporated into a revised scheme.

6. IMPACT

Improving Customer Experience –

The purpose of the A2L scheme is to encourage participation in sport and physical activity for those that currently experience barriers to participation. Through a more robust and targeted A2L scheme the customer experience will be simplified and therefore enhanced. The customer is the main focus in the A2L scheme and the proposed changes are in order to improve the customer experience.

Improving Staff Experience –

Staff have collaborated, in the shape of the A2L working group, to contribute to the proposed changes of the scheme. Staff currently involved are engaged with the new scheme therefore committed to the delivery of it.

Improving our use of Resources –

The new scheme will be marketed and promoted to a high standard. Through staff awareness of the scheme services will be able to promote the scheme accordingly to the benefit of both the staff and the customer. Through the establishment of an A2L working group this provides a more coordinated approach across all key organisations and services.

Corporate -

A number of plans and papers have been addressed and reviewed for the purpose of this report. These include;

- Review of the Access to Leisure Plan
- Community Planning Aberdeen (CPA) Locality Plans
- Welfare Reform

- National Retirement Age

Public –

EHRIA attached.

7. MANAGEMENT OF RISK

The recommendations contained within this revised concerning a re-aligned A2L scheme may impact on the financial position of both council's services offering A2L subsidies and the financial positions of its ALEO partners. The risk is considered to be low. Revisions to the A2L scheme in terms of reducing maximum subsidies for crèche and requiring evidenced entitlement to A2L card holders are key ways in which the financial risks will be managed and reduced to an acceptable level. Furthermore, regular monitoring of the uptake and impact of the council and its ALEO's will also be undertaken.

The recommendations may also impact on customers and citizens, particularly those who may no longer be entitled. This risk is also considered to be low. This risk will be managed through a robust marketing and communications plan, with the revised scheme marketed towards those for whom the scheme is intended.

In each case, risks will be monitored through the working group.

8. BACKGROUND PAPERS

Review of Access to Leisure Scheme, Finance, Policy and Resources Committee – September 2016

Review of Access to Leisure Scheme, Finance, Policy and Resources Committee – 6 May 2014

Review of Access to Leisure Scheme (A2L) – Final report – December 2013. Strategic Leisure Ltd

9. REPORT AUTHOR DETAILS

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Appendix A: Review of Access to Leisure Scheme

Response of the Disability Equity Partnership (DEP) Review of the Access to Leisure Scheme

Consultation meeting date: 16 November 2016 (DEP meeting)
Response received: 7 February 2017

Aberdeen City Council has an important role in encouraging all its residents to participate in leisure, sport and cultural activities to help improve their physical and mental wellbeing.

There are strong links between regular exercise and participation in social activities and the improvement in the wellbeing of people with disabilities, mental health difficulties and other long term health conditions. These are positive benefits which go beyond just exercise and physical improvement.

The City Council has a responsibility to reduce health inequalities across the City. This requires specific action to ensure people with a disability or health problem are encouraged and helped to participate. The Council has a particular responsibility in helping to widen participation in leisure and sport activities to groups who find it difficult to take part in activities on the grounds of cost and/or difficulties with access.

For these reasons the Disability Equity Partnership believes that there should be a scheme in operation in Aberdeen which gives reduced rate access to people with a disability or a long term health problem to all sport, leisure and cultural activities provided by Aberdeen City Council and the ALEOs.

The existing Access to Leisure scheme seems very confusing and complicated so there is a need for any new scheme to be simpler to understand and easier to access. Many DEP members were not aware such a scheme existed and was part of the Accord card scheme. This suggests that that any new scheme needs to be better publicised and should be advertised more widely, particularly to members of the public who are likely to be entitled to benefit from the scheme.

It is very difficult to give a detailed response to the proposals in the Council's report as there are no figures on the take up of the Access to Leisure scheme by disabled residents. Indeed, many may not even realise they qualify for such a scheme. This means details such as costs to the Council each year per disabled resident accessing the scheme and the net benefits this could have on other services, and the disabled people themselves, is hard to quantify. Therefore, we are not in a position to judge how disabled residents would be affected by any specific proposal.

This response only deals with the parts of the report which affect Aberdeen residents who have a disability or identify as having health issue that has a significant impact on their daily lives. We believe it is out with our remit to make comments on the aspects of the report which affect families with young children, on low income and those over the age of 60 or in receipt of the State Pension. However, there are some

issues which should be considered by the Finance, Policy and Resource committee in reaching its final decision.

Things for the Council to consider in devising a new or replacement Access to Leisure scheme

- Robust and consistent impact assessments should be carried out for any changes decided to the scheme, including early engagement with the affected groups to ensure success and sustainability of the scheme.
- The Council should use the Access to Leisure scheme as another opportunity to promote the importance of exercise and social activities on mental health and wellbeing.
- Residents with a disability are likely to have a lower disposable income than the general population so are more likely to be dependent on the Council provision and provided by ALEOs (rather than the Private Sector) on the grounds of cost. A reduced rate is imperative.
- The application process should be as simple and straightforward as possible and if possible linked to other application processes such as the bus travel scheme and Blue Badge scheme, thus avoiding the need for multiple applications for different services.
- Decisions on eligibility for any reduced rate scheme for disabled people already in receipt of a recognised disability benefit should not require a separate test. Qualification should be automatic for such people.
- Eligibility criteria should be easy to understand and well communicated to the people who would qualify for a reduced rate.
- A safety net should be developed to ensure that there is a mechanism for those who don't qualify for the usual disability Benefits but can still qualify based on an evidence based health referral. Options could be from a physiotherapist; GP or job centre professional. Any such referrals would need to be consistent across the city.
- This could be a chance to build on the move towards 'Social Prescribing' practices in the medical community. Access to Leisure can provide another joint partnership to NHS Grampian via the emerging Community Link Workers based in GP practices across the city.
- The Council should ensure that there are facilities and services within the Access to Leisure scheme which are appropriate to those with disabilities, including trained support staff and swimming pools suitably equipped to aid those with the severest of disabilities.
- To increase and widen the provision of available facilities in the City it might be worth considering whether local private facilities could be approached to also participate in the Access to Leisure scheme as part of their Corporate Social Responsibility.

