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To: Councillor Lumsden, Convener; Councillor Graham, Vice Convener; and Councillors Allard, Cameron, Councillor Donnelly, the Depute Provost, Jackie Dunbar, Flynn, Houghton, John, Laing, Macdonald, Catriona Mackenzie, Nicoll, Reynolds, Sellar, Townson and Yuill.

Town House,
ABERDEEN 4 December 2017

FINANCE, POLICY AND RESOURCES COMMITTEE – ADJOURNED MEETING

The Members of the **FINANCE, POLICY AND RESOURCES COMMITTEE** are requested to meet in **Committee Room 2 - Town House** on **WEDNESDAY, 6 DECEMBER 2017 at 1.00 pm.**

FRASER BELL
HEAD OF LEGAL AND DEMOCRATIC SERVICES

Members please note that you can use your original agenda papers or this document at the meeting.

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GENERAL BUSINESS

- 8.1 Delays in Capital Programmes of Works Attributed to the Contractor - In Response to Motion by Councillor Jennifer Stewart - CHI/16/326 (Pages 5 - 10)
- 8.2 Twinning & International Partnerships - CHI/17/263 (Pages 11 - 18)
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EXEMPT / CONFIDENTIAL BUSINESS

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- 9.11 Cults Business Park, Proposed Extension of Ground Lease - CHI/17/273 (Pages 299 - 304)
- 9.12 Refurbishment Works - Minto Drive, Altens Industrial Estate, Aberdeen - CHI/17/275 (Pages 305 - 314)
- 9.13 Aberdeen Art Gallery Redevelopment and Provost Skene's House Refurbishment and Museum Progress - Exempt Appendix (Pages 315 - 318)

EHRIA's related to reports on this agenda can be viewed at
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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy and Resources
DATE	01 December 2017
REPORT TITLE	Delays in Capital Programmes of Works Attributed to the Contractor – Motion by Councillor Jennifer Stewart (24 January 2017)
REPORT NUMBER	CHI/16/326
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Arthur Barrie

1. PURPOSE OF REPORT:-

- 1.1 At the meeting of the Communities, Housing and Infrastructure Committee of 24 January 2017 the Committee agreed the terms of the motion by Councillor Stewart be reported to this Committee.

The motion by Councillor Stewart was “ *To instruct the Interim Director of Communities, Housing and Infrastructure to report 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 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”

- 1.1.1 The Communities Housing and Infrastructure committee at its meeting on 24 January 2017 instructed the Director of Communities Housing and Infrastructure to bring a report to a future Finance Policy and Resources Committee.

2. RECOMMENDATIONS

- 2.1 The Committee is recommended to
- a) note the report and in particular that Council tenants and other affected residents should not receive compensatory payments under the contractual terms for capital works; and

- b) instruct officers to engage Council tenants and others affected by any future delayed works and contractors to assist negotiation on any remedial actions that can be taken to counterbalance unreasonable delays.

3. BACKGROUND/MAIN ISSUES

3.1 The motion is effectively structured around two requests: one is to ascertain if third parties (tenants/residents) can be compensated by contractors employed by the Council if works are delayed; and the second is to ascertain how other Local Authorities manage this issue.

3.2 Scottish Building Contracts – Contractual Position Regarding Delay by Contractor followed by Aberdeen City Council

3.2.1 Building contracts funded from the Council's Housing and Non Housing Capital Budgets are let under Standard Building Contracts for use in Scotland. These contracts are issued by the Scottish Building Contracts Committee.

3.2.2 Within these contracts there is a clause which entitles the Employer to deduct liquidated damages at the rate stated in the Contract Particulars, or at such a lesser stated rate, from sums due to the Contractor. A liquidated damages clause gives the Contractor the advantage of knowing with a reasonable degree of certainty the extent of his liability if he commits a particular breach of contract.

3.2.3 These sums can be withheld from the Contractor in the event that the contract is breached and in a building contract liquidated damages relate to the Contractor failing to achieve Practical Completion by the date set in the contract document.

3.2.4 Liquidated Damages are not penalties, they are pre-determined estimated damages set at the time a contract is entered into, based on a calculation on the actual loss the Employer is likely to incur if the Contractor fails to meet the contracted completion date. Examples of losses might be rent on temporary accommodation, removal costs, extra running costs etc.

3.2.5 As liquidated damages are not a penalty they must be based on a genuine calculation of damages when they were set. If they are not genuine, they may be considered a penalty by the courts and so will be unenforceable. The amount is decided on the understanding and intention that liquidated damages will compensate the Employer and not to coerce or punish the breacher.

3.2.6 Liquidated Damages will be the Employer's exclusive compensation if the applicable type of breach applies.

- 3.2.7 Therefore if the Employer has no material loss then liquidated damages cannot be applied and if the Employer attempted to do so then the amount would be open to challenge. In short the Employer is unable to quantify its loss.
- 3.2.8 Most of the contracts funded from the Housing Capital Budget are executed to buildings where the tenants and other householders remain in their dwellings for the duration of the works. Protection of access arrangements and all facilities are provided through the contract therefore the Council has no additional cost/expense if the Contractor is late in completing the works in this area as these provisions by the Contractor must remain in place at no cost to the Employer until the Certificate of Practical Completion.
- 3.2.9 In contracts such as these the liquidated damages rate is included as a fixed sum and is limited to the Council's additional expense for professional/technical and administrative costs for the period between the contracted completion date and the actual date of Practical Completion. These costs include additional time spent by internal and external consultants, additional time spent by building inspectors and tenant liaison officers.
- 3.2.10 There is no provision in the contract that requires the Contractor to reimburse third parties for their losses. Only the Employer can deduct monies due to the Contractor under the contract for the amount stated in the Contract Particulars. There is no financial loss to the Council for the unfortunate disruption to tenants and other householders.
- 3.2.11 It would be illegal and unenforceable to incorporate a provision in our contracts whereby it is incumbent on the Contractor to reimburse third parties for losses that are unknown to him and where losses cannot be substantiated.
- 3.2.12 It should be made clear that the term "tenant/owner loss" does not refer to any damage to property or personal effects caused by the contractor's negligence. In this case the Contract Administrator would instruct the Contractor to make good any damage to property to the satisfaction of the Contract Administrator and tenant/owner and replace any damaged personal effects or compensate the tenant/owner all at the Contractor's expense.
- 3.2.13 In summary, the legal position which protects all building contracts in Scotland though the industry standard adopted called 'Scotland Building Contracts' and which the Council follows does not require that payment be made in any form to third parties through the contract (Tenants and residents would be considered third parties in this instance). In effect the tenants and householders are not parties to the relevant contracts and therefore have no losses under the contract. It is acknowledged that due to the complicated nature of construction projects delays to completion are not uncommon. This can be inconvenient for tenants and householders.

To minimise inconvenience and additional costs the Council exercises its legal rights under the relevant contracts to minimise such delays. Whilst delays can be inconvenient it is preferable for the Council to maintain its ongoing Capital Programmes of Works to ensure it adheres to mandatory legal requirements such as with regard to safety.

3.2.14 Should recompense be made that would be as a good will gesture agreed by all parties.

3.3 Best Practice Adopted by other local Authorities

3.3.1 Through SHOPS (Scottish Heads of Property Services), an umbrella group formed to discuss and support best practice in the provision of property services in Local Authorities in Scotland, a request was made to ascertain the practices adopted by any other Local Authority on this matter. The method adopted was for the motion to be circulated anonymously and responses invited by the property services of the Local Authorities to it.

3.3.2 16 property services from Local Authorities replied to the request out of 32 that the request was made to.

3.3.3 The summary of the responses are in the tabular form below

Comment	Yes	No
Policy to compensate tenants in contract	0	16
Response as to whether above policy would be enforceable	0	6
Ad hoc arrangements for compensation from contractor	1	9
Other Compensation	3	0
L&A damages enacted	16	0

3.3.4 The clear understanding is that

- a) no formal provision is made to recompense tenants through contractual arrangements from the Local Authorities who replied
- b) recompense is structured around the required clauses written within the contracts agreed by each authority and contractors (L&A damages)
- c) the recompense takes the form of ascertained damages which are deducted from the final account of the contract
- d) individual arrangements have been made on an ad hoc basis, and not on a contractual basis

3.3.5 Aberdeen City Council has already applied an 'ad-hoc' arrangement to compensate tenants and residents for delayed work in Hazlehead where the contractor has agreed to deliver some environmental works to improve the area on conclusion of the contract because of delays.

3.3.6 With the inability to seek compensation through contracts officers consider that the best solution is to continue to explore 'ad-hoc' arrangements similar to the approach described above at Hazlehead and to those taken by other Scottish Local Authorities.

4. FINANCIAL IMPLICATIONS

- 4.1 If the Committee approves the recommendations there are no financial implications to the Council as a result of this report. If the committee decides on a policy to recompense tenants as part of a policy the Council potentially may breach obligations in relation to the requirement to seek best value for expenditure of public money as it would be exceptionally difficult to cap such costs and agree upon settlements satisfactory to all parties. The impact on officer time across the Council would be significant and it could detract from the time spent implementing the Capital Works Programme.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report. Any future legal implications will be reported after an options appraisal as instructed in recommendation b). If the committee seeks to put in place a policy to compensate residents a legal basis for doing so would have to be determined as paying public in compensation potentially could be *ultra vires*. The rationale of providing compensation when there is no legal basis for doing so could lead to criticism and reputational damage.

6. MANAGEMENT OF RISK

- 6.1 These are the identifiable risks which may impact the decision being sought from the Committee.
- 6.1.2 **Financial** – There are no financial risks to the Council in agreeing the recommendations. All financial risk is to be met by the contractor.
- 6.1.3 **Employee** – There is no understood risk to an employee of the Council in agreeing to the recommendations.
- 6.1.4. **Customer / citizen** – There are no understood risks to Aberdeen’s citizens in agreeing the recommendations
- 6.1.5 **Environmental** – There are no environmental risks in agreeing to the recommendations.
- 6.1.6 **Technological** – There are no technological risks associated with agreeing to the recommendation.
- 6.1.7 **Legal:** - There are no legal risks associated with agreeing to the recommendations
- 6.1.8 **Reputational;** - There are no reputational risks associated with agreeing to the recommendations.

7. IMPACT SECTION

7.1 Neighbourhood Regeneration - Improving Customer Experience –

- 7.1.1 Not applicable to this report

7.2 Community development - Improving Customer Experience

7.2.1 Not applicable to this report

7.3 Corporate

7.3.1 Not applicable to this report

7.4 Public

7.4.1 Not applicable to this report

8. BACKGROUND PAPERS

None

9. APPENDICES (if applicable)

None

10. REPORT AUTHOR DETAILS

Arthur Barrie
Principal Quantity Surveyor
Land and Property Assets
abarrie@aberdeencity.gov.uk

HEAD OF SERVICE DETAILS

John Quinn
Head of Land and Property Assets
jquinn@aberdeencity.gov.uk
(01224) 523363

ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy & Resources
DATE	1 December 2017
REPORT TITLE	Twinning & International Partnerships
REPORT NUMBER	CHI/17/263
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Dawn Schultz

1. PURPOSE OF REPORT:-

- 1.1 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)

- 2.1 That Finance, Policy & Resources Committee approve the following grants from the International Twinning Budget 2017-18:

- (a) Contribution of £10,000 towards 6 adults and 36 children from the Aberdeen Schools Rowing Association travelling to Regensburg, 6 – 13th April 2018.

3. BACKGROUND/MAIN ISSUES

- 3.1 These recommendations involve the allocation of funds made available from the 2017 -18 budget:

- 3.2 **Contribution of £10,000 towards 6 adults and 36 children from the Aberdeen Schools Rowing Association travelling to Regensburg, 6 – 13th April 2018.**

- 3.3 The Aberdeen Schools Rowing Association (ASRA) have been invited to Aberdeen's twin city of Regensburg to work with the established rowing community, specifically the Junior rowers and coaches from Regensburger Ruderklub and Regensburger Ruderverien.

- 3.4 ASRA are the only Junior rowing club in Aberdeen and are a well-established organisation within the British rowing community, with four current athletes representing Great Britain during 2017 and a further seven representing

Scotland. The Association intends to take a broad cross section of the age groups within ASRA to Regensburg to participate in this exciting twinning opportunity.

- 3.5 The timing of the twinning visit to Regensburg will see ASRA and Regensburger RuderKlub participate in the start of rowing season festival which is being held in Regensburg on Sunday 8th April 2018. Regensburg has two rowing clubs, which both have thriving Junior (Children) sections.
- 3.6 During the week-long visit to Regensburg, the children and coaches from ASRA will row and engage in activities with groups from Regensburger RuderKlub and Regensburger Ruderverien that will support the develop of cultural, educational and sporting relationships in the future.
- 3.7 ASRA's aim is to establish a lasting relationship with the Regensburg rowing community to enable them to create a positive image of Aberdeen City as a sporting and active city.
- 3.8 This twinning visit will provide an ideal opportunity to establish a new and lasting link between the rowing communities in Aberdeen and Regensburg, and to help further develop the existing relationships between the two cities with planned reciprocal visits.
- 3.9 The project outcomes being targeted are:
 1. To establish lasting relationships to help develop an International understanding between the two rowing communities in Aberdeen and Regensburg.
 2. To help breakdown social and economic barriers that exists across the group of children and coaches participating / attending from both Aberdeen & Regensburg.
 3. To promote the image of Aberdeen as a successful sporting and active community to the people of Regensburg & beyond.
- 3.10 If successful with this application, the twinning funding will be used to help develop sporting relationships between the two rowing communities, and in time it is hoped that the twinning visit will become part of ASRA's annual core program. Without external funding this will not be possible.
- 3.11 The impact of this twinning exchange will be to show Aberdeen as a successful and resourceful sporting community on the International stage, this may in turn encourage more overseas students from Germany to continue their studies at the University of Aberdeen.
- 3.12 It is planned that over the next three years that the twinning visits will become fully established, with ASRA planning to divert core program funding towards supporting annual twinning visits.
- 3.13 Total applying for:

Expenditure	
Flights – x 36 – Edinburgh to Munich – EasyJet - flight and hand luggage only	£5,400
Transport x 36 – Aberdeen to Edinburgh & rtn - transport from Aberdeen to Edinburgh & rtn for flights	£500
DFDS ferry – 2 x vehicles, 2 x trailers and 6 people - Newcastle to Imjuiden (Amsterdam), transport of rowing boats, safety launches and all main luggage	£1,200
Fuel for both vehicles towing boat trailers - Aberdeen to Newcastle, Imjuiden to Regensburg	£1,000
Accommodation on route from Imjuiden to Regensburg 2 rooms for 1 night both ways	£500
Hire of 2nd trailer large box trailer for safety launches and luggage	£480
Twinning visit hoodies and clear identification during travel and visit	£1,120
Transport Munich Airport to Regensburg and rtn (Coach) - cheaper than using public transport	£1,000
Accommodation and food Regensburg quote received from Regensburg Hostel for all meals and accommodation	£9,800
Total	£21,000
Income	
Fundraising and participants contributions	£2,000 + £9,000
Total	£11,000
Expenditure-Income	£21,000 - £11,000
Total Applying For	<u>£10,000</u>

4. FINANCIAL IMPLICATIONS

- 4.1 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	£62,791.50
i)	Contribution of £10,000 towards 6 adults and 36 children from the Aberdeen Schools Rowing Association travelling to Regensburg, 6 – 13th April 2018.	£10,000
	TOTAL	£10,000
	Closing Balance (if recommendations approved)	£52,791.50

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

6.1 Financial

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:

6.1.1 “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.”