- Any new scheme being introduced should be widely publicised showing the benefits to those with a disability or health problem of engaging in a sport, leisure or cultural activity. Information should be sent to every household through Council Tax packs and via Corporate Comms messages.
- To encourage the widest participation, any scheme should be able to be used at any time of day, not just off-peak times. Disabled people are more likely to participate if they can go along at the same time as family and friends. The current system means there are no free or reduced fee access for this.
- Encouraging more uptakes to the scheme by addressing the root causes of barriers to participation for the disabled community. Such barriers include transport to leisure facilities, appropriate changing facilities and equipment. Many older disabled people simply don't know what is available and what could be possible for them.
- If devised properly such a scheme has the potential to mitigate further illness associated with a disability.

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Appendix B: Review of Access to Leisure Scheme

Response of the Grampian Regional Equalities Council (GREC) to Finance Policy and Resources Committee's Review of the Access to Leisure Scheme

Consultation meeting date: 25 November 2016 (Dave Black, General Manager)
Response received: 23 December 2016

A significant amount of work has clearly gone into evaluating the current scheme and to seeking to shape a future scheme which will better fit the needs of targeted individuals and communities, as well as being better aligned with City-wide objectives to tackle inequalities, including health inequalities.

Given the potential impact on disabled people, and that disability is one of the barriers to leisure that the scheme is aiming to address, GREC welcomes that the new Disability Equity Partnership has been consulted on the process; the range and wealth of experience in the partnership will provide invaluable insight. Of particular interest will be if the alignment of the scheme with the benefits brought in by welfare reform raises concerns. In this way the ability for individuals to provide letters to prove entitlement from GPs or Specialists will be important.

In terms of older people who may be negatively impacted by the changes, i.e. those in their late 50s who may be anticipating access to the scheme when they turn 60, the proposal is to bring the scheme in line with entitlement to free bus passes (in terms of national retirement age) and so this seems fair. People in their early to mid-60s who face cost as a barrier to leisure services may qualify for the scheme under low income criteria. It will however be useful to monitor the impact of the change in the scheme on the use of services by those in their early to mid-60s.

The Equality and Human Rights Impact Assessment highlights a positive and negative impact in terms of pregnancy and maternity; it appears that the positive impact is that some of the access to crèche services from the old scheme would continue (at a 25% rate as opposed to a 50% reduction rate), but this does not seem to be a positive Impact, rather a neutral one. The reduction in the discount rate for the service would likely have a negative impact, as noted already. In terms of impact on race/ethnicity: the criteria would no longer automatically entitle asylum seekers to the scheme, and therefore there is a very small potential impact here, given the very low numbers of asylum seekers in Aberdeen City at present.

One general concern, is the impact of the changes in the scheme in relation to loneliness and isolation. Recent studies have highlighted the significant negative impact that loneliness can have on health (both mental and physical) and the length of time that individuals can live independently. Therefore it would be useful to get the input from Health and Social Care and Public Health colleagues on the dilution of the "social" elements of the scheme, such as the discounts on teas and coffees. Key information would likely be: are the people making use of these discounts people

that would otherwise be more isolated and lonely; and how does/can the A2L scheme complement any strategies for reducing isolation in the City.

6- EHRIA Summary and Action Planning				
Report Title	REVIEW OF ACCESS TO LEISURE SCHEME			
Assessment not required	Evidence			
Assessment completed	As a result of completing this assessment, what actions are proposed to remove or reduce any risks of adverse outcomes which were identified.			
Identified Risk and to whom:	Recommended Actions:	Responsible Lead:	Completion Date:	Review Date:
Parents/ carers wishing to access crèche provision	The adjustment is being proposed at a time where all 3-5 year olds are entitled and have had an offer of to 600 hours of free early learning and childcare. In addition eligible 2 year old (with parents on benefits) are now also entitled to 600 hours of early learning and childcare in a local setting. Therefore families with the most need will be entitled to a free entitlement and this should mitigate	S. Sansbury	Wef April 2017	April 2018

	<p>against any negative impact on families with young children.</p>			
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<p align="center">7: Sign off</p>	
<p>Completed by (Names and Services) :</p>	<p>Jill Franks Director of Business Development, Sport Aberdeen</p>
<p>Signed off by (Head of Service) :</p>	
<p>Only sections 6 and 7 will be attached to the committee report</p> <p>The full EHRIA will be published on Aberdeen City Council’s website under http://www.aberdeencity.gov.uk/xeq_EHRIA_Search.asp</p> <p>Please send an electronic format of the full EHRIA without signature to SHoward@aberdeencity.gov.uk</p>	

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 March 2017
DIRECTOR	Gayle Gorman
TITLE OF REPORT	Sport Aberdeen – Contract revision and Governance Arrangements
REPORT NUMBER	ECS\17\018
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update this Committee on work completed with regards to revising the Council's contract with Sport Aberdeen and the Company's Governance Arrangements.
- 1.2 An interim report was considered by this Committee at its meeting of 19 April 2016 and this report provides further detail on the changes to the Funding and Services Agreement and the Sport Aberdeen Articles of Association.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee :
 - (i) Approve the revised contract documentation, including Articles of Association, which sets the relationship between Aberdeen City Council and Sport Aberdeen;
 - (ii) Approve the revised 'Outcome Specification' Framework between Aberdeen City Council and Sport Aberdeen as outlined in section 5.9 of this report; and
 - (iii) Otherwise note the contents of this report.

3. FINANCIAL IMPLICATIONS

- 3.1 In the current financial year, the Council has entered into a contract with Sport Aberdeen which has a financial value of £5.459 million. This

is based on the range of activities that Sport Aberdeen provides on behalf of the Council in terms of direct sports delivery and also sport development.

- 3.2 At its meeting of 20 September 2016, Committee agreed to provide a bank guarantee of up to £5 million to allow Sport Aberdeen to invest in its property assets.

4. OTHER IMPLICATIONS

4.1 Legal

The adjustments to Sport Aberdeen's Articles of Association and Funding and Services Agreement have been approved by appropriate officers within Commercial and Procurement Services.

4.2 Property

Sport Aberdeen deliver sports activities from a number of Council owned premises across Aberdeen. These assets are leased to Sport Aberdeen on a full repair and maintenance basis which reduces some of the Council risk of incurring cost for maintenance or improvement work.

5. BACKGROUND / KEY ISSUES

- 5.1 A previous report considered at the Finance, Policy & Resources Committee on April 2016 delegated authority to the Head of Legal and Democratic Services to amend the contract between the Council and Sport Aberdeen to include the additional functions and responsibilities transferred to it as a result of the decision of the Education and Children's Services Committee in January 2015. The previous meeting of the Finance, Policy and Resources Committee in April 2016 also noted progress with regards to the re-drafting of the Funding and Services Agreement.
- 5.2 Officers from the Council's Legal Services and Sport Aberdeen's solicitors, Stronachs, have now completed the work in revising the strategic contract to incorporate the additional functions and responsibilities transferred to Sport Aberdeen. As part of this work both organisations have agreed to revised Articles and Memorandum of Association, which govern the management and operation of Sport Aberdeen. The revised Articles and Memorandum increase the number of Directors to 13 for business purposes and provide Sport Aberdeen with the ability to replace any Board members following their specific and published process for such appointment, with such appointment then being notified to the Council; however, the Council retains responsibility for the appointment of the Chairman. This accords with the requirements of Teckal.
- 5.5 The revised Funding and Services Agreement includes the strategic legal contract, together with a more outcome focussed Services Specification. This sets out the outcomes required of Sport Aberdeen in

delivering the strategic and operational sport and physical activity services and programmes on behalf of Aberdeen City Council.

5.6 Sport Aberdeen will be required to demonstrate the contribution its services and programmes make to a range of national outcomes as set out by;

- the Scottish Government in its 'Reaching Higher' strategy
- Active Scotland's Outcomes Framework,
- **sportscotland's** 'Raising the Bar'
- Aberdeen City's local outcomes, as set out in Community Planning Aberdeen's Local Outcome Improvement Plan (LOIP)
- the 'Strategy for an Active Aberdeen'
- 'Aberdeen's Sports Facilities Strategy',

the latter two of which have recently been adopted by the City Council.

5.7 The revised specification also requires Sport Aberdeen to demonstrate continual improvement in the delivery of services, and improvements in efficiency, productivity and value for money. To support the latter requirements, the revised Outcome Specification is based on two widely recognised best practice / continual improvement models:

- (i) How Good is Our Culture and Sport (HGOICS), produced by Education Scotland
- (ii) Quest for Facilities and Active Communities, endorsed by **sportscotland**.

5.8 By requiring Sport Aberdeen to be externally accredited by these organisations and in ensuring that Sport Aberdeen is focussed on delivering outcomes which matter to the city, Aberdeen City Council can be confident that its financial resources are being utilised in the most cost-efficient and effective way.

5.9 With a clear Outcome Specification and a requirement for Sport Aberdeen to report to the Council in accordance with the current ALEO Governance arrangements, this sets the framework for a robust performance management framework which will allow both Sport Aberdeen and Aberdeen City Council to use performance information systematically to improve services and achieve better outcomes for individuals, communities and places.

5.9 The key sections of the Outcome Specification can be summarised as follows:

- a) **Strategic Context:** strategies and overall outcomes required;
- b) **Governance and Company Management** , including legal responsibilities , OSCR compliance , business planning, financial management, continuous improvement and outcome measurement;

- c) **Developing people**, including young people and volunteers;
- d) **Asset management**;
- e) **Sport and Physical Activity**, including contributing to health and well-being outcomes, increasing participation and partnership working.

5.10 The Council also has appropriate governance arrangements in place through the ALEO Governance Hub. The Hub is able to review Sport Aberdeen's performance in a number of areas:

- financial integrity;
- service performance against the annual Business Plan objectives and Key Performance Indicators;
- health and safety;
- risk management;
- HR policies; and
- Procurement.

6. IMPACT

6.1 Improving Customer Experience

The transfer of operational sports responsibility to Sport Aberdeen as included within the revised contract means that they are able to better manage sports provisions and development throughout Aberdeen which will result in a better experience for the citizens of Aberdeen.