6.1.2 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.

6.2 Employee

6.2.1 No risk identified.

6.3 Customer/Citizen

6.3.1 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

6.4 Environmental

6.4.1 No risk identified.

6.5 Technological

6.5.1 Twinning partners are encouraged to develop and maintain relationships through various technology platforms including web, Facebook and Instagram.

6.6 **Legal**

6.6.1 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 that 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.

6.6.2 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.

6.7 **Reputational**

6.7.1 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'.

6.7.2 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.

6.7.3 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.

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

6.7.5 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.

7. IMPACT SECTION

- 7.1 This section demonstrates how the proposals within this report impact on the strategic themes of Aberdeen City Council and Community Planning Aberdeen, as set out in the [Aberdeen City Local Outcome Improvement Plan 2016-26](#) and the [Aberdeen City Council Strategic Business Plan](#).

Economy

- 7.2 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.
- 7.3 Promoting and supporting international exchanges, involving various communities of interest, significantly contributes to Aberdeen City Council's vision and ambitions. This twinning project 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.

People

- 7.4 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.
- 7.5 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.
- 7.6 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.

Place

- 7.7 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.

Technology

- 7.8 Twinning partners are encouraged to use technology to develop and maintain relationships with a number of partners developing websites, blogs and video diaries to keep dialogue open and continuing to share experiences.

8. BACKGROUND PAPERS

None

9. APPENDICES (if applicable)

None

10. REPORT AUTHOR DETAILS

Dawn Schultz
City Promotions & Events Manager
Dschultz@aberdeencity.gov.uk
01224 522767

HEAD OF SERVICE DETAILS

Richard Sweetnam
Head of Economic Development
rsweetnam@aberdeencity.gov.uk
01224 522662

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy & Resources
DATE	1 December 2017
REPORT TITLE	City Events 2018 - 2019
REPORT NUMBER	CHI/17/266
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Dawn Schultz

1. PURPOSE OF REPORT:-

- 1.1 To seek approval for the 2018 -19 city events programme and associated budget subject to the normal budget process in February 2018.

2. RECOMMENDATION(S)

2.1 Members are asked to:

- (a) Approve the proposed events programme for 2018 – 2019 as detailed in Appendix 1;
- (b) Approve the proposed expenditure of £525,000 (as detailed in Appendix 1) from the existing Economic Development budget subject to the Council's budgetary process in February 2018;
- (c) Delegate authority to the Head Economic Development, in consultation with Head of Legal & Democratic Services, the Head of Commercial and Procurement and the Head of Finance to apply the criteria agreed by FP&R committee in December 2016, when considering all future event bids including three years of financial support for Nuart 2018 – 2020 subject to annual Council budget processes.
- (d) Note the impact of three key events in 2017 under the Aberdeen 365 strategy - NuArt, The Tour Series and the Great Aberdeen Run.
- (e) Approve the proposed expenditure of £100,000 per annum for three years to support the Nuart Festival, subject to the Council's annual budgetary processes;

- (f) Approve the proposed expenditure of £150,000 per annum for two years to support the Great Aberdeen Run, subject to the Council's annual budgetary process in February 2018.

3. BACKGROUND/MAIN ISSUES

3.1 Place Promotion

3.1.1 Securing the Future of the North East Economy – A 20-year Vision for the Wellbeing of the Place and Our People is the economic plan for Aberdeen and Aberdeenshire. A key objective of the Internationalisation Programme area is to improve the attractiveness of the city for international trade, investors and visitors, and in response there is a commitment to develop an events strategy to target international, national and regional events.

3.1.2 Delivering culture and tourism impacts, and to facilitate diversification into new national and international events, is also a key strand of CCMP delivery through the Aberdeen 365 Events Programme, the Broad Street public realm proposals, and the focus on development of a new arena and conference centre to anchor existing international event activity.

3.1.3 This report will aim inform members of the success of the three key events delivered under the Aberdeen 365 strategy, and advise how this approach will be applied going forward.

3.2 Aberdeen's Appraisal Criteria

3.2.1 A clear set of criteria has been adopted to inform which events, should be targeted to achieve the desired outcomes for Aberdeen.

3.2.2 As the Aberdeen 365 Strategy contributes directly to the national events strategy and the regional economic and tourism strategies, it is important that any event in Aberdeen delivers the objectives of the event itself (eg sporting, cultural); but also maximises the economic and 'legacy' impacts of staging that event, and growing the city's national and international reputation.

3.2.3 In making a decision to invest in an event, officers apply the following criteria:

- Alignment to economic/tourism and events strategies – does the event contribute to the strengths of the city and wider area;
- Visitor attraction potential – does the event have the potential to attract visitors from outside the area, and overnight stays/return visits;
- Economic impact – could the event generate a substantial economic benefit to businesses in the event and wider area;
- Media profile – does the event have the potential to attract media attention, advancing Aberdeen and the region's reputation nationally and internationally;
- Place shaping – does the event celebrate the distinctiveness of Aberdeen and the north east of Scotland and the built and natural environment;

- Funding – if the Council contributes, what added-value is there from that investment in terms of leveraging external funding (e.g. EventScotland, sponsorship) and in-kind support.

3.2.4 Any reprioritisation of events may involve stopping funding of some current events, improving on some existing events that demonstrate potential against the criteria, bidding for existing high profile national and international events and stimulating the development of new proposals to be funded via partners or other sources.

3.2.5 It takes at least three years for an event to be associated with a place and the economic and tourism benefits to be maximised. Successful events therefore require multi-annual funding streams and commitment and clarity around decision making.

3.3 **Aberdeen 365 – Aberdeen Events Group**

3.3.1 Following the establishment of the Aberdeen 365 group in summer 2017, already we are seeing the benefits of collaborative working through better internal and external coordination.

3.3.2 The group has been successful in providing structure to a number of external stakeholders who have an interest in events locally, nationally and internationally, and has provided an open forum to:

- Work with the operator of the new Aberdeen Arena and Conference Centre, SMG Europe to ensure that their conferencing and event attraction aims are supported through the partners represented;
- Collaborate with VisitAberdeenshire on activities including destination development and future marketing campaigns;
- Partner with Aberdeen Inspired in engaging city centre businesses to maximise the commercial opportunities associated with events held in the levy footprint;
- Input through Cultural Services into the Cultural Strategy being prepared by the sector in Aberdeen, which includes Aberdeen City Councils support for existing Aberdeen Festivals;
- Ongoing development and delivery of the tourism/events activity aligned to the City Centre Masterplan, and the Aberdeen 365 theme of a vibrant and exciting city.

3.3.3 The Aberdeen 365 group are currently creating a consolidated list of all the events across the region, so a clash diary is available for reference when considering the attraction and delivery of events in the future.

3.4 **The 2018 – 2019 Programme**

3.4.1 In 2017 the Aberdeen 365 Strategy focussed on developing a portfolio of three new key events that could be hosted in Aberdeen that would develop the city's offering as well as continuing to meet priorities within the existing events programme supported by Aberdeen City Council in recent years.

- 3.4.2 The events detailed in the city events programme (Appendix ONE) contribute to the common good of the city, are inclusive, maintain and develop the city's continued civic pride and showcase Aberdeen's ability to attract and host major cultural and sporting events.
- 3.4.3 The proposed programme of existing events for 2018 – 19 will be aligned to the principles of the events strategy and agreed criteria in the coming months, aiming for an incremental change in local authorities approach to event attraction, support and management in future years.
- 3.4.4 This will provide a standardised approach to events in the city, as well capacity in the existing programme where events are re categorised across four broad categories of:
- Headline events
 - Feature events
 - City events
 - Community events
- 3.4.5 This will provide a balance of city events that are well established in the Aberdeen calendar that continue to provide social and cultural benefits for Aberdeen that relate to the current or new facilities and infrastructure, while including new events that will support the growth and development of the events portfolio and reflect the ambitions of the city.

3.5 Nuart – April 2017

- 3.5.1 Nuart Aberdeen is a multi-award winning festival and, following on from its success in 2017, Aberdeen Inspired is working to secure its future in the city as an annual flagship festival from 2018 - 2020.
- 3.5.2 Nuart is an international contemporary street and urban art festival, held annually in Stavanger, Norway since 2001. It is widely considered the world's leading celebration of Street Art among its peers, and provides an annual platform for national and international artists who operate outside of the traditional art establishment.
- 3.5.3 Nuart in Stavanger consists of a series of citywide exhibitions, events, performances, interventions, debates & workshops surrounding current trends and movements in street art practice by some of the world's leading practitioners and emerging names. The artists who attend the festival are among the most acclaimed and progressive public art practitioners in the world.
- 3.5.4 Nuart produces both temporary and long-term public artworks, as well as facilitates dialogue and action between a global network of artists, academics, journalists and politicians. Our core goal is to help redefine how we experience both contemporary and public art: to bring art out of museums, galleries and public institutions onto the city streets.

- 3.5.5 Nuart aims to provide an internationally relevant, challenging and dynamic environment for artists, students, gallery goers and public alike; an event that aims to reflect the culture as well as participate it helping define it.
- 3.5.6 Close consideration has been given to how Nuart Aberdeen fulfils and exceeds the aspirations set out in the Aberdeen 365 Strategy, and the City Centre Masterplan. These strategies set out the need to develop a programme of events that enhances the Aberdeen's growing reputation as a festival city as well as its reputation as a tourism and visitor destination.
- 3.5.7 Widely considered to be one of the largest BID led projects of its kind, the need to embed a long lasting legacy at its heart remains a key component of the Nuart festival in Aberdeen.
- 3.5.8 The festival captured the hearts and minds of people from across the city in an unprecedented way and attracted visitors from across the country. The Aberdeen and Grampian Chamber of Commerce conducted an independent evaluation that shows:
- Over 80% of respondents agreed that Nuart Aberdeen had increased their pride in Aberdeen as a place to live;
 - Over 85% of respondents agreed that Nuart Aberdeen made the city more progressive, advanced and radical;
 - Over 75% of respondents agreed that the festival was effective in bringing communities together;
 - Nearly 90% of respondents believe that the festival improves their perceptions of Aberdeen's art and culture offering.
- 3.5.9 The aspiration is to curate and position Nuart Aberdeen as one of Aberdeen's headline events and one of the UK's most credible and well respected street art festival, placing the Granite City at its heart. It is this aspiration for Nuart Aberdeen, as a product, that Aberdeen Inspired believe creates a significant tourism opportunity to attract visitors from across the region and the country, promoting Aberdeen as the place to visit for high quality, transformational and powerful street art. In close collaboration with key stakeholders, including Aberdeen City Council and Visit Aberdeenshire, as well as local businesses and resident artists, there are ambitions to grow the festival, incorporating an enhanced community programme that seeks to create a greater legacy within communities, working with visiting and resident artists.
- 3.5.10 Visitor Attraction Potential:
- Aberdeen Inspired seeks to work with numerous stakeholders, including Visit Aberdeenshire and the Chamber of Commerce to present opportunities for visitors to come to Aberdeen during and after each festival. There is strong evidence that Nuart, if delivered annually presents significant possibilities to attract visitors in particular from across the UK and Europe;
 - The AGCC evaluation shows that 93% of respondents rated the festival as excellent or very good while almost 90% of respondents would return to the city if the festival were to be repeated.

- There is a plethora of evidence on social media which demonstrates the continued appetite, of the local populace and past visitors, for more Nuart Aberdeen.

3.5.11 Economic Impact:

- Evidence is still being document from businesses that have benefitted over the summer from the legacy left by the festival, including venues on the Green nearby the Herakut production;
- Increased visitors have been documented as part of the weekly walking tours that have took place over the summer;
- Many local businesses have given in-kind contributions to the festival and have benefitted from increased patronage and profile.

3.5.12 Media Profile:

- The festival received global interest from many international outlets including The Independent, the Huffington Post, Juxtapoz, Brooklyn Street Art and the BBC. Following the festival, PR Agency Jasmine confirmed that Nuart Aberdeen had generated a minimum of £100,000 worth of positive media;
- Discussions are ongoing as to how to maximise and targeting the potential of further positive media.

3.5.13 Place Shaping:

- Even in its first year, Aberdeen has become synonymous with the Nuart brand, a brand which is globally recognised. Due to the unprecedented and transformative impact on Aberdeen city centre, Nuart Aberdeen has won multiple awards including:
- the much coveted European BID of the Year 2017 by the German Chamber Association of Commerce;
- UK Association of Town and City Management Innovation Prize;
- British BIDs Award for Place Management;
- Visit Scotland's Award for Tourism.

3.6 **The Tour Series – May 2017**

3.6.1 Following committee approval in December 2016, Aberdeen hosted the first Tour Series event in a three year programme in May 2017. This event was identified through the agreed criteria as providing the city with economic impact and exposure at a national and international level.

3.6.2 The event saw ten teams of the UK's best riders competing in hour long races or criteriums on a city centre circuit for an overall 'Fastest Team' in the country accolade. This was the first time that elite cycling was available in Aberdeen, and officers from across Council services worked to expand the event into a wider celebration of cycling and encouraging business, spectator and community participation. Through this model the Tour Series and in conjunction with Scottish Cycling, this event enabled the delivery of support

races and activities providing a 'celebration of cycling' and a platform for corporate participation and promotion of Aberdeen as an active city.

- 3.6.3 Due to broadcast scheduling commitments, the event was scheduled on a Thursday, and will also be held on a Thursday 17th May 2018 in Aberdeen City Centre. For logistical reasons, Sweetspot can't commit to the Friday/Saturday in Aberdeen for 2018, as they need to head south on the Friday ahead of a race in the NE of England that weekend, as per last year's build/broadcast schedule.

Sweetspot were hoping that there would be 3 rounds in Scotland in 2018, which would change things, but that hasn't come off, however it is still something they are keen to achieve in 2019.

The Thursday, with teams staying in the city from Wed - Friday is the best workable option overall, and they are excited to work with ACC again.

They are also keen to include a women's pro race for 2018, which will be a positive addition to the event overall if it can be accommodated.

- 3.6.4 The economic impact report undertaken by Frontline of the 2017 Aberdeen event indicates the following:

- 10,000 spectators attended the event, with 29% coming from outwith Aberdeen;
- 90% of the audience described the race as very enjoyable, with 48% coming to watch the event with their families;
- The average spend per day by visitors was £47.36, with overnight visitors spending £103.97 per group;
- 63% of people said they were inspired to cycle more often following the event; with the event rated 4.8/5 for enjoyment;
- The net visitor expenditure of the event on the Aberdeen economy was £141,504.