The ability for them to plan and implement strategies and developments on a longer-term basis will enable greater coherence across sport and leisure offered to be shared with the public and customer experience should improve as a result. This is further strengthened by the creation of the Active Aberdeen Partnership which brings all key stakeholders together to promote sporting and physical activities for all citizens of Aberdeen.

6.2 Improving Staff Experience

No impact as a result of this report.

6.3 Improving our use of Resources

Sport Aberdeen will lead the development of sports development within the city and this will lead to strategic efficiencies which mean that planning and implementation of sport activities are now seamless within the one organisation.

7. MANAGEMENT OF RISK

7.1 The revised Articles of Association and Funding and Services Agreement ensure that the responsibilities of Sport Aberdeen are accurately reflected in the appropriate documentation.

- 7.2 Sport Aberdeen hold the requisite insurance policies to cover staff and visitors to their premises and have a sound risk management approach as discussed at the ALEO Governance Hub.
- 7.3 The Council's financial risk is minimised through the agreements and Sport Aberdeen's performance is reviewed to ensure it meets the agreed levels prior to quarterly payments being released. The physical assets from which Sport Aberdeen deliver services to the public are leased on a full repair and maintenance basis, therefore in part minimising the Council's property risk.

8. BACKGROUND PAPERS

- 8.1 Finance, Policy and Resources Committee - 19 April 2016 – Sport Aberdeen – Contract Revision and Governance Arrangements (ECS\16\022)

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	9th March 2017
DIRECTOR	Gayle Gorman
TITLE OF REPORT	Suspension of the ACC Procurement Regulations for a Contract for the removal and storage of artefacts from Provost Skene's House
REPORT NUMBER	ECS/17/011
CHECKLIST RECEIVED	Yes

1. **PURPOSE OF REPORT**

The purpose of this report is to make Members of this Committee aware of a contract for the removal and storage of artefacts from Provost Skene's House awarded following a request, under ACC Procurement Regulation 3.10, for suspension of the ACC Procurement Regulations as detailed in this report. The suspension request was approved by the Chief Executive and the Head of Commercial and Procurement Services on 22nd December 2016.

The report fulfils the requirement of ACC Procurement Regulation 3.11 which requires that "Any contract made on behalf of the Council under this paragraph shall be reported to the appropriate Committee of the Council by the Delegated Procurer as soon as practicable."

2. **RECOMMENDATION(S)**

It is recommended that the Committee notes the contents of this report and the reasons behind requesting suspension of the relevant ACC Procurement Regulations and the award of the contract.

3. **FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

The value of the contract with Constantine Limited to remove and store the artefacts from Provost Skene's House (PSH) is £84,700. This will

be funded from the £500,000 allocated to the redevelopment of PSH by MUSE Developers.

4. OTHER IMPLICATIONS

Suspension of the ACC Procurement Regulations was granted by the Chief Executive and the Head of Commercial and Procurement Services on December 22nd, 2016. Advice and input was also received from a Category Manager in the C&PS and a solicitor from the C&PS Legal Team.

5. BACKGROUND/MAIN ISSUES

5.1 The Council has approved a City Centre Master Plan, which will be implemented over the next twenty-five years. PSH sits in the heart of the city centre.

5.2 The new exhibition at PSH will celebrate the achievements of local figures who over the centuries have made major contributions to science, medicine, arts, entertainment, business, sport and other fields. In short, those who have transformed the world and contributed to the success of the City.

5.3 A full design team has been commissioned to ensure that the essential and enabling works required for the re-opening of PSH are commenced in line with the overall project programme. The interpretation and design fit out will ensure that PSH is restored and enhanced prior to opening its doors to the citizens and visitors of Aberdeen City (scheduled for July 2017).

5.4 In advance of these redevelopment works, it is essential to decant and store carefully all the artefacts currently contained in PSH. Our access strategy has been developed in close liaison with Morgan Sindall and in line with their overall development programme. It is essential that we have an empty building to carry out the necessary condition and asbestos survey work which will inform and form part of the essential and enabling works for PSH. A project team meeting took place in January 2017 to confirm programme milestones for this work package.

5.5 The redevelopment of PSH is a vital cultural component that sits in the heart of Marischal Square, any risks of delays in programme and the overall delivery of the project could have a significant negative impact on the Council's reputation.

5.6 The reason for the request to suspend the ACC Procurement Regulations was because the proposed contract value was initially estimated at below £50,000. Expenditure below £50,000 can be approved by the relevant Head of Service and a contract can be awarded after seeking four competitive quotes. Four quotes were obtained, however all quotes came back in excess of £50,000 due to the addition of storage costs. Regulation 4.4.1 requires competitive

tendering and advertising on Public Contracts Scotland (PCS) where a contract value exceeds £50,000 and Regulation 4.1.1.2 requires Committee approval of expenditure in excess of £50,000.

- 5.7 There was insufficient time to go to Committee because removal of the artefacts from PSH would have been delayed. This would have had an impact on carrying out both the conditions and asbestos survey which were both on the critical path. The overall delivery programme would have been delayed therefore having consequences for the anticipated opening in parallel with Marischal Square in July 2017.

6. IMPACT

6.1 Improving Customer Experience

The suspension of Procurement Regulations enabled the contract to be awarded to Constantine Limited without any delay and allowed us to ensure that the redevelopment of PSH can progress in accordance with the overall programme, thereby delivering this project for all the citizens and visitors of Aberdeen to enjoy.