- 3.6.5 Each round is broadcast on ITV4 (including live streaming on ITV.com and access on ITV Player) and Eurosport UK and across 60 international markets, which in turn provides an additional platform for the promotion of the regional tourism offer and the city centre. Highlight shows are run every evening after every round, and each episode provides coverage of the race and a local tourism segment.

- 3.6.6 Average viewing for the 2017 series was 204,800 with the repeat show averaging 41,400. The Tour Series highlights broadcast on ITV4 total reach was in excess of 2.4m viewers, with Aberdeen's total views at 227,000. The event receives extensive coverage in national print media, regional television and radio, as well as cycling press.

3.7 The Great Aberdeen Run – August 2017

- 3.7.1 Following committee approval in September 2016, Aberdeen hosted the first Great Aberdeen Run event in a three year programme in August 2017. This

event was identified through the agreed criteria as providing the city with economic impact and exposure at a regional and national level.

3.7.2 The event saw 7,800 participants take part in a half marathon, 10k and family run. In year one all of the events reached their capacity, and relationships were formed with local partners including Sport Aberdeen, Aberdeen Journals and Northsound to support the promotion and delivery of the event.

3.7.3 No economic impact report was commissioned in year one of the event, however the post event participant survey provided the following insights:

- 95% graded the event as good/excellent on a 5 point scale;
- 20% of the runners raised money for charity – an estimated £940,000 will have been raised;
- 1,800 participants came from outwith AB postcodes;
- 80% respondents dined out in Aberdeen during their attendance at the event;
- Average spend per participant was £123.50 – 45% higher than the Great Run average of £85;
- Average party size was 3.1 – indicating approx 23,250 people attended the event on the day
- 99% respondents said they would like to see more large scale events in Aberdeen.

3.7.4 The proposed date for the Great Aberdeen Run in Aberdeen is Sunday 26th August 2018, and discussions are already underway to develop the Business Challenge, strengthen the relationship with the Active Aberdeen Partnership and grow support within the local media, and business community to encourage more people to visit Aberdeen on the day of the event.

3.7.5 Going forward the partners supporting the event will seek to open discussions regarding televising the event, to better understand the financial implications of this ambition in the future.

3.8 Parks and Open Spaces

3.8.1 The City Events Team continues to manage the booking and safe delivery of events by external organisers in Aberdeen, under the terms of the report agreed by the CH&I Committee in March 2015.

3.8.2 Monies generated through the hire of public spaces is used to enhance the facilities within our public spaces so they continue to be fit for event organisers purposes, as well as support for new and existing events that meet with the agreed Aberdeen 365 criteria, as detailed previously.

3.8.3 The monies generated change annually due to the weather conditions, and the availability and suitability of the spaces in Aberdeen to host outdoor events.

3.8.4 Working in partnership with colleagues in Environmental Services, Road Services and Licensing the team are keen to raise awareness of the great

public spaces that exist in Aberdeen, while working to maintain and protect them for use of the residents of, and visitors to the city.

4. FINANCIAL IMPLICATIONS

- 4.1 The Aberdeen 365 Events Strategy seeks to significantly raise the level of ambition of events in Aberdeen - the City Centre in particular - as part of the implementation of the CCMP, and to raise profile, and achieve economic and community benefit.
- 4.2 As well as the events budget of £525,000 within the existing Economic Development service budget, an opportunity has arisen to support the delivery of the Nuart Festival for a further three years. A contribution of £100,000 per annum to match Aberdeen Inspired's contribution is requested, in addition to the external funding being sought.
- 4.3 A further contribution of £150,000 is sought from the Council's budget, subject to the normal process to support the annual delivery of the Great Aberdeen Run in 2018 and 2019.
- 4.4 Economic Development will look to meet the costs of the support activity associated with the Tour Series from within existing budget commitments.
- 4.5 It should be noted that there are significant budgetary pressures placed on all individual event budgets due to the costs associated with production services, traffic management, and the provision of essential events support - stewarding, security, medical and local authority obligations under Health and Safety legislation.

5. LEGAL IMPLICATIONS

- 5.1 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 Economic Development, Head of Legal and Democratic Services and the Head of Commercial and Procurement Services.
- 5.2 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 as well as the Financial Regulations.
- 5.3 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.
- 5.4 Aberdeen's city events programme is key to the destination promotion that Aberdeen City Council, VisitAberdeenShire, Aberdeen Inspired and VisitScotland currently undertake.

5.5 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

6. MANAGEMENT OF RISK

6.1 Financial

6.1.1 Any event contracts 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

6.2 Employee

6.2.1 The City Events team is currently staffed by one full-time Senior City Events Officer, two full-time City Events Officers and one full-time City Events Executive. The successful delivery of the city events programme is dependent on a fully-staffed team.

6.2.2 Events are a core part of Aberdeen City Council's business as a large number of services are responsible for supporting the organisation, management and delivery of the events programme, which is a key strand of the Regional Economic Strategy.

6.2.3 To ensure the most appropriate use of staff time and resources in delivering events in Aberdeen, officers from the team work with colleagues in other Council services including Economic Development, Cultural Services, Licensing, Environmental Services and Traffic Management to ensure the safe coordination and delivery of events.

6.2.4 The City Events team also works closely with a number of partners including EventScotland, VisitScotland, Aberdeenshire Council, Visit Aberdeenshire, the Aberdeen City and Shire Hotels Association (ASCHA) and Aberdeen Inspired so that events held in Aberdeen present opportunities accessible to local business and offer exciting activities to support the weekend leisure destination break market and maximise the opportunities for securing net additional benefit to businesses in the city and wider region.

6.3 Customer/Citizen

6.3.1 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.

6.3.2 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

6.4 **Environmental**

No risks identified.

6.5 **Technological**

No risks identified.

6.6 **Legal**

As above.

6.7 **Reputational**

6.7.1 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.

6.7.2 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.

7. **IMPACT SECTION**

7.1 This section demonstrates how the proposals within this report impact on the strategic themes of Aberdeen City Council and Community Planning Aberdeen, as set out in the [Aberdeen City Local Outcome Improvement Plan 2016-26](#) and the [Aberdeen City Council Strategic Business Plan](#).

7.2 **Economy**

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.

7.3 **People**

Neither a Equality and Human Rights Impact Assessment nor a Privacy Impact Assessment is required for this report. There may be some public/media interest in the parts of the city events programme that involve participation by Elected members and/or officers.

7.4 Place

As well as the benefits of this approach to the delivery of the events programme itself, outwith the region it will provide a positive signal that Aberdeen is a nationally and internationally competitive location for specific events (international, national and regional).

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.

7.5 Technology

The use of technology in the development and delivery of events in the city will be given consideration, as the Council moves to secure a digital partner in the future.

8. BACKGROUND PAPERS

Aberdeen Inspired – NuArt Report
NuArt Media Report – Jasmine
Aberdeen Chamber of Commerce NuArt Report
Great Aberdeen Run Debrief Report
Frontline Economic Impact Report – Aberdeen Tour Series

9. APPENDICES (if applicable)

None

10. REPORT AUTHOR DETAILS

Dawn Schultz
City Promotions & Events Manager
Dschultz@aberdeencity.gov.uk
01224 522767

HEAD OF SERVICE DETAILS

Richard Sweetnam
Head of Economic Development
rsweetnam@aberdeencity.gov.uk
01224 522662

Appendix ONE - City Events Programme 1 April 2018 – 31 March 2019

DATE	EVENT	REVENUE BUDGET	COMMON GOOD FUND	NOTES
April 2018 – March 2019 – separate diary	Events in parks and open spaces	N/A	N/A	CH&I Committee 18 March 2015 - Aberdeen City Council operates a pricing structure for hire of the city parks/open spaces; these costs are £68.75 / £137.50 / £275 / £550 / £1100.
13 15 th April 2018	NuArt Street Art Festival	N/A	N/A	Request detailed in this report for financial assistance 2018 – 2020 to support 3yr contract.
Thursday 17 th May 2018	The Tour Cycling Series	N/A	N/A	3yr event fee agreed in 2016 CCMP budget. EventScotland also providing a contribution to the event fee. Delivery costs for the event to be met from existing Economic Development budget subject to 2018 -2019 budget.
Sunday 17 th June 2018	Aberdeen Highlands Games,	£80,000	-	

(Father's Day)	Hazlehead Park			
Saturday 23 rd June 2018	Armed Forces Day, Union Street	-	£10,000 + grant from MOD (grant is not guaranteed)	MOD grant was significantly reduced in 2017 due to budget constraints.
Date in June/July 2018 to be agreed	BP Big Screen, Duthie Park	£20,000	-	BP seeking 3 -5 year relationship with ACC to continue to grow and develop public screenings.
Saturday 25 th 2018	Celebrate Aberdeen, Union Street/Union Terrace Gardens	-	£20,000	ACC and organiser working together develop event.
Sunday 26 th August 2018	Great Aberdeen Run	N/A	N/A	Request detailed in this report for financial assistance 2018 – 2019 to support 3yr contract.
September – October 2018	Community Festive Fund	£25,000	£4,000	
Monday 5 th November 2018	Aberdeen's Fireworks Display, Aberdeen Beach	£20,000	£25,000	
Thursday 22 nd November 2018	Christmas Tree Switch On, Castlegate	£7,000	-	
November – December 2018	Christmas Village, Broad Street		£150,000	FP&R committee June 2016 approved a three year contract from 2016 – 2018 with Aberdeen Inspired.

Sunday 25 th November 2017	Christmas Lights Switch On Parade, Union Street	£25,000	-	
1 st – 24 th December 2018	Twelve Days of Christmas Wooden Sculptures		£5,000	Storage, installation and removal costs.
Monday 3 rd December 2018	Nativity Scene, St Nicholas Kirkyard	-	£5,000	
Saturday 15 th December 2017	Carol Concerts, David Welch Winter Gardens, Duthie Park	£4,000	-	
31 December 2018	Hogmanay Celebrations, City Centre	-	£75,000	
Total		£181,000	£294,000	

Other expenditure

DATE	ACTIVITY	REVENUE BUDGET
April 2018 – March 2019	Summer and winter marketing activity	£30,000
Annual fee	Performing Rights Society for Music (PRS)	£10,000
	Events equipment	£10,000
Total		£50,000

TOTAL BUDGET - £525,000

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	1 December 2017
REPORT TITLE	FCHJU Fuel Cell Bus Commercialisation Project
REPORT NUMBER	CHI/17/260
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Laura Paterson

1. PURPOSE OF REPORT:-

- 1.1 To update Members on current and future funds available to support the FCHJU Fuel Bus Cell Commercialisation Project (JIVE).

2. RECOMMENDATION(S)

- 2.1 It is recommended that Members:

- a) Note a confirmed contribution of £3,000,000 from the Scottish Government towards the project;
- b) Note the current position of the Bus Operator's Agreement and Financial Contribution;
- c) Approve participation in the Office of Low Emission Vehicles (OLEV)'s HTP Grants Programme to further develop the JIVE Project and, pursuant to such participation:
 - i) Submission of an application to OLEV to secure additional funding of £1,195,137 to support the development of the JIVE project;
 - ii) Expenditure of that grant funding and £1,792,000 from budget approved from the Non-Housing Capital Programme on 23 August 2017;
 - iii) The signing of or entry into legal agreement or other documentation, subject to approval by the Head of Legal and Democratic Services in consultation with the Head of Economic Development.

3. BACKGROUND/MAIN ISSUES

- 3.1 The development of the JIVE project was subject to financial contributions from external bodies as detailed at FPR Committee 9 March 2017.

- 3.2 The Scottish Government confirmed a financial contribution of £3,000,000 to support the implementation of the JIVE Project, in an Offer of Grant letter dated 23 March 2017.
- 3.3 Procurement for buses is currently being undertaken. It is anticipated that a decision for the preferred supplier will be made in December 2017. The projected contribution from bus operators will be determined by this decision. The bus purchase forecasts may be lower than originally estimated which would result in higher contribution to the project. Members will be updated with the preferred supplier and contribution at future committee following this procurement process.
- 3.4 Officers were also instructed to investigate further external funding to alleviate the financial constraint on Aberdeen City Council to develop the project. The UK Government's Office for Low Emission Vehicles (OLEV) have launched a funding programme to support the development of hydrogen transport and refuelling stations. An application is being developed which would expand Aberdeen's existing infrastructure to cope with additional hydrogen vehicles. It is anticipated that the outcomes of an application will be known by January 2018.

4. FINANCIAL IMPLICATIONS

- 4.1 The project has budgeted costs of £7.2million and assumed grant support of £4.7million.
- 4.2 The Scottish Government has provided a grant of £3,000,000 to support the project.
- 4.3 Members approved an allocation of £2,500,000 towards the project from the General Fund Capital budget at Council on 23 August 2017.
- 4.4 A successful application to OLEV's HTP Grants programme would result in external funding of £1,195,137 to support the project. The remaining 60% would be invested from budget allocated from the General Fund Capital (£1,517,000) and the Hytrec2 project budget, which is funded by the Interreg North Sea Region Programme (£275,000). Participating in this programme would reduce the contribution by Aberdeen City Council appropriated from the General Capital Fund from £2,500,000 to £1,517,000.

5. LEGAL IMPLICATIONS

- 5.1 Entry into any grant agreement is subject to review and approval by the Head of Legal and Democratic Services in consultation with the Head of Finance.

6. MANAGEMENT OF RISK

- 6.1 Financial
The Projects, Partnerships & Funding Team have significant experience of working with external funding bodies, working with delivery teams to ensure

funding programme compliance which secures the payment of external funds. There should no financial risk should less funding be required.

Risk – Low

6.2 Employee

Staff who are involved in this project have the necessary Project Management skills attained through internal and external bodies.

Risk – Low

6.3 Customer/Citizen

Hydrogen transport significantly reduces noise and air pollution in the city which has a positive impact on the health of citizens.

Risk – Low

6.4 Environmental

The development of hydrogen technology offers transport options with zero emissions and reduction in harmful pollutants.

Risk – Low

6.5 Technological

The JIVE project aims to commercialise hydrogen fuel cell vehicles in Europe while the OLEV bid intends to create a market for the production of renewable hydrogen production in the North East of Scotland. The OLEV bid will reduce carbon emissions during the hydrogen production process which will ultimately reduce the price of the fuel, making it more attractive to consumers. Key Performance Indicators will be introduced to the project to measure these benefits.

Risk – Medium

6.6 Legal

All grant agreements are subject to review by the Head of Legal and Democratic Services in consultation with the Head of Finance. Only risk which may occur is if grantees fail to adhere to the grant agreement conditions.

Risk – Low

6.7 Reputational

Aberdeen is renowned as a European driver of hydrogen technology. The continued development of this technology ensures that the city maintains its international reputation as a leader in hydrogen technology.