6.2 Public

A full human rights impact assessment was not required for this report.

7. MANAGEMENT OF RISK

- 7.1 The redevelopment of PSH is a vital cultural component that sits in the heart of Marischal Square, any risks of delays in programme and the overall delivery of the project could have a significant negative impact on the Council's reputation. This is a services contract and the proposed expenditure of £84,700 is well below the EU threshold of £164,176. This means that an EU tender process would not have been required but rather advertising on PCS. This minimises the risk of challenge.

8. BACKGROUND PAPERS

There are no background papers included with this report.

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	ACVO and HMP Grampian Family Centre Grants
REPORT NUMBER	CHI/17/055
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This report seeks approval to enter into a grant funding agreement with the Aberdeen Council of Voluntary Organisations (ACVO). It also seeks approval to make a £32k funding contribution towards the Family Centre and Help Hub (FCHH) at HMP Grampian and to enter into a formal agreement with Action for Children for the funding period.

2. RECOMMENDATION

Committee is recommended to approve:

- a) Officers agree a grant funding agreement with ACVO to apply from 1 April 2017 to 31 March 2020 for the provision of third sector interface, third sector engagement with the Council and support to the Civic Forum.
- b) Provision of £32,000 grant payment to Action for Children as funding contribution towards the Family Centre and Help Hub (FCHH) At HMP Grampian for 2016/17 and to agree a grant funding agreement with Action for Children to 31 March 2018.

3. FINANCIAL IMPLICATIONS

- a) The value of the agreement with ACVO is £48,837. £43,837 is provided by the Council and has been agreed within the Council's budget 2017/18. £5,000 within the Community Planning Partnership's budget, which includes contributions from the NHS Grampian, Police Scotland and Nestrans.
- b) £32,000 is available in the 2016/17 in the contingency budget within the general fund for the FCHH. £32k funding has been agreed in the general fund budget 2017/18.

4. OTHER IMPLICATIONS

The Community Planning Aberdeen (CPA) element of funding for ACVO is expected to be agreed by the CPA Board on 27 February 2017.

Legal colleagues will be involved in drafting grant funding agreements.

5. MAIN ISSUES

ACVO

The Council provides funding to ACVO to act as the Third Sector Interface in Aberdeen and provide the following services:

- Ensure the third sector is well represented in all aspects of community planning in the City and across localities
- Provide mechanisms to secure third sector involvement in the delivery of the Local Outcome Improvement Plan 2016-26 and Locality Plans 2017-27
- Lead the development and delivery of the Community Planning Partnership's Volunteering Framework
- Provide mechanisms that build the capacity of the third sector to engage effectively in local and city wide improvement activity
- Lead the development of the social enterprise sector to increase the economic value base of the third sector

Related to this, the Community Planning Aberdeen also provides funding to ACVO to support and administer Aberdeen's Civic Forum to enable it to represent communities of interest across Aberdeen in Community Planning.

The proposed grant funding agreement between the Council and ACVO would be in respect of the objectives set out above.

Action for Children

Robust evidence is available that prisoners with families who maintain contact with their families while in prison are less likely to re-offend and to this end the FCHH was set up at HMP Grampian when it opened in September 2015.

The FCHH involves a partnership including the Council, Aberdeenshire Council, Action for Children, Shelter Scotland, Families Outside and the Scottish Prison Service providing a range of supports to visitors and their families towards an overall objective of reducing re-offending.

A request was made to Community Planning Aberdeen for a funding contribution towards the FCHH requesting £32k per year. The FCHH was developed and implemented on the basis that Community Planning Aberdeen would make this contribution.

The request was considered by Community Planning Aberdeen and partners involved within the partnership. However, no funding was identified. Council representatives within the partnership intimated that the Council would give due consideration and hence this report seeking funding allocation.

During 2016 47% of adults and 45% of children helped and supported at the FCHH were from Aberdeen.

Providing £32k from the 2016/17 general funds would represent a 22% contribution towards total costs. Funding contributions are also provided by Aberdeenshire Council, Action for Children and the Scottish Government.

6. IMPACT

Improving Customer Experience –

The FCHH provides a critical service to visitors to HMP Grampian. ACVO services support communities engage with the Council.

Improving Staff Experience –

ACVO services will support staff involved in community and third sector engagement.

Improving our use of Resources –

The FCHH assists in the reduction of re-offending and therefore contributes to future cost avoidance to the Council and the wider public sector.

Corporate -

The proposals support community engagement and regeneration objectives within Smarter Aberdeen. Further they support implementation of Community Planning Aberdeen's Local Outcome Improvement Plan and developing Locality Plans, in particular People, Place and Technology themes.

Public –

This report is unlikely to be of significant interest to the public. EHRIA to be completed – any impacts are anticipated to be positive.

7. MANAGEMENT OF RISK

Failing to agree funding and/or grant funding agreements would result in services no longer being delivered. Further, this is likely to result in reputational damage to the Council. Agreements assist to ensure clarity of the Council's requirements and the terms applying to provision of grant funding.

8. BACKGROUND PAPERS

Community Planning Budget 2017/18 Report to Community Planning Aberdeen Board, 27 February 2017.

9. REPORT AUTHOR DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	9 th March 2017
INTERIM DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Middlefield/Northfield Place-Making and Active Travel Project (& Environmental and Flood Prevention Works at Heathryfold Park, 2 nd report)
REPORT NUMBER	CHI/17/008
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

On 20th September 2016 Finance, Policy and Resources Committee instructed the Head of Land and Property Assets to seek grant funds so as to allow the environment within Heathryfold Park to be enhanced.

Three grants have been applied for:

- A Scottish Natural Heritage: Green Infrastructure Strategic Infrastructure Fund (ERDF) grant application (for £426,813) to improve the environment within Heathryfold Park;
- B Nestrans grant application (for £150,445.45) to improve the crossings across Provost Rust Drive and Manor Avenue for pedestrians, cyclists and those with disabilities; and
- C Sustrans grant application (for £469,093.83)
 - routes across Heathryfold Park that are suitable for cyclists and those with disabilities; and
 - a new connection between the cycle routes on Auchmill Road and Provost Rust Drive (by-passing the forthcoming Haudagain junction works)

Scottish Natural Heritage has written to the Council advising that it is their intention to award a grant, subject to the finalising of the detail of the proposals.

Nestrans' board have also provisionally approved a grant award to this project, subject to confirmation of the available budget on 19th April 2017.

The purpose of this report is to update the Committee on this progress; and to seek approval for these two provisional grant awards to be accepted, once the details have been finalised.

2. RECOMMENDATION(S)

It is recommended that the Committee gives approval for:

- 2.1 the use of existing budgets (flood alleviation budget and allocated staffing budget, see items 3.1 and 3.2) as match funding towards these two provisional grants awards (from SNH and Nestrans);
- 2.2 the signing of, or entry into, a legal agreement, or other documentation with these organisations, subject to approval of the terms by Head of Legal and Democratic Services; and
- 2.3 the addition of a Park Ranger post to the staff establishment for the duration of the SNH grant period (subject to the grant award being made to fund this additional post).

It is recommended that, if the application to Sustrans results in a provisional offer:

- 2.4 officers are instructed to report back to a future Committee on the next steps required to deliver the improved active travel routes across Heathryfold Park and the connections to Auchmill Road and Provost Rust Drive.

3. FINANCIAL IMPLICATIONS

3.1 Flood alleviation capital costs (Housing Revenue Account)

On 9th June 2015 Aberdeen City Council's Finance, Policy and Resources Committee approved the development costs of a housing project within this Park. These development costs included an allowance of £500,000 towards undertaking the following capital works within this Park:

- de-culverting of the Scatter Burn, and
- construction of flood alleviation weirs (which, in turn, will create wetlands behind).

These civil engineering works will incur administration costs, professional fees and a statutory application fee. It is recommended that £75000 (15%) be allowed for such costs.

3.2 Project management costs

While Scottish Natural Heritage is the Lead Partner for the **Green Infrastructure Strategic Infrastructure Fund**, the source of the funding is the European Regional Development Fund (ERDF). This funding source will result in significant reporting requirements.

It is proposed that this reporting requirement will be met by seconding a member of staff to this project on a full-time basis (see item 2.1: allocated staffing budget). By doing so, this will allow additional grant monies to be obtained from ERDF.

3.3 Scottish Natural Heritage: Green Infrastructure Strategic Infrastructure Fund (ERDF) grant application/award

Grant awards are made on the basis of 40% of the overall project costs.

A grant application of £426,813 has been made on the basis of a contribution from the Council of £640,219. It is proposed this is met from the Manor Walk flood alleviation budget (of £500,000), plus existing budgets for administration costs and staff (£140,219).

This potential grant award will include a contribution towards the capital cost of the works and will fund a new post of Park Ranger, for the duration of the grant period.

(It is intended that the Park Ranger will provide support for community based environmental activities within the Park and will also participate in curriculum based educational activities within the Park).

The Council has been informed that this application has been successful, subject to the finalisation of the details of the project. This expenditure is to be between June 2017 and December 2018.

3.4 Nestrans Grant application/award

Grant awards are made without match funding requirements.

The Council has been informed that this application is provisionally successful, subject to confirmation of the budget for the coming year. This expenditure will be prior to April 2018.

3.5 Sustrans Grant application/award

Grant awards are made on the basis of 50% of the overall project costs.

A grant application of £469,093.83 has been made on the basis of the match funding opportunity of the Manor Walk flood alleviation budget.

It is anticipated that the Council will be informed of the success, or otherwise, of this application in March 2017. If successful, this expenditure will be prior to April 2018.

(Sustrans have indicated a strong interest in this application:

- they have extended their financial commitment to the A96 cycle route improvements, so as to allow additional preparatory work to be undertaken on this proposal; and
- they have advised that they would welcome an additional grant application in 2018 **to further improve the active travel connections between Middlefield, Northfield and the rest of the City.** If the SNH grant application is successful, this will provide a further match-funding opportunity).

3.6 Revenue costs associated with the environmental improvements to Heathryfold Park (SNH application)

The area of the proposed environmental improvements is divided into two main areas:

- an area owned by Heathryfold Allotment Holders Association; and
- an area owned by the Council and maintained by the Environmental Services team.

On 20th September 2016 Finance Policy and Resources Committee approved the cost of maintaining the ground that is to be leased from the Allotment Association (which had been estimated by Environmental Services at £7,000 per annum).

It is proposed that the improvements to the area of the Park owned by the Council will be undertaken in manner that achieves a richer environment, but which can be maintained within existing budgets.

3.7 Revenue costs associated with the improvements to the core paths across Heathryfold Park (Sustrans application)

There are existing paths in the locations of the proposed paths. These are currently maintained by the Environmental Services team. The current paths are unsuitable for a number of classes of potential users and, in places, require maintenance. The new paths will not require maintenance for a considerable period of time. It is proposed that when they do require maintenance that this will be considered within the usual budgetary process.