Risk – Low

7. IMPACT SECTION

7.1 ECONOMY

7.1.1 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.”

7.1.2 This project was 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.

7.2 PEOPLE

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. This has a positive impact on the health and wellbeing of citizens.

7.3 PLACE

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).

7.4 TECHNOLOGY

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”.

8. BACKGROUND PAPERS

CHI/16/258
CHI/17/050
CG/17/084

9. APPENDICES

n/a

10. REPORT AUTHOR DETAILS

Andrew Win
Programmes & Projects Manager
andrewwin@aberdeencity.gov.uk
01224 523060

Laura Paterson
External Funding & Policy Officer
lapaterson@aberdeencity.gov.uk
01224 523082

HEAD OF SERVICE DETAILS

Richard Sweetnam
Head of Economic Development
rsweetnam@aberdeencity.gov.uk
01224 522662

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy & Resources
DATE	1 st December 2017
REPORT TITLE	Protective Monitoring
REPORT NUMBER	CG/17/121
CG LEAD OFFICER	Steven Whyte
REPORT AUTHOR	Norman Hogg

1. PURPOSE OF REPORT:-

- 1.1 To provide assurance that Protective Monitoring is performed in line with legislation and best practice.

2. RECOMMENDATION(S)

- 2.1 That the committee note, review and agree the following documents, attached as appendices, which make up the suite, 'Protective Monitoring':

Protective Monitoring Policy
Protective Monitoring Privacy Impact Assessment
Protective Monitoring Risk Assessment
Protective Monitoring Human Rights Impact Assessment
Protective Monitoring Access to Information Procedure
Access to Information Guide and Form

3. BACKGROUND/MAIN ISSUES / OTHER HEADINGS AS APPROPRIATE

- 3.1 Protective Monitoring (using event data to identify potential security issues) within ICT is an essential requirement. To not exercise protective monitoring would put the council at extreme risk, would find the council falling foul of the Data Protection Act, be against best practice and be negligent in their duty of care.
- 3.2 Monitoring however must be a balance between protecting the business and the individual while at the same time respecting the rights of those individuals under such legislation as the Human Rights Act 1998
- 3.3 The documents created and supplied for review:
- Identify why, what and how we monitor.
 - Demonstrate that we have thought about this (due diligence).

- Demonstrates that we have processes in place.
- Demonstrates that protective monitoring protects both the business and the individual.

3.4 The council is on a programme of digital transformation and the Government state a Cloud First policy. This by its nature shifts the boundary of the network and it becomes even more important to implement sound protective monitoring strategies within the organisation.

4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications.

5. LEGAL IMPLICATIONS

5.1 The suite of documents has been passed to Legal and Democratic Services for Review.

5.2 Various Acts are referenced in the suite of documents and listed here in Summary:

5.3 Acts

- The Data Protection Act 1998
- General Data Protection Regulation
- The Computer Misuse Act 1990
- The Copyright, Designs and Patents Act 1988
- The Health & Safety at Work Act 1974
- The Human Rights Act 1998
- The Regulation of Investigatory Powers (Scotland) Act 2000
- Telecommunications (Lawful Business Practices) (Interception of Communications) Regulations 2000 (LBPR).

5.4 Standards

- ISO27001/2 (Information Security standards)
- PSN (Public Services Network standards)

5.5 Regulations

- PCI DSS (Payment Card Industry Data Security Standard)

5.6 Best Practice Guides

- National Cyber Security Centre (NCSC) Good Practice Guide 13 - Protective Monitoring (GPG 13)
- Information Commissioner's Employment Practices Code; Part 3 Monitoring at Work.

6. MANAGEMENT OF RISK

Financial

- 6.1 There are no financial risks to the Council in agreeing these recommendations.

Employee

- 6.2 By agreeing the recommendations risks are minimised for the employee due to policy, procedure and supporting material being documented and communicated.

Risk - Low

Customer / Citizen

- 6.3 There are no risks to the customer / citizen in agreeing these recommendations.

Environmental

- 6.4 There are no environmental risks in agreeing these recommendations.

Technological

- 6.5 There are no technological risks in agreeing these recommendations.

Legal

- 6.6 By agreeing the recommendations legal risks are minimised due to evidence of due diligence and consideration of the listed acts and regulations.

Risk - Low

Reputational

- 6.7 There are no reputational risks to the Council in agreeing these recommendations.

Other

- 6.8 The document 'Protective Monitoring Risk Assessment' further highlights the risks to the business and to the individual in performing or not performing protective monitoring.

7. IMPACT SECTION

7.1 Economy

- 7.1.1 Protective Monitoring is one aspect of securing the customer data entrusted to us and has a positive impact on the local economy. Securing customer data underpins the digital aspects of the local economy.

7.2 People

7.2.1 Protective Monitoring is one aspect of securing the customer data entrusted to us and therefore has a positive impact for our customer.

7.3 Place

7.3.1 Protective Monitoring is one aspect of securing the customer data entrusted to us. All customers including investors and visitors to the City expect their data to be appropriately secured.

7.4 Technology

7.4.1 Implementing and extending protective monitoring as new technology is introduced is essential in ensuring security is maintained as per best practice.

8. BACKGROUND PAPERS

8.1 Various documents are referenced within the appendices and listed here in Summary:

8.2 Standards

- ISO27001/2
- PSN

8.3 Regulations

- PCI DSS

8.4 Best Practice Guides

- National Cyber Security Centre (NCSC) Good Practice Guide 13 - Protective Monitoring (GPG 13)
- Information Commissioner's Employment Practices Code; Part 3 Monitoring at Work.

9. APPENDICES (if applicable)

CG.17.121 - Appdx 1 Protective Monitoring Policy

GC.17.121 - Appdx 2 Privacy Impact Assessment

CG.17.121 - Appdx 3 Risk Assessment

CG.17.121 - Appdx 4 Access to Information Procedure

CG.17.121 - Appdx 5 Access to Information Guide and Form

10. REPORT AUTHOR DETAILS

Norman Hogg

Security Architect

nohogg@aberdeencity.gov.uk

01224522407

HEAD OF SERVICE DETAILS

Simon Haston
Head of IT & Transformation
shaston@aberdeencity.gov.uk
07768725244

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CORPORATE POLICY

PROTECTIVE MONITORING

Date Created:	October 2017	
Version:	V1.1	
Location:		
Author (s) of Document:	Norman Hogg, Security Architect	
Approval Authority	Finance, Policy and Resources Committee	
Scheduled Review:	October 2018	
Changes:	Month YYYY	Brief description of changes

What is this policy for?

This policy defines how Aberdeen City Council aims to detect and prevent potential security incidents, whether technical attacks or abuses of business process. This policy does not describe specific events collected, but documents the requirements for collection and analysis in relation to protective monitoring and intrusion detection.

Who is this policy for?

This policy applies to all staff, agency staff, elected members, contractors and sub-contractors, and to any person, without exception, who uses or requires access to the Aberdeen City Council Information Technology, Data Assets or associated Infrastructure.

Why do we need this policy?

Protective monitoring is an essential component of risk management. Various pieces of legislation and codes of practice, including the Data Protection Act (1998), and ISO 27001/2 Standards for Information Security Management Systems, impose a duty on Aberdeen City Council to protect its information assets and provide the assurances that appropriate controls are in place. It is recommended in a number of regulatory and industry best-practices, such as the Payment Card Industry Data Security Standard (PCI DSS) and Cyber Security Essentials. It is also a requirement for connection to the Public Services Network (PSN) that such a policy exists.

Protective monitoring underpins the Shaping Aberdeen Corporate vision by aiming to protect the data that has been entrusted to us by our customers.

What does it mean for the Council? (Policy Statement)

Monitoring, which includes the routine supervision of performance and staff behaviour extends to the use by staff of IT equipment or infrastructure provided by the organisation for business purposes.

Protective Monitoring is a lawful and ethical practice used to assist Aberdeen City Council in the protection of its staff, assets and information and to assist in the investigation of misconduct or criminal activity. As such the audit systems may monitor and record all computer based actions conducted using any piece Aberdeen City Council IT equipment or infrastructure.

This policy defines the monitoring and auditing of staff activity to ensure all staff comply with Council Policies and Procedures, and with the standards of behaviour expected by Aberdeen City Council.

This policy does not over-ride any existing policies nor negate any existing guidance regarding information security, data protection or acceptable use. It supplements such policies but with a specific focus on the protective monitoring of the Aberdeen City Council network, and the data held within or transported by it.

The main aims and objectives are:

- To ensure the data integrity of the information held.
- To enhance operational security.
- To identify misuse.
- To monitor exceptional usage.
- To support intelligence led investigations.

- To protect the Council by providing the Fraud Team the means by which they can effectively seek out those who abuse their position for personal gain or benefit of others.
- To protect Council information and assets from malicious or accidental disclosure

All users must note that the monitoring will include any personal use staff make of Council computer equipment or infrastructure, even if undertaken in their own time

How will we make it happen?

PROTECTIVE MONITORING CONTROLS

The implementation of protective monitoring for the Aberdeen City Council network has been aligned to the requirements of the National Cyber Security Centre (NCSC) Good Practice Guide 13 - Protective Monitoring (GPG 13), as recommended by the UK government. It also aligns with the Information Commissioner's Employment Practices Code, Part 3: Monitoring at Work.

Aberdeen City Council shall implement Protective Monitoring Controls (PMCs) in accordance with the guidance documented in the GPG 13. The PMCs are summarised below and detailed further in Appendix I (see page 5):

- PMC1 Accurate time in logs
- PMC2 Recording relating to business traffic crossing a boundary
- PMC3 Recording relating to suspicious activity at a boundary
- PMC4 Recording of workstation, server or device status
- PMC5 Recording relating to suspicious internal network activity
- PMC6 Recording relating to network connections
- PMC7 Recording of session activity by user and workstation
- PMC8 Recording of data backup status
- PMC9 Alerting critical events
- PMC10 Reporting on the status of the audit system
- PMC11 Production of sanitised and statistical management reports
- PMC12 Providing a legal framework for Protective Monitoring activities

How will we know if it's working?

Statistics are gathered by the Security Architect and provided in the quarterly Information Governance Report. These statistics show the level of identified threat and the number of incidents of significance. A rise in the level of incidents may indicate the solutions are not working, in which case further investigations will be carried out.

How will we manage any risks that affect this policy?

IT Risk Register

The risks to the Council from a failure to perform adequate Protective Monitoring are outlined in the Corporate Governance IT Risk Register, which is managed by the Council's Senior Information Risk Owner (SIRO). This Register is used to document known IT risks of significance and to ensure that the measures and actions identified are controlled and mitigated. [See Protective Monitoring Risk Assessment \(Hyperlink when on Zone\)](#)

Service Risk Registers

Information Asset Owners are responsible for managing risk to the information assets that they are responsible for, these risks are managed through Service Risk Registers and included in Business Continuity planning and disaster recovery arrangements wherever appropriate.

Strategic Risk Register

Information management and security also pose a strategic risk for the Council and this is recorded in the Strategic Risk Register. The SIRO provides the Council's Corporate Management Team with regular updates on the strength of controls in place against this risk.

How will we make sure this policy is kept up to date?

This policy will be reviewed annually by the Council's Security Architect to ensure that it meets requirements of the business, accountability and standards of best practice.

Related Policy Document Suite

Policy and Strategy

- [ICT Acceptable Use Policy](#)
- [Employee Code of Conduct](#)

Procedures

- [Access to Information Procedure](#) (Hyperlink when on the Zone)

Forms

- [Access to Information Request](#) (Hyperlink when on the Zone)

Assessments

- [Protective Monitoring Privacy Impact Assessment](#) (Hyperlink when on the Zone)
- [Protective Monitoring Risk Assessment](#) (Hyperlink when on the Zone)

Related Legislation and Supporting Documents

Acts

- [The Data Protection Act \(1998\)](#)
- [General Data Protection Regulation](#)
- [The Computer Misuse Act \(1990\)](#)
- [The Copyright, Designs and Patents Act \(1988\)](#)
- [The Health & Safety at Work Act \(1974\)](#)
- [The Human Rights Act \(1998\)](#)
- [The Regulation of Investigatory Powers \(Scotland\) Act 2000](#)
- [Telecommunications \(Lawful Business Practices\) \(Interception of Communications\) Regulations 2000 \(LBPR\).](#)

Standards

- [ISO27001/2](#)
- [PSN](#)

Regulations

- [PCI DSS](#)

Best Practice Guides

- [National Cyber Security Centre \(NCSC\) Good Practice Guide 13 - Protective Monitoring \(GPG 13\)](#)
- [Information Commissioner's Employment Practices Code; Part 3 Monitoring at Work.](#)

Appendix I

PMC1 – Accurate Time in Logs

Control Description:

- Provide a means of providing accurate time in logs and synchronisation between system components with a view to facilitate collation of events between those components.

Aberdeen City Council Control Process in Place:

- Core network components and monitoring devices are synchronised using the Network Time protocol (NTP). This protocol provides a means of synchronizing to a globally referenced time source.

PMC2 – Recording Relating to Business Traffic Crossing a Boundary

Control Description:

- To provide reports, monitoring, recording and analysis of business traffic crossing a boundary with a view to ensuring traffic exchanges are authorised, conform to security policy, transport of malicious content is prevented and alerted, and that other forms of attack by manipulation of business traffic are detected or prevented.

Aberdeen City Council Control Process in Place:

- Detection of Malware which is then blocked, logged and reported on. Further analysis of logs may take place for specific incidents, to identify trends or as part of an investigation. This data may include information which will identify individuals who have had malware sent to them, whose device is malware infected or have visited websites infected with malware.
- All Internet browsing is routinely logged. An individual's browsing activity is generally anonymous. We do not interrogate activity unless instructed to as part of an investigation and through the [Access to Information Procedure](#). (Hyperlink when on Zone)
- We regularly run reports for security purposes. These reports may identify individuals deliberately or inadvertently putting the organisation at risk or attempting to circumvent Aberdeen City Councils security measures. Any significant identified behaviour will be reported to management. Further investigation will only take place on instruction as part of an investigation and through the [Access to Information Procedure](#). (Hyperlink when on Zone).
- Imported content may be blocked. Certain file types may be quarantined for further analysis before being let into the organisation or may be rejected outright.
- Exported content may be blocked. Certain file types may be quarantined for further analysis before being allowed to leave the organisation or may be rejected outright. Automatic file scanning for Data Loss Prevention may also quarantine a file.

PMC3 – Recording Relating to Suspicious Behavior at a Boundary

Control Description:

- To provide reports, monitoring, recording and analysis of network activity at the boundary with a view to detecting suspect activity that would be indicative of the actions of an attacker attempting to breach the system boundary or other deviation from normal business behaviour.

Aberdeen City Council Control Process in Place:

- Next Generation Firewalls employ threat identification and prevention mechanisms. All 'events' and 'threats' identified by the firewalls are logged, blocked and correlated. Regular high level reports are run on these to identify particular issues or incidents and to provide trending statistics. Along with correlated events these may indicate an infected or compromised machine or system, an individual putting Aberdeen City Council or themselves at risk, or individuals, whether internal or external, attempting to circumvent Aberdeen City Councils security measures.
- Routers direct the flow of traffic within the organisation and into and out of the organisation and provide secure separation at the network boundaries.
- Switches direct the flow of traffic within the organisation and provide a level of secure boundary separation.

PMC4 – Recording of Workstation, Server or Device Status

Control Description:

- To detect changes to device status and configuration.

Aberdeen City Council Control Process in Place:

- Monitoring:
 - A tool called 'System Centre Configuration Manager' (SCCM), regularly checks devices for installed software. This is a key security measure as any unpatched software poses a security risk. This system will also apply patches to any Microsoft software on devices.
- The status of Anti-Virus software on devices is monitored centrally to ensure devices are being updated with new definitions, to gather information on any infections or attempted infections and to remotely roll out updates.

PMC5 – Recording Relating to Suspicious Internal Network Activity

Control Description:

- To monitor critical boundaries and resources within internal networks to detect suspicious activity either by internal users or by external attackers that may indicate attacks, pre-cursor to attacks or breach of regulations or compliance.
- Likely boundaries and resources may include but are not limited to:
 - Core messaging infrastructure (e.g. email servers and directory servers).
 - Sensitive databases (e.g. HR databases, finance, procurement/contracts, etc).
 - Information exchanges with third parties.

Aberdeen City Council Control Process in Place:

- Monitoring:
 - Data traffic levels across the organisation are monitored. Deviations from normal can indicate suspicious activity.
 - Status and performance of infrastructure equipment across the organisation is monitored. Changes can indicate suspicious activity.
 - Firewalls are monitored for changes to their status or deviations from normal activity.

- Specialist Packet Sniffing technology may be deployed.
- Endpoint Security mechanisms monitor critical resources.
- Anti-Virus is installed on servers and Internet facing Firewalls.
- Core servers are monitored with various protections in place with an aim to detect and prevent unauthorised change.
- Logging:
 - System logs indicating both successful and unsuccessful logins are recorded within some systems.
 - Logging of all Emails sent or received takes place (not the content). This includes Emails that do not reach their destination such as spam, malware infected or quarantined.
 - Logging of all websites visited.
 - Logging of all communication blocked by our security products e.g. Anti-Virus or Firewall threat prevention.
- Auditing:
 - Auditing records are kept on some systems and databases which can give forensic analysis of activities and transactions that have taken place.
- Data loss Prevention:
 - A minimum level of automatic Data Loss Prevention(DLP) techniques are in operation on both the Email communication and Web traffic. This may quarantine or prevent the information from being sent or received.

PMC6 – Recording Relating to Network Connections

Control Description:

- To monitor transient connections to the network such as remote access, virtual private networking, wireless or any other temporary connection.

Aberdeen City Council Control Process in Place:

- Authentication:
 - Necessary for all network access is authentication. Authentication is required whether you are on the main network, wireless network, connecting remotely, over a Virtual Private Network (VPN) or are a 3rd party.
- Logging:
 - Such connections will be logged by various systems such as the Firewall, Directory Services and DHCP. Information that is logged varies but may include, source IP Address, source device, destination IP address, destination device, Logon date/time, Logoff date/time, Username.

PMC7 – Recording of Session Activity by User and Workstation

Control Description:

- To monitor user activity and access to ensure they can be made accountable for their actions and to detect unauthorised activity and access that is either suspicious or is in violation of security policy requirements.

Aberdeen City Council Control Process in Place:

- Logging:
 - System logs indicating both successful and unsuccessful logins are recorded within some systems.
 - Logging of all Emails sent or received takes place (not the content). This includes Emails that do not reach their destination such as spam, malware infected or quarantined.
 - Logging of websites visited by users.
 - Logging of all communication blocked by our security products e.g. Anti-Virus or Firewall threat prevention.
- Auditing
 - Auditing records are kept on some systems and databases which can give forensic analysis of activities and transactions that have taken place.

PMC8 – Recording of Data Backup Status

Control Description:

- To provide a means by which previous known working states of information assets can be identified and recovered from in the event that either their integrity or available is compromised.

Aberdeen City Council Control Process in Place:

- Backups of system shares and drives are performed to a schedule. Tests are regularly performed to ensure integrity and recovery.

PMC9 – Alerting Critical Events

Control Description:

- To allow critical events to be notified in real-time.

Aberdeen City Council Control Process in Place:

- Alerts can be automatically generated when:
 - There are unexpected deviations from normal traffic levels.
 - The status or performance of infrastructure equipment across the organisation changes.
 - There are unexpected deviations from normal monitoring or the status of Firewalls changes.
 - There are attempted failed changes to elevate privileges on domain servers.

Protective Monitoring Privacy Impact Assessment

The need for a PIA

The impact assessment has been carried out to demonstrate that Aberdeen City Council is compliant with:

- The good practice recommendations contained in the UK Information Commissioner's Employment Practices Code; Part 3 Monitoring at Work.
- The good practice recommendations contained in the UK governments National Cyber Security Centre (NCSC) Good Practice Guide 13 - *Protective Monitoring* (GPG 13).
- **The Human Rights Act 1998** which suggests that employees have a reasonable expectation of privacy in the workplace.
- **The Regulation of Investigatory Powers Act 2000** which covers the extent to which organisations can use covert surveillance.
- **The Data Protection Act 1998 (or subsequent iterations).**
- The Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000.
- Other relevant legislation.

This impact assessment was prepared by the Council's IT & Transformation Team in conjunction with Legal Services and Human Resources and Customer Service.

The subject of this impact assessment is the continuous electronic monitoring of external communications to and from the Council's ICT network, and the recording, storage, reporting, and disposal of data relating to external e-mail and Internet usage.

Applicability

This impact assessment relates to User activity as a result of their use of ICT Resources provided by the Council.

Electronic and Human Threats

The following threats have the greatest potential to adversely affect the Council, its Users, infrastructure and electronic data:

- a) **Electronic attacks.** These take the form of such things as denial-of-service attacks and the introduction of viruses, spyware and unsolicited e-mail. These have the following main effects:
 - Overloading the ICT infrastructure.
 - Corrupting components of the ICT infrastructure or replacing existing components with unauthorised ones, thereby causing ICT systems/services to become unreliable or unstable.
 - The unintended introduction of malicious computer software

which has the ability to monitor Users access to/usage of ICT systems/services and (without Users' knowledge) send data to unknown recipients.

- Unsolicited e-mail (commonly referred to as 'spam', 'phishing' and 'spoofing') being sent to Users.
- Ransomware infection which prevents access to your data (sometimes permanently) and demands a ransom for it to be released.

b) **User access.** Access to and usage of the Council's ICT computer systems, services and electronic data. Such access/usage includes access to the Council's and externally provided systems/services. These have the following implications if not accessed/used appropriately:

- Access to dubious Internet sites resulting in the accidental downloading of viruses, spyware and unsolicited e-mail (which could have the effects outlined at a) above).
- The Council's ICT infrastructure and electronic data being corrupted, making computer systems/ services inaccessible – with electronic data becoming corrupted or inaccurate.
- The Council being unable to fulfil its statutory obligations.
- The Council's reputation being damaged and/or the Council being exposed to litigation.
- Disciplinary and/or criminal law action being taken against individual Users.

Whilst the majority of the threats described above are mitigated by the electronic security systems which the Council employs (e.g. through the automatic interception and deletion of viruses and spyware before they are able to cause damage or disruption), these systems can never be wholly effective and it is therefore important that the Council has an electronic monitoring capability which allows for:

- a) The identification of malicious activity where it has not been automatically detected.
- b) The electronic monitoring of Users' access to or usage of its computer systems, services and electronic data in order to provide assurance that the ICT AUP is being complied with and that the Council and its Users exposure to the stated threats is as low as practicably possible.
- c) Trend analysis to take place to look for patterns of activity which may indicate a precursor to an attack or an attack in progress.

ICT Service Delivery

IT & Transformation has responsibility for managing the ICT infrastructure and are the custodians of data stored on the infrastructure. The ICT infrastructure makes this data available to Service Areas.

The Council is heavily reliant upon its ICT infrastructure to support its statutory obligations and to deliver front-line services. The Council is under constant scrutiny to demonstrate proper control over, and accountability for, the use of public funded resources. It is therefore desirable that the Council reduces the risk of loss or interruption to services by recognising threats affecting its ICT infrastructure and employing suitable countermeasures.

In order to identify vulnerabilities, threats and business risks the Council arranges an IT Health check (ITHC) annually which forms part of our submission for the Public Services Network (PSN) for compliance and a quarterly specific scan is run to ensure Payment Card Industry (PCI) compliance. A program of works is put in place to mitigate any significant vulnerabilities identified.

The Council reviews published information and research, is a member of the Cyber Security Information Sharing Partnership (CISP) and part of the well-respected (Scottish) Local Authorities Information Security Group (LAISG).

Countermeasures employed by the Council include a combination of written policies and technical countermeasures. Policies inform Users of the Council's expectations in the use of the ICT infrastructure, and the technical countermeasures support the policies, by enforcing good practice and reducing the potential for vulnerabilities to be exploited.

The [ICT Acceptable Use Policy \(Hyperlink when on the Zone\)](#) AUP is the Council's main ICT user policy. It is regularly updated to take account of developing threats and exploitation of vulnerabilities. Technical countermeasures are employed to detect the most prevalent malicious electronic threats associated with spyware, viruses and malware on computers and in Email attachments and to detect spam, phishing and spoofing activity, all of which have a real potential to degrade or interrupt the use of data in the ICT infrastructure.



The Information Flows

Technical Countermeasures

The technical countermeasures currently in use are ICT security systems specifically designed to operate in an integrated security environment.

Antivirus countermeasures are applied to incoming/outgoing e-mail to check for patterns that indicate the presence of malicious software in attachments.

E-mails are also checked for known spam, phishing and spoofing patterns. Where these are recognised, they are removed so that they do not adversely affect the ICT infrastructure. Known Spam e-mails are automatically deleted.

Antivirus and End Point protection on PCs and Laptops provide a further layer of protection against malicious software that manages to bypass security measures at the gateway or are introduced through another medium.

Countermeasures applied to Internet access can also remove malicious software from downloads; this is limited to known threat patterns. Internet access is further safeguarded by the ability of the ICT security software to block access to web-sites which have the potential to be non-compliant with the ICT AUP.

Other countermeasures include Intrusion Prevention Systems and Event Correlation.

These technical countermeasures cannot cover all eventualities however, and because of constantly growing and changing threats there remains the potential for undetectable malicious software entering the ICT infrastructure.

The ICT security systems record and maintain records of Internet and email usage and can therefore be used to help detect possible compromise and determine overall compliance with policy.

Purpose

The Council's main purpose in establishing its monitoring arrangement is to enable Corporate Governance to undertake lawful monitoring in order to support the Council's service delivery.

Continuous electronic monitoring of incoming and outgoing e-mail messages will be undertaken for the purposes of identifying activity and content which is likely to breach the ICT AUP.

Continuous electronic monitoring of the content of outgoing and incoming e-mail attachments will be undertaken for the purposes of detecting and removing where possible viruses/spyware, malicious software and content and for identifying activity and content which contravenes the ICT AUP.

Continuous electronic monitoring of Internet access will be undertaken for the purposes of detecting, removing or preventing where possible inadvertent access to instances of spyware, viruses, malware and other malicious software.

Continuous electronic monitoring of Internet access will be undertaken to block attempts to access web-sites which contain malicious content or that do (or are likely to) breach the ICT AUP.

Scope (of Monitoring)

Monitoring will apply to all Users' external e-mail and Internet facilities.

Continuous electronic monitoring of e-mail messages and attachments will apply to external e-mail only (i.e. those e-mails coming from or going to other networks, primarily via the Internet). This is mainly an automated process, but manual intervention is necessary for clarification/confirmation purposes and to manually delete blocked email or to release it where it does not contravene the ICT AUP

Transactions about Internet and e-mail activity will be recorded. Access will be provided to recorded transactions, where there is lawful reason to do so, in order to investigate allegations of improper use of the ICT infrastructure in line with the [Access to Information Procedure](#) (Hyperlink when on the Zone).

Records will be continuously and automatically retained by the respective monitoring systems and backed up to the corporate back-up facility at the end of each working day. Records will be held on the respective monitoring systems for 6 months, with data older than that being progressively deleted. Security measures are built in to protect the collected data which will only be accessible by authorised persons.

In the case of Emails, although the logging records are deleted the Emails themselves remain in users in-box, sent items and archives. Emails are also sent for backup every night.

Consultation requirements

Reporting and Accountability

Records will be used to produce statistical reports on request for senior management, and to provide detailed user-specific reports to support investigations.

The statistical reports are intended to provide senior management with a general analysis of email and Internet activity in order that informed decision can be made about the acceptable use of internet and external e-mail

Adverse Impact

In preparing this impact assessment, views of concerned parties have been researched, and the published articles by [UNISON](#), [ACAS](#), legal professionals, the Information Commissioner and others have been studied and evaluated in order to satisfy the Council's founding principle of 'openness and transparency'. The table below contains generally expressed concerns about monitoring (which concerns are catered for by the UK Information Commissioner's Employment Practices Code; Part 3 Monitoring at Work) and the Council's rationale for undertaking continuous electronic monitoring. The intent is to allay such concerns by justifying the need for monitoring, thereby striking a balance between the rights of the organisation and the rights of the individual.

	Employee Concerns	Monitoring Rationale
1	Users may hold the view that monitoring is excessive as every activity is recorded.	Keeping good comprehensive records is essential to protect organisations and individuals from growing threats. For example, 'identity theft' can be verified by reference to the organisation's records of usage. This would not be possible if records were incomplete.
2	Users may be concerned that monitoring is intrusive and that information of a personal nature may be collected and disclosed without their knowledge, or as a result of an unrelated investigation.	All monitoring will be lawfully implemented and will be both controlled and accountable. Technology is used to automate, as much as possible, the monitoring process, to handle the huge volume of information, and to produce accurate results, which is in everyone's best interests.
3	Users may be worried that they may be blamed for actions which were not theirs, following well-publicised e-mail and Internet scams.	Monitoring can be used to stop threats e.g. spam; phishing; and spoofing, and to help identify who initiated them - interruptions to service delivery are minimised, and Users' experiences of worrying security incidents are reduced. Monitoring can also help to prove that no wrong-doing has taken place
4	There may be a concern that monitoring affects morale, is demeaning, and causes stress - the pressures upon Users to deliver service requirements are further increased by a perceived lack of freedom to use technological resources without undue scrutiny.	The Council has set practical limits to areas of monitoring - for example, internal e-mail is not monitored.
5	Monitoring arrangements may be seen as lack of trust – Users cannot be trusted to adhere to the rules.	Monitoring assists compliance checking to show good use of public funds - traceability ensures that Users are accountable for their actions, and encourages good-practice use of the technological resources. Raising management awareness enables timely preventive action to reduce noncompliance.