It is envisaged that lights will be provided to the new core routes across the Park and to the connections with Provost Rust Drive and Auchmill Road. The grant application has been made on the basis that these lights will be energy efficient LED luminaires (with detectors to reduce power output when the path is not in use). Preliminary calculations have suggested that the electrical cost of this new lighting will be of the order of £200 per annum.

3.8 Revenue costs associated with the improvements to Provost Rust Drive and Manor Avenue (Nestrans application)

The existing roads are maintained by the Roads Maintenance team. These road improvements will not require maintenance for a considerable period of time. It is proposed that when these improvements do require maintenance that this will be considered within the usual budgetary process.

4. OTHER IMPLICATIONS:

The objectives of this Project are:

- to improve the quality and accessibility of Heathryfold Park which currently has low value amenity: in line with Aberdeen's Open Space Audit & Strategy;
- to create a diverse matrix of habitats, connected to the wider greenspace network, so as to support biodiversity: in line with Aberdeen's Nature Conservation Strategy;
- to increase water quality and management, especially flood alleviation, by the opening and re-naturalising the Scatter Burn: in line with the Flood Risk Management Act 2009;
- to build community confidence and capacity through community collaboration during the design, delivery and long-term management processes: in line the City's Strategic Infrastructure Plan, 5 Year Business Plan; Aberdeen - The Smarter City; and the Local Outcome Improvement Plan.
- to improve the walking and cycling routes within Middlefield and Northfield;
- to improve the connections between Middlefield/Northfield and the city-wide, core cycle network.
- to increase the accessibility of the footpaths (that cross Heathryfold Park and link with the Park) which connect a number of pre-existing public facilities, residential neighbourhoods and new facilities;
- to improve the night time accessibility of these routes for both cyclists and pedestrians;
- to increase the number of journeys made by bicycle, and on foot, within these regeneration areas (and to, and from, these areas);

- to provide cycle stands to a range of public facilities across these regeneration areas;
- to provide a direct connection from these regeneration areas to the A96 Auchmill Road cycle route (this connection will improve access to the employment opportunities to be found in Buckburn and Dyce);
- to connect the core cycle routes, to A96 Auchmill Road and Provost Rust Drive: so as to provide a means of avoiding the Haudagain junction and the forthcoming works; and
- to connect the core cycle routes to A96 Auchmill Road and Provost Rust Drive: so as to infill the missing link of a potential Bridge of Don/Garthdee cycle route, which avoids North Anderson Drive (the development of which is likely to be supported by Sustrans in 2018).

5. BACKGROUND/MAIN ISSUES

5.1 Where the idea for the project came from

The initial impetus to develop this project came from a 'Total Place' consultation process that commenced in 2014. Action to tackle speeding traffic; the difficulties in crossing Provost Rust Drive (including by mobility scooter users); the lack of provision for cyclists; and the quality of the environment were all identified as priorities by this community.

In November 2015, consultations were undertaken on what improvements should be made to the Park. Children were consulted at after-schools club. Wider views were also obtained via Facebook.

An audit of the streets and paths in, and around, this Park was undertaken in June 2016 by Living Streets and members of the public.

A design consultation was undertaken for the Park proposals on 3rd September 2016. The draft Concept Design was then further reviewed and modified by community activists on 28th September 2016.

It is confirmed that a community based steering group will help guide the development of the detailed designs, so as to ensure the range of aspirations within the community are fully considered, and met where possible.

5.2 How this project fits into the bigger picture

A number of regeneration projects have recently been completed and are underway within Middlefield and Northfield: “Aberdeen Treasure Hub”; the community “Hub” to Manor Avenue; the redevelopment of the Haudagain junction; the new housing developments at Byron Terrace, Marchburn Drive, Manor Walk and Smithfield Drive; and the environmental improvements of Heathryfold Park. Improving the pedestrian and cycle routes, within these neighbourhoods, will:

- **link** these new projects with each other and the other public facilities within these neighbourhoods (adding to the momentum of regenerational change to these priority neighbourhoods); and
- reduce the need for residents to use motorised forms of transport to access these facilities (with consequent improvements in road safety and air quality).

Scottish Index of Multiple Deprivation Data Zones (2016) S01006727, S01006726, S01006729 and S01006724 (located within Middlefield and Northfield) are ranked in the 2nd most deprived decile. The regeneration of the areas of multiple deprivation within Aberdeen (including these) are a priority for Community Planning Aberdeen. The project will (for those with a low disposable income):

- reduce transport costs (releasing income for other needs);
- reduce isolation;
- improve access to public services and employment; and encourage healthier lifestyles.

Car ownership within these data zones is understood to be relatively low. A relatively high proportion of adults within these neighbourhoods rely on public transport to get to the shops, education, training and employment. Improvements to the access routes to the bus stops will:

- increase safety;
- reduce isolation, amongst those with mobility constraints; and increase the accessibility of public services and employment, amongst those with mobility constraints.

Attendance levels at Northfield Academy is significantly lower than the City’s average: this is linked to high rates of sickness. This low rate of attendance is linked to poorer academic attainment and poorer employment prospects. An environment conducive to healthy living, in the form of improved leisure facilities and increased opportunities for active travel, is expected to reduce incidences of ill health and hence improve school attendance. In addition, studies have shown that children who walk and cycle to school are more alert and are better able to absorb information. It is anticipated that this project will contribute to improved school attainment and, therefore, improved employment prospects.

The accident rate for the elderly in data zones S01006727 and S01006729 is more than twice the City’s average. This neighbourhood is also classified as a ‘high risk’ area for children. It is understood these raised accident rates are partly due to barriers the elderly and the young experience in accessing supportive and safe public facilities. This project will reduce these barriers by improving the safety and

accessibility of the routes from residents' homes to the wide range of public facilities, within these neighbourhoods.

The Aberdeen Active Travel Action Plan 2017-2021 recognises the priority that should be given to "Local Improvements", so as to achieve higher proportion of journeys being made on foot and by bicycle.

This project is aligned with the Nestrans Regional Transport Strategy 2013/2035, "Proposals for Action: Walking and Cycling (IC6)", and "The Cycling Action Plan for Scotland".

5.3 How this project will improve the local area

The Project will provide a high quality, outdoor recreational space that is readily accessible to those whose life choices are limited by their personal circumstances. It is intended that these persons will also be supported in participating in a wide range of activities within this Park. It is anticipated that these improvements and activities will have a positive effect on a range of deprivation indicators.

The strategic objectives of this Project are:

- to improve the quality and accessibility of a Park which currently has low value amenity;
- to improve the path network in this neighbourhood so as to increase and enhance the opportunities for people to get outdoors to relax, exercise and socialise;
- to create a diverse matrix of habitats, connected to the wider greenspace network, so as to support biodiversity;
- to increase water quality and management, especially flood alleviation, by the opening and re-naturalising the Scatter Burn;
- to build community confidence and capacity through community collaboration during the design, delivery and long-term management processes;
- **link** the regeneration projects with each other and the other public facilities within these neighbourhoods (adding to the momentum of generational change to these priority neighbourhoods);
- reduce the need for residents to use motorised forms of transport (with consequent improvements in road safety and air quality);
- reduce transport costs (releasing income for other needs); and

- reduce isolation and increase the accessibility of public services and employment: amongst those with mobility constraints.

6. IMPACT

6.1 Improving Customer Experience –

These recommendations are designed to meet the community's aspirations for an enhanced and safer environment.

6.2 Improving our use of Resources –

These recommendations re-present existing investment commitments by the Council in a manner that is designed to obtain additional funding from the European Regional Development Fund, Sustrans and Nestrans.

6.3 Corporate –

These recommendations are designed to meet the following Corporate objectives:

- **Local Outcome Improvement Plan 2016-2016**
- **Aberdeen – the Smarter City:** Smarter Governance (Participation); Smarter Living (Quality of Life); Smarter People (Social and Human Capital); and Smarter Environment (Natural resources)
- **Shaping Aberdeen:** Improving Customer Experience; Improving our Use of Resources; Transform; Place; and People
- **Shaping Middlefield**
- **Joint working across Public, Community and Council organisations:**
Communities and Housing, Land and Property, Public Infrastructure and Environment, Planning and Sustainable Development. Police Scotland. Heathryfold Allotment Holders' Association. Healthy Roots.

6.4 Public –

An Equality and Human Rights Impact Assessment has been undertaken. It has been assessed that this project will have a positive impact

7. MANAGEMENT OF RISK

The primary risks of this project are the grants being refused, or delayed.

If these grants are refused the extent of the proposed environmental improvements will have to be delayed until alternative grants are secured. In addition, the alternative grants (noted in the report of 20th September 2016 to the FP&R committee) will only permit relatively small scale works to be undertaken and in a piecemeal fashion.

If the grants are delayed, the programme for this project will be compressed. This may make it impractical to achieve all the intended works, in the reduced time available.

8. BACKGROUND PAPERS

Community Planning Aberdeen, Single Outcome Agreement 2013

Aberdeen – the Smarter City

Community Planning Aberdeen Board, minutes 20th June 2016

Shaping Middlefield. Aberdeen City Council/Shaping Aberdeen

ACC's Open Space Strategy 2011-2016

ACC's Nature Conservation Strategy

Aberdeen Local Development Plan 2012

Aberdeen Local Transport Strategy 2016-2021

Flood Risk Management Act 2009

The River Basin Management Plan for the Scotland River Basin District: 2015-2027

ACC's Core Paths Plan

ACC's Environmental Management Policy Statement

Community Empowerment (Scotland) Act

Scottish Index of Multiple Deprivation Data Zones (2016)

Scotland's People Annual Report: results from 2014 Scottish Household Survey (Transport and Travel). Scottish Government.

Let's get Scotland Walking: the National Walking Strategy (2014)

A Policy Statement for Scotland, Designing Streets. 2010. Scottish Government.

Cycling Action Plan for Scotland 2017-2020. Transport Scotland

Aberdeen Active Travel Action Plan 2017-2021. Aberdeen City Council

Benefits of active travel for young people. Sustrans

Nestrans Regional Transport Strategy 2013/2035, "Proposals for Action: Walking and Cycling (IC6)".

Locality 2 Strategic Assessment 2016. Community Planning Aberdeen.

Shaping Middlefield, Planning for Real - prioritisation exercise. Aberdeen City Council/Shaping Aberdeen

Community Street Audit Report, Middlefield, Aberdeen City. June 2016. Living Streets

Safety Assessment , July 2008. SIAS Transport Planners, Edinburgh.

BBC News, 6th October 2010, "Partially-sighted man cleared of death charge"

BBC News, 15th July 2015, "Woman admits causing biker death in Aberdeen"

9. REPORT AUTHOR DETAILS

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