Alternatives (to Monitoring)

In producing this assessment, Corporate Governance recognises its management responsibilities regarding the infrastructure and as custodians of valuable data upon which the Council is heavily reliant. Corporate Governance takes these duties very seriously and employs resources which help to protect valuable assets from harm, but to be optimally effective the

responsibility for protecting these assets must be shared by the whole organisation i.e. by individual Users.

Whilst protecting valuable resources is a business process in its own right, it should also be seen as an intrinsic part of the day-to-day working and strategic business objectives facing the organisation. With this in mind, the proposed monitoring arrangements have been considered alongside the following alternatives:

- a) **A policy-only approach.** Security policies define the expectations of an organisation's desire for good practice in the use of ICT resources. A policy-only approach delegates most of the security responsibilities to Corporate Governance, without it having all necessary means to monitor/measure overall compliance with policy.
- b) **Good practice advice and guidance approach.** This approach is taking shape and several documents have been produced and launched using the Council's Intranet (the Zone). This approach is driven by Corporate Governance and, like the policy only approach, relies on feedback to verify effectiveness. Good practice advice and guidance is necessarily generalised and reactive, and is best used to reinforce and support policy
- c) **Education and Training (E&T) approach.** Corporate Governance does not have the resources to provide extensive E&T. Effective E&T requires a clear service-level understanding of endemic or widespread vulnerabilities. Whereas Corporate Governance can provide advice and guidance, the nature of service-level vulnerabilities are best understood and provisioned by senior management. This impact assessment supports senior management involvement in understanding service-level vulnerabilities.
- c) **Audits, spot checks, self-compliance verification.** Given the extremely high scale of Internet and e-mail activity in the ICT infrastructure, finding and testing a representative sample presents a considerable challenge as well as requiring detailed scrutiny of material in the sample in order to verify compliance. The nature of cyber threats makes sampling ineffective.
- d) **Temporary or random monitoring.** This form of monitoring using technical countermeasures will only record data for the time when it is active. An incomplete set of records will not give the full picture; an incomplete set of records will be of no value to internal investigations or when handling allegations of improper use brought by persons or organisations outside of the Council. The nature of cyber threats makes random monitoring ineffective.

Privacy and Related Risks

See [Protective Monitoring Risk Assessment \(Hyperlink when on the Zone\)](#).

Privacy Solutions

In order to keep the privacy impact at a minimum while enabling a high level of security:

Automated tools are used which enable the blocking of identified spyware, viruses, malware, malicious software, Spam and phishing Emails

Automated tools are used which enable the blocking of access to websites which are known to be of high risk or are inappropriate whether due to compromise, viruses, malware, malicious software, containing controversial material.

Automated tools are used to identify and help protect against other threats such as intrusion attempts or denial of service attacks.

Access to any logged information relating to a user requires to be done by authorised personnel and using separate Administrator privilege accounts.

Access to any logged information relating to a user for investigatory purposes requires authorisation and completion of the [Access to Information Form \(Hyperlink when on the Zone\)](#).

Reports that are produced to identify possible compromise or due to a particular unusual event contain the minimum information necessary to analyse the situation. This information is restricted to those key staff performing the analysis, is stored securely and deleted if not required. In the event that analysis shows further investigation is warranted, authorisation and completion of the [Access to Information Form \(Hyperlink when on the Zone\)](#) is a requirement.

Sign off		
Risk	Approved solution	Approved by
Protective Monitoring	See Protective Monitoring Risk Assessment (Hyperlink when on the Zone).	Simon Haston (SIRO)

Integrating the PIA outcomes back into the project plan		
N/A		
Action to be taken	Date for completion of actions	Responsibility for action
Contact point for future privacy concerns		

Related Policy Document Suite

Policy and Strategy

- [ICT Acceptable Use Policy](#)
- [Employee Code of Conduct](#)

Procedures

- [Access to Information Procedure](#) (Hyperlink when on the Zone)

Forms

- [Access to Information Request](#) (Hyperlink when on the Zone)

Assessments

- [Protective Monitoring Risk Assessment](#) (Hyperlink when on the Zone)

Related Legislation and Supporting Documents

Acts

- [The Data Protection Act \(1998\)](#)
- [General Data Protection Regulation](#)
- [The Computer Misuse Act \(1990\)](#)
- [The Copyright, Designs and Patents Act \(1988\)](#)
- [The Health & Safety at Work Act \(1974\)](#)
- [The Human Rights Act \(1998\)](#)
- [The Regulation of Investigatory Powers \(Scotland\) Act 2000](#)
- [Telecommunications \(Lawful Business Practices\) \(Interception of Communications\) Regulations 2000 \(LBPR\).](#)

Standards

- [ISO27001/2](#)
- [PSN](#)

Regulations

- [PCI DSS](#)

Best Practice Guides

- [National Cyber Security Centre \(NCSC\) Good Practice Guide 13 - Protective Monitoring \(GPG 13\)](#)
- [Information Commissioner's Employment Practices Code; Part 3 Monitoring at Work.](#)

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Monitoring in place	9
Monitoring not in place	25

Protective Monitoring Risk Assessment

Risk Assessment

Area covered by this assessment	Monitoring activity on the network, particularly at the gateway in order to detect and prevent potential security incidents whether these are technical attacks or abuses of business.
---------------------------------	---

Activity requiring assessment and requestor	<p><u>Requested by the business as part of the Privacy Impact Assessment covering Protective Monitoring</u></p> <p><u>Technical detail</u></p> <p>Protective monitoring is an essential component of risk management. Various legislation and codes of practice including the Data Protection Act 1998, and ISO 27001/2 Information Security Management Systems impose a duty on Aberdeen City Council to protect its information assets and to provide the assurances that appropriate controls are in place. It is recommended in a number of regulatory and industry best practices, such as the Payment Card Industry Data Security Standard (PCI DSS) and Cyber Security Essentials. It is also a requirement for connection to the Public Services Network (PSN).</p> <p>This assessment covers the monitoring and auditing of staff activity as a means of ensuring information security and ensuring that all staff comply with Council Policies and Procedures and the standards of behaviour expected by Aberdeen City Council.</p> <p><u>Related Policy Document Suite</u></p> <p>Policy and Strategy</p> <ul style="list-style-type: none"> • ICT Acceptable Use Policy • Employee Code of Conduct <p>Procedures</p> <ul style="list-style-type: none"> • Access to Information Procedure (Hyperlink when on the Zone) <p>Forms</p> <ul style="list-style-type: none"> • Access to Information Request (Hyperlink when on the Zone) <p>Assessments</p> <ul style="list-style-type: none"> • Protective Monitoring Privacy Impact Assessment (Hyperlink when on the Zone) • Protective Monitoring Risk Assessment (Hyperlink when on the Zone) <p><u>Related Legislation and Supporting Documents</u></p> <p>Acts</p> <ul style="list-style-type: none"> • The Data Protection Act (1998) • General Data Protection Regulation
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	<ul style="list-style-type: none"> • The Computer Misuse Act (1990) • The Copyright, Designs and Patents Act (1988) • The Health & Safety at Work Act (1974) • The Human Rights Act (1998) • The Regulation of Investigatory Powers (Scotland) Act 2000 • Telecommunications (Lawful Business Practices) (Interception of Communications) Regulations 2000 (LBPR). <p>Standards</p> <ul style="list-style-type: none"> • ISO27001/2 • PSN <p>Regulations</p> <ul style="list-style-type: none"> • PCI DSS <p>Best Practice Guides</p> <ul style="list-style-type: none"> • National Cyber Security Centre (NCSC) Good Practice Guide 13 - Protective Monitoring (GPG 13) • Information Commissioner's Employment Practices Code; Part 3 Monitoring at Work.
--	--

Assessor	Norman Hogg (Security Architect)	Date of assessment	25/09/17	Date of reassessment	
----------	--	--------------------	-----------------	----------------------	--

Existing safety measures and assets at risk.	<p>Existing Measures: This assessment is measured against the impact on individual rights and the risk to the business based on existing controls in place (which will include Protective Monitoring Policy, Protective Monitoring Privacy Impact Assessment and Access to Information Procedure when approved) <u>to be removed from document once approved</u></p> <p>Assets at risk: Data. Corporate network. Reputation. Individual Rights.</p>
--	--

Approver	Simon Haston (SIRO)	Date of approval/rejection	XX/XX/17	Date of re-approval	
Signature>	*				

Decision	Accept assessment	
	Reject assessment	

SCORING SYSTEM

Severity	Likelihood of occurrence
5 = Very high	5 = Very high
4 = High	4 = Likely
3 = Moderate	3 = Quite possible
2 = Slight	2 = Possible
1 = Nil	1 = Not likely

Risk rating = Severity x Likelihood.

>10 requires risk acceptance, risk reduction, risk avoidance, risk transference.

Hazard Type

Hazard Type	Risk to Individuals if Monitoring In place				Risk to Business if Monitoring In place			
	Severity	Likelihood	Risk Rating	Without Monitoring	Severity	Likelihood	Risk Rating	Without Monitoring
1. Monitoring is excessive as most activity is recorded. Risk of accessing personal information.	4	2	8	1	3	2	6	15
2. Violation of rights and liberties. Risk of breaching legislation.	4	2	8	25	3	2	6	25
3. Monitoring is intrusive. Prevents staff performing duties, mistrust.	3	2	6	1	3	2	6	1
4. Passwords and other Personal information may be captured.	3	2	6	20	3	2	6	20
5. Staff are unaware of policy or procedure.	3	3	9	25	3	3	9	25
6. Policy and procedure are inadequate.	4	2	6	25	4	2	8	25
7. Access to logged information is not controlled.	4	2	8	1	4	2	8	20
8. False positive information leads to investigation.	3	2	6	1	3	2	6	16
9. Inability to perform job functions due to Emails or Internet sites being blocked.	2	2	4	1	2	2	4	25

PROPOSED ACTION

In order to ensure appropriate risks and mitigations were identified for this document, consultation and review took place as follows:

Security Architect
 Performance and Risk Manager
 Infrastructure Architect
 Security Analyst x 2
 HR Team Leader
 Solicitor
 Best practice guides
 Web Resources
 Government Guidelines

Results of Analysis:

Hazard Type	Risk to Individuals if Monitoring In place			Without Monitoring	Risk to Business if Monitoring In place			Without Monitoring
	Severity	Likelihood	Risk Rating		Severity	Likelihood	Risk Rating	
1. Monitoring is excessive as most activity is recorded. Risk of accessing personal information.	4	2	8	1	3	2	6	15

‘The Data Protection Act does not prevent employers from monitoring workers, but where monitoring involves the collection, storage and use of personal information, it must be neither routine nor excessive’

In order to protect both the organisation and the individual it is important that we have both comprehensive and accurate records. Without these records assumptions rather than conclusions can be drawn and evidence of actual facts will be minimal. Without adequate records the business may breach legislation.

Monitoring significantly reduces the risk of the businesses information being compromised.

Please reference the *‘Protective Monitoring Privacy Impact Assessment’* ([Hyperlink when on Zone](#)) – ‘Scope of Monitoring’, ‘Alternatives to Monitoring’ and ‘Justification for Monitoring sections’.

Hazard Type	Risk to Individuals if Monitoring In place			Without Monitoring	Risk to Business if Monitoring In place			Without Monitoring
	Severity	Likelihood	Risk Rating		Severity	Likelihood	Risk Rating	
2. Violation of rights and liberties. Risk of breaching legislation.	4	2	8	25	3	2	6	25

PROPOSED ACTION

A balance must be found between what is monitored and the rights of the individual. To this end:

The majority of monitoring and threat prevention is automated by technology and detailed information is not viewed.

Although certain activities are logged these would only be accessed as part of an investigation.

Where information does have to be viewed it is done so in a controlled manor and only to the level required.

The two main areas where such visibility may take place are with Internet traffic and Email.

Internet traffic: Blocks are in force against sites that are identified as high risk, reports are generated which show attempted access to those sites. Patterns or excessive activity can indicate an infected device, a compromised device or deliberate action by an individual to bypass security measures. In the case of the individual, only where such activity is significantly out of the ordinary and with documented authority will any further investigation take place.

Email: Email containing certain attachments such as executables or compressed Zip files will be quarantined. These are key routes for compromise as they often contain hidden malware. Manual intervention is required before releasing to the recipient.

Monitoring significantly reduces the risk of an individual's information being compromised. Monitoring significantly reduces the risk of the businesses information being compromised.

Please reference the '*Protective Monitoring Privacy Impact Assessment*' ([Hyperlink when on Zone](#)) – 'Scope of Monitoring', 'Justification for Monitoring sections'.

Hazard Type	Risk to Individuals if Monitoring In place			Without Monitoring	Risk to Business if Monitoring In place			Without Monitoring
	Severity	Likelihood	Risk Rating		Severity	Likelihood	Risk Rating	
3. Monitoring is intrusive. Prevents staff performing duties, mistrust.	3	2	6	1	3	2	6	1

Monitoring is only mildly intrusive. It is transparent to the end user most of the time and normally only becomes apparent when an individual is blocked from accessing a website. There is no risk associated with this hazard if we do not monitor.

Monitoring adds a low risk for both individuals and the business.

Please reference the '*Protective Monitoring Privacy Impact Assessment*' ([Hyperlink when on Zone](#)) – 'Scope of Monitoring', 'Justification for Monitoring sections'.

Risk to Individuals if Monitoring In place	Risk to Business if Monitoring In place
--	---

PROPOSED ACTION

Hazard Type	Risk to Individuals if Monitoring In place				Risk to Business if Monitoring In place			
	Severity	Likelihood	Risk Rating	Without Monitoring	Severity	Likelihood	Risk Rating	Without Monitoring
4. Passwords and other Personal information may be captured.	3	2	6	20	3	2	6	20

Protective Monitoring protects both the business and the individual. Passwords and Personal Information are never targeted for capture, however if such information is sent externally, unencrypted in an Email the Email system will hold a copy unless it is deleted from the senders 'Sent Items' folder.

Protective Monitoring plays a major role in preventing an individual from inadvertently giving such information to a fraudulent actor. For example:

- Many spam and phishing emails are prevented from entering the organisation.
- Individuals are prevented from accessing known websites which are fraudulent, contain malware or that have been compromised.
- Where an individual clicks a fraudulent link or file in an Email, protection measures help prevent the link activating or the file being run.

Monitoring significantly reduces the risk of an individual's information being compromised. Monitoring significantly reduces the risk of the businesses information being compromised.

Hazard Type	Risk to Individuals if Monitoring In place				Risk to Business if Monitoring In place			
	Severity	Likelihood	Risk Rating	Without Monitoring	Severity	Likelihood	Risk Rating	Without Monitoring
5. Staff are unaware of policy or procedure.	3	3	9	25	3	3	9	25

The following documents will be available on the Zone:

- ICT Acceptable Use Policy ([Hyperlink when on Zone](#))
- Protective Monitoring Policy ([Hyperlink when on Zone](#))
- Protective Monitoring Privacy Impact Assessment ([Hyperlink when on Zone](#))
- Protective Monitoring Risk Assessment
- Access to Information Procedure ([Hyperlink when on Zone](#))
- Access to Information Form ([Hyperlink when on Zone](#))

In addition:

- All staff with management responsibility will be advised of the Access to Information Procedure.
- All IT staff will be advised of the Access to Information Procedure.

There are many policies and procedures in use across the business and it is unrealistic to believe that everyone will know all the policies and procedures. Everyone should know however where to find them when they need to reference them.

PROPOSED ACTION

Policies and Procedures significantly reduce the risk of an individual's information being compromised.
 Policies and Procedures significantly reduce the risk of the businesses information being compromised.

Hazard Type	Risk to Individuals if Monitoring In place			Without Monitoring	Risk to Business if Monitoring In place			Without Monitoring
	Severity	Likelihood	Risk Rating		Severity	Likelihood	Risk Rating	
6. Policy and procedure are inadequate.	4	2	6	25	4	2	8	25

It is an almost impossible task to have Policy, Procedure and Assessments that document all conceivable eventualities. Such documents need to be able to cover the majority of circumstances but should not be considered as all-encompassing.

The Protective Monitoring suite of documents have had input from and been reviewed by:

- IT and Transformation
- Human Resources and Customer Service
- Legal and Democratic Services
- Unions
- Aberdeen City Council Finance, Policy and Resources Committee

Policies and Procedures significantly reduce the risk of an individual's information being compromised.
 Policies and Procedures significantly reduce the risk of the businesses information being compromised.

Hazard Type	Risk to Individuals if Monitoring In place			Without Monitoring	Risk to Business if Monitoring In place			Without Monitoring
	Severity	Likelihood	Risk Rating		Severity	Likelihood	Risk Rating	
7. Access to logged information is not controlled.	4	2	8	1	4	2	8	20

Access to such information is restricted to key staff. Access cannot be obtained via standard user accounts and requires authenticated administrative privileges. Out with this, if information is requested due to a security incident or as part of an investigation then the 'Access to Information Procedure' ([Hyperlink when on Zone](#)) shall apply.

Logging/Auditing of administrator access is in place.

Monitoring significantly reduces the risk of the businesses information being compromised.

PROPOSED ACTION

Hazard Type	Risk to Individuals if Monitoring In place			Without Monitoring	Risk to Business if Monitoring In place			Without Monitoring
	Severity	Likelihood	Risk Rating		Severity	Likelihood	Risk Rating	
8. False positive information leads to investigation.	3	2	6	1	3	2	6	16

Most of the monitoring and preventative measures are automatic and in the majority of cases detail is never seen by human eyes. High level trending statistics may be generated for inclusion in reports.

Where our systems do flag up activity of potential concern these are in most cases not due to activity by individuals.

In the course of their duties, Security Analysts may come across patterns of traffic or information that requires further analysis. A high level but focussed look at the patterns may take place and may identify individuals. In most cases the activity is either not due to the individual or is not deliberate or persistent activity by the individual and requires no further investigation.

Where it is deemed further investigation is required the 'Access to Information Procedure' ([Hyperlink when on Zone](#)) will be followed.

There is significant risk to the business of instigating false investigations if we did not have the evidence to back up any claims.

Hazard Type	Risk to Individuals if Monitoring In place			Without Monitoring	Risk to Business if Monitoring In place			Without Monitoring
	Severity	Likelihood	Risk Rating		Severity	Likelihood	Risk Rating	
9. Inability to perform job functions due to Emails or Internet sites being blocked.	2	2	4	1	2	2	4	25

The blocking of Email or Internet sites should not have an impact on job functions. These are blocked due to the risk they pose to the business or the individual and could have a major impact on the job function if not blocked. Where a particular job role requires that a normally blocked site be open then this can be accommodated on a per user basis where there is a business case and with authorisation.

There is significant risk to the business if restrictions are not put in place.

PROPOSED ACTION

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Protective Monitoring Access to Information Procedure

Owner:	Security Architect
Author:	Norman Hogg
Creation Date:	October 2017
Review Date:	October

Document Status:
Draft

Scope

What is this procedure for?

This procedure is to be followed for requesting access to any information Aberdeen City Council collects as part of Protective Monitoring. This is a high-level procedure which covers:

- The circumstances under which access to ICT User Accounts and Information may be granted.
- The procedure which must be followed when requesting such access.
- The procedure to be followed by ICT staff to fulfil that access.

Who is this procedure for?

This procedure is of importance to **all staff**. It is particularly important for:

- Anyone who has management responsibilities.
- Anyone who is leading an investigation.
- All ICT staff.

- **If you believe the investigation is likely to result in criminal charges then further advice must be sought. If in the process of an investigation this becomes the case the investigation must immediately stop, and further advice sought. Failure to do so may prevent such charges being brought.**
- **It is important that only the information necessary to any investigation is requested.**
- **Information obtained or supplied must be treated as OFFICIAL SENSITIVE [PERSONAL] and held securely (e.g. password protected) so that it cannot be accessed by others.**

Information Request

A request for information on an employee's browsing, Email or access history may be received from a manager or head of any department, the fraud team or official sources e.g. the police. In all cases a strict process and procedure **must** be followed so that the appropriate audit trail and evidence of authorisation can be maintained.

Any request must be justified under the principles of current Data Protection legislation. In summary:

Lawful. Access must be for legitimate and lawful reasons.

Justified. There must be reasonable suspicion of wrongdoing, not just a "fishing" exercise.

Proportionate. The information requested should be proportionate to the seriousness of the incident being investigated.

Necessary. Only information actually required should be requested. Access to information should be the only way of gathering the evidence for the investigation.

Examples of possible reasons for request:

- Suspected Emailing of confidential information to external or unauthorized addresses.
- As part of an ongoing investigation.
- Suspicion of unlawful activities.
- Suspected breach of the Acceptable Use Policy.

Where the information is being sought in relation to an individual's actions, the individual should wherever possible be informed. A failure to do so may contravene the Data Protection and Human Rights acts and you must therefore liaise with an HR adviser in these situations.

There are specific exemptions within the Data Protection Act 1998 for not informing the individual if it is in relation to 'the prevention or detection of crime'. It is advised again that you must liaise with an HR adviser who will in turn involve the Fraud team and/or Legal and Democratic services colleagues where applicable and appropriate.

Where the Police or other external body requests access to information, specific Data Protection exemptions may also be considered. The Police will send in a completed exemption form, which will be retained for the audit trail. In all cases where an

external body requests information this should be handled as a 'Third Party Request for Personal Information'. See [Corporate Data Protection Policy](#)

In performance of their duties, ICT security personnel may come across situations of concern regarding an individual. These concerns shall be relayed to the appropriate management or authority. Further analysis must not take place without instruction and approval of said management or authority. In all cases this procedure **must** be followed so that an appropriate audit trail and evidence of authorisation can be maintained.

An information request **must** be authorised by the head of department or their delegated authority. Where the head of department themselves is requesting information then the Senior Information Risk Owner (SIRO) or delegated authority **must** authorise the request. Where the SIRO themselves is requesting information then the Chief Executive or delegated authority must also authorise the request.

In all cases someone more senior than the requester **must** authorise the request.

Information requested may include:

- Browsing history (in depth analysis which may include e.g. links clicked within sites, bandwidth usage, files uploaded/downloaded)
- Email history (this may include e.g. access to logs, access to Emails)
- Access history (this may include access to e.g. logs, audit trails)

Requester Procedure

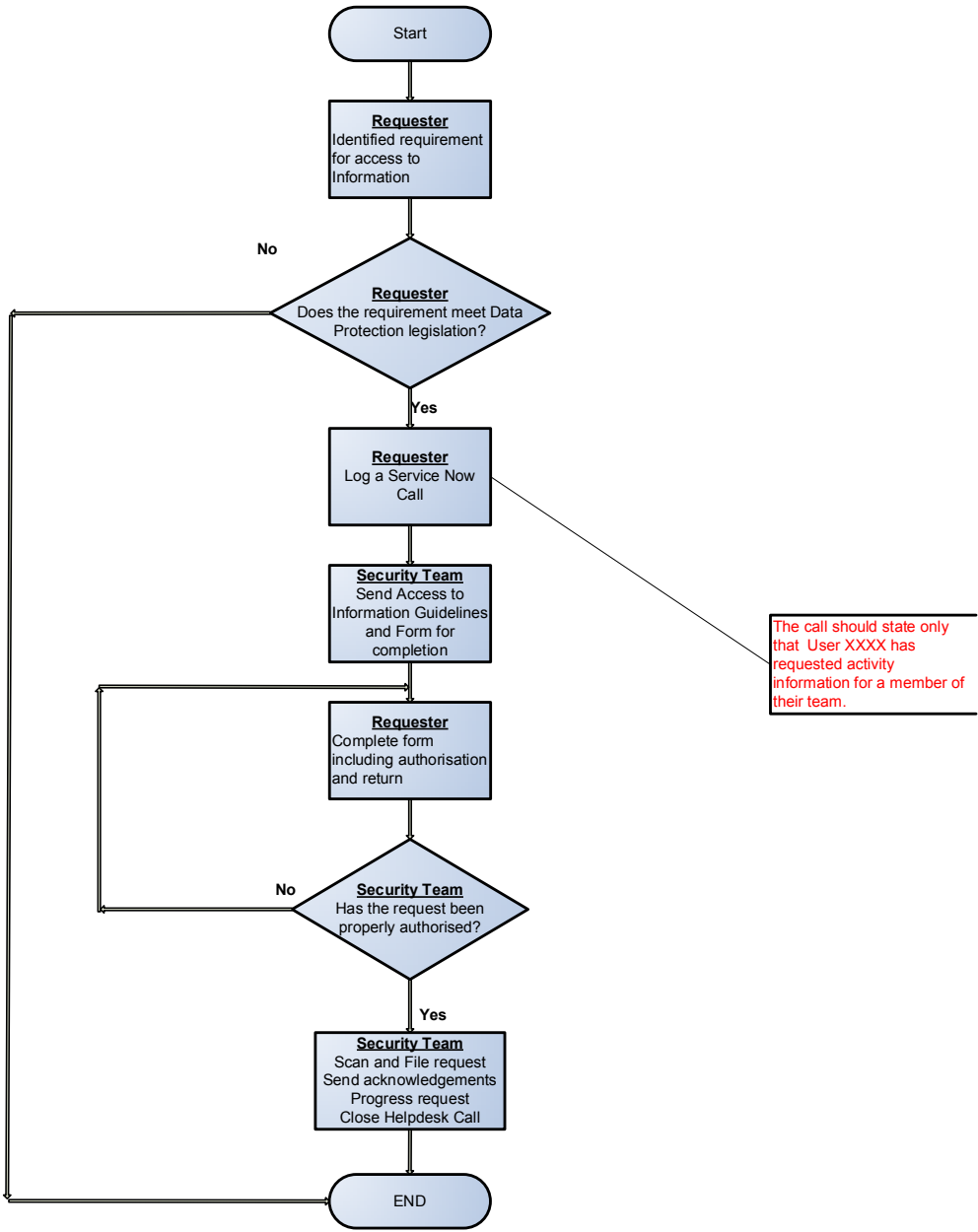
- When requesting information, the requester must ensure that they are doing so with respect to current Data Protection legislation. If in doubt further advice should be sought from their Head of Department, IT, or Legal team.
- The requester should log a [Service Now](#) call either directly or after discussion with an IT Manager or the IT Security Team. This call should contain **minimal** information stating only that it is a request for access to "activity information regarding a member of their team". Details of the person being investigated or the reasons behind the request **should not** be included.
- A Security Team member will send an "Activity Report Request Form" for completion. This form should be completed giving enough detail as to what information is required and why. The form should be authorised by Head of Department, SIRO, or Chief Executive as appropriate and signed by an HR advisor.
- Completed forms should be scanned, hand delivered or sent via internal mail back to the Security team member dealing with the request. If internal mail is used, please ensure it is in a sealed envelope and marked OFFICIAL SENSITIVE [PERSONAL].
- The Security Team member will then acknowledge receipt to the requester and the authoriser and commence with the request.
- It is the responsibility of the requester to handle any information provided with Data Protection in mind. This may include password protecting information or redaction.

ICT Procedure

- A request coming from any source is logged as a call in Service Now under the Security Team. This call should contain minimal information stating only that it is a request for access to “activity information regarding a member of their team”. Details of the person being investigated or the reasons behind the request **should not** be included.
- The Security Team will add the Service Now reference number to - and send an “Activity Report Request Form” to the requester. The Security Team will update the Service Now call stating this has been done.
- On return of the form the Security Team shall check that adequate information has been supplied to allow the request to proceed and update the Service Now call. If adequate information has not been supplied advice should be given and the form sent back for completion. Should the Security Team have any concerns regarding the information requested or the reasons for access then they should challenge and seek further authority if deemed necessary. All actions should be referenced in the Service Now call.
- The Security Team **must** ensure that the Head of Service (or their delegate) has authorised the request and that the form has been signed by an HR advisor.
- Should the requestor be the Head of Service then the form **must** be authorised by the SIRO (or their delegate).
- Should the requestor be the SIRO then the form **must** be authorised by the Chief Executive (or their delegate).
- On completion of the paperwork and authorisation the Security Team shall:
 - Scan the form and file the document securely.
 - Send an acknowledgement Email to the requester the authoriser and the HR Advisor acknowledging receipt and approval to proceed with investigation.
 - Fulfil the request.
- The information should be treated as sensitive and the following should apply:
 - Where possible mark all documents with OFFICIAL SENSITIVE [PERSONAL] in the document header or on the title page.
 - Where there are numerous documents, or you are unable to do this the folder containing the documents should have the words OFFICIAL SENSITIVE in the name.
 - Where possible information and documents should be sent password protected or in a password protected Zip file.
- On completion of the Investigation the Security Team should ensure any changes to permissions are reset then update and close the Service Now call.

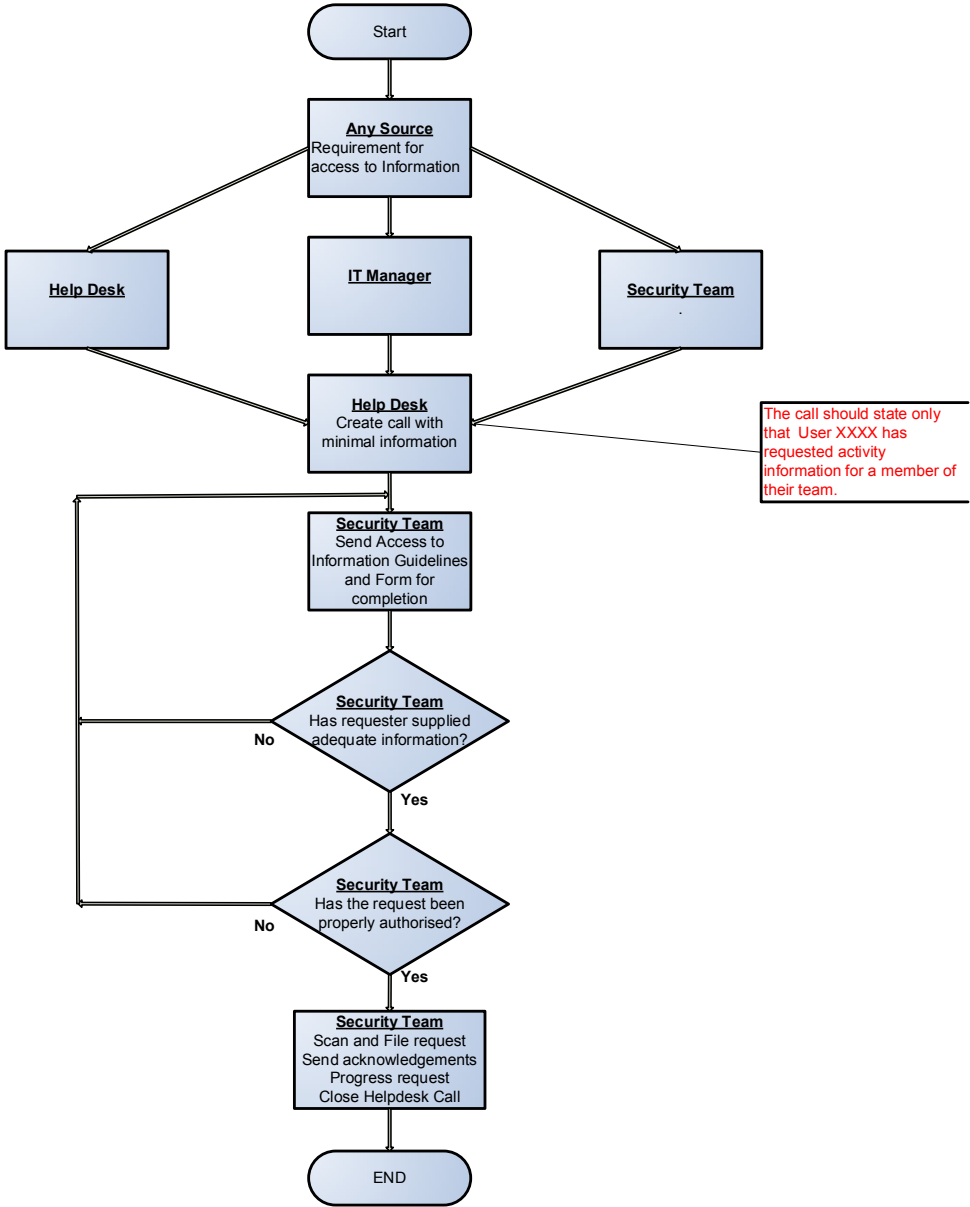
**Access to Information
REQUESTER Workflow**

Date Last Updated: 06/10/2017
Review Date: Annually
Process Owner: Security Architect



**Access to Information
ICT Workflow**

Date Last Updated: 06/10/2017
Review Date: Annually
Process Owner: Security Architect



Related Policy Documents

Policy and Strategy

- [ICT Acceptable Use Policy](#)
- [Employee Code of Conduct](#)
- [Protective Monitoring Policy \(Hyperlink when on Zone\)](#)

Procedures

- [Access to Information Procedure \(Hyperlink when on the Zone\)](#)

Forms

- [Access to Information Request \(Hyperlink when on the Zone\)](#)

Assessments

- [Protective Monitoring Privacy Impact Assessment \(Hyperlink when on the Zone\)](#)
- [Protective Monitoring Risk Assessment \(Hyperlink when on the Zone\)](#)

Related Legislation and Supporting Documents

Acts

- [The Data Protection Act \(1998\)](#)
- [General Data Protection Regulation](#)
- [The Computer Misuse Act \(1990\)](#)
- [The Copyright, Designs and Patents Act \(1988\)](#)
- [The Health & Safety at Work Act \(1974\)](#)
- [The Human Rights Act \(1998\)](#)
- [The Regulation of Investigatory Powers \(Scotland\) Act 2000](#)
- [Telecommunications \(Lawful Business Practices\) \(Interception of Communications\) Regulations 2000 \(LBPR\).](#)

Standards

- [ISO27001/2](#)
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Regulations

- [PCI DSS](#)

Best Practice Guides

- [National Cyber Security Centre \(NCSC\) Good Practice Guide 13 - Protective Monitoring \(GPG 13\)](#)
- [Information Commissioner's Employment Practices Code; Part 3 Monitoring at Work.](#)

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Access to Information Guide and Form

Owner:	Security Architect
Author:	Norman Hogg
Creation Date:	October 2017
Review Date:	October

Document Status:

Draft

Scope

This is a high-level guideline and request form for managers to request access to information for investigatory purposes. Please familiarise yourself with the [Protective Monitoring Access to Information Procedure \(Hyperlink when on Zone\)](#) before completion.

- **If you believe the investigation is likely to result in criminal charges then further advice must be sought. If in the process of an investigation this becomes the case the investigation must immediately stop and further advice sought. Failure to do so may prevent such charges being brought.**
- **It is important that only the information necessary to any investigation is requested.**
- **Information obtained or supplied must be treated as OFFICIAL SENSITIVE [PERSONAL] and held securely (e.g. password protected) so it cannot be accessed by others.**

- This form is for requesting access to any information Aberdeen City Council collects as part of Protective Monitoring
- All such requests require authorisation by the head of department and an HR advisor. Where the head of department is the requester then the Senior Information Risk Owner (SIRO) must authorise the request. In all cases someone more senior than the requester **must** authorise the request.
- Any request must be justified under the principles of current Data Protection legislation. In summary, they must be:

OFFICIAL-SENSITIVE [PERSONAL]

Lawful	Access must be for legitimate and lawful reasons.
Justified	There must be reasonable suspicion of wrongdoing, not just a “fishing” exercise.
Proportionate	The information requested should be proportionate to the seriousness of the suspected wrongdoing.
Necessary	Only information actually required should be requested. Access to information should be the only means available of gathering evidence required for the investigation.

- Information requested may include:
 - Browsing history (in-depth analysis which may include links clicked within sites, bandwidth usage, files uploaded/downloaded, etc.)
 - Email history (this may include access to logs, access to Emails, etc.)
 - Access history (this may include access to logs, audit trails, etc.)

Related Policy Document Suite

Policy and Strategy

- [ICT Acceptable Use Policy](#)
- [Employee Code of Conduct](#)
- [Protective Monitoring Policy](#) (Hyperlink when on the Zone)

Procedures

- [Access to Information Procedure](#) (Hyperlink when on the Zone)

Assessments

- [Protective Monitoring Privacy Impact Assessment](#) (Hyperlink when on the Zone)
- [Protective Monitoring Risk Assessment](#) (Hyperlink when on the Zone)

Related Legislation and Supporting Documents

Acts

- [The Data Protection Act \(1998\)](#)
- [General Data Protection Regulation](#)
- [The Computer Misuse Act \(1990\)](#)
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- [The Health & Safety at Work Act \(1974\)](#)
- [The Human Rights Act \(1998\)](#)
- [The Regulation of Investigatory Powers \(Scotland\) Act 2000](#)
- [Telecommunications \(Lawful Business Practices\) \(Interception of Communications\) Regulations 2000 \(LBPR\).](#)

Standards

- [ISO27001/2](#)

OFFICIAL-SENSITIVE [PERSONAL]

- [PSN](#)

Regulations

- [PCI DSS](#)

Best Practice Guides

- [National Cyber Security Centre \(NCSC\) Good Practice Guide 13 - Protective Monitoring \(GPG 13\)](#)
- [Information Commissioner's Employment Practices Code; Part 3 Monitoring at Work.](#)



Activity Report Request

ServiceNow Reference:	
-----------------------	--

Please tick

Access requested to:	
Browsing history	<input type="checkbox"/>
Email history	<input type="checkbox"/>
Access history	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>

Details of Request	
Name of Accounts Under Investigation	
PC/Laptop number	
ACC employment status	
Reason(s) for Request	

Details of Information Requested	
Information Required	
Period to be reported	
Data to be made available to	
Request made by	
Position	
Signed	
Date	

Authorisation by Head of Service or SIRO	
Request	Approved <input type="checkbox"/> Denied <input type="checkbox"/>
Name	
Position	
Signed	
Date	
Comments	

HR Advisor consulted	
Name	
Position	
Signed	
Date	
Comments	

All authorised forms should be scanned and Emailed back to the sender, delivered by hand or returned in a sealed envelope marked OFFICIAL SENSITIVE [PERSONAL] to:

Security Team, IT & Transformation, Business Hub 17, 3rd Floor North, Marischal College, Broad Street, Aberdeen, AB10 1AB

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	01 December 2017
REPORT TITLE	Enforcement of the Private Rented Housing Sector
REPORT NUMBER	CHI/17/236
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Ally Thain

1. PURPOSE OF REPORT:-

- 1.1 This report responds to instruction by Committee on 9th March 2017, “to bring a report to a future meeting of the Finance, Policy and Resources Committee outlining the options for enhancing the resources available for enforcement within the private rented housing sector and to draft a business case on how this could be done on a revenue-neutral basis.”

2. RECOMMENDATION(S)

- 2.1 The Committee is requested to:
- (i) Note the contents of the report, and
 - (ii) Agree in principle to the creation of a post of Administration Assistant (Enforcement) on a 1-year fixed-term contract and instruct Officers to take forward a detailed business case to implement the instruction.

3. BACKGROUND

- 3.1 The Finance, Policy & Resources Committee at its meeting on 9th March 2017, instructed the Director of Communities, Housing and Infrastructure to “bring a report to a future meeting of the Finance, Policy and Resources Committee outlining the options for enhancing the resources available for enforcement within the private rented housing sector and to draft a business case on how this could be done on a revenue-neutral basis.”

3.2 LEGISLATION

- **Registration of Private Landlords**

3.2.1 Legislation to require licensing and registration of landlords was introduced to improve the standards of privately rented properties in Scotland; to improve the rights of those who rent the properties, and to ensure their safety. The relevant legislation is outlined below.

- The Anti-social Behaviour etc. (Scotland) Act 2004 as amended, Part 8

3.2.2 With very few exceptions, all private landlords in Scotland must register with their local authority. Offences include:

- Failure to register is an offence
- Failure to supply certain information when applying to register is an offence
- Supplying false information when applying to register is an offence
- Failure to keep registration details up-to-date is an offence

3.2.4 Local authorities may report the above offences to the Procurator Fiscal, but there is also a limited range of other sanctions available as follows:

- When an existing Registration expires with no attempt to renew it, a £110 Late Application Fee is automatically applied to the Registration account, which must be paid by the landlord in addition to the usual registration fees. The LAF can only be applied if 2 written reminders have been issued by the local authority prior to expiry. Landlords may appeal the application of the LAF via the Council's Complaints team.
- When a previously-registered landlord fails to renew the Registration, or an unregistered landlord fails to register, the local authority may serve a Rent Penalty Notice which is designed to stop rent being collected until the landlord has registered.
- Where a landlord is deemed not to be a 'fit & proper' person, the local authority may either refuse to approve a Registration application, or revoke an existing Registration.

- The Housing (Scotland) Act 2006 as amended, Part 4.

3.2.5 Private landlords in Scotland must ensure that their rental properties comply with the following Repairing Standard:

- The property must be wind and watertight
- The property must be fit to live in, and meet the 'tolerable standard'
- The structure and exterior of the property must be in a reasonable condition
- The installations for the supply of water, gas, electricity, and for sanitation, space heating and heating water must be in a reasonable state of repair and in proper working order
- Any fixtures, fittings or appliances provided by the landlord (such as carpets, light fittings, white goods and household equipment) must be in a reasonable state of repair and in proper working order
- Any furnishings provided by the landlord must be capable of being used safely for the purpose for which they are designed
- The property must be fitted with suitable fire detection devices - there should be at least one smoke alarm in every room which is used by the

tenants, one smoke alarm in every circulation space (hallways or landings), and a heat alarm in every kitchen. The alarms should be interlinked and if installed after September 2007, they should be mains powered.

- The property must have satisfactory provision for giving warning if carbon monoxide is present in a concentration that is hazardous to health.

3.2.6 If the property doesn't reach the Repairing Standard and the landlord refuses to carry out the necessary work, then a private tenant can report their landlord to the Housing & Property Chamber First-tier Tribunal for Scotland. A recent change to the legislation introduced '3rd party reporting' whereby a local authority can report a private landlord to the First-tier Tribunal. The Tribunal has the power to issue a Repairing Standard Enforcement Order (RSEO) which instructs the landlord to carry out certain repairs by a deadline.

- It is an offence to fail to comply with an RSEO
- It is an offence to relet a rental property whilst an RSEO is in force

3.2.7 Both these offences bring the landlord's suitability as a 'fit & proper' person into question and the local authority may decide to refuse an HMO licence application or Landlord Registration application, or revoke a current HMO licence or Registration.

- **The Housing (Scotland) Act 2006 as amended, Part 5.**

3.2.8 This introduced the licensing of Houses in Multiple Occupation (HMO). Landlords in Scotland who are accommodating 3 or more unrelated persons as their 'only or main' residence, and where they share kitchen and/or bathroom facilities, must hold a valid HMO licence issued by the local authority. Offences under this legislation include:

- Operating an unlicensed HMO
- Acting as an agent for an unlicensed HMO
- Breaching an HMO licence condition

3.2.9 Local authorities may report the above offences to the Procurator Fiscal, but there is also a limited range of other sanctions available as follows:

- Where a landlord is found to be operating an unlicensed HMO, or found to be breaching a condition of the HMO licence, a Rent Suspension Order (RSO) may be served which is designed to stop the tenants from paying rent until the landlord either obtains an HMO licence or rectifies the breach of the licence condition.
- Where a landlord or agent is deemed not to be a 'fit & proper' person, or a premises is deemed unsuitable for occupation as an HMO, the local authority may either refuse to approve an HMO licence application or revoke an existing HMO licence.

- **Other Legislation**

3.2.10 In addition to the above, private landlords in Scotland have a duty to comply with various other pieces of legislation relating to private renting including Tenancy Deposit Regulations, Energy Performance Certificates, and Tenancy Agreements.

3.3 EXTENT OF THE PRIVATE RENTED SECTOR IN ABERDEEN CITY

3.3.1 The online Registration system shows that in Aberdeen City, there are currently:

- 34,315 registered landlords
- 27,947 registered rental properties

3.3.2 The HMO licensing database currently shows that in Aberdeen city there are:

- 1,276 HMO-licensed properties, with another 195 pending applications

3.3.3 It is not possible to identify the total number of unregistered landlords and unlicensed HMOs in Aberdeen City. However, as a guide, the Private Sector Housing team received 590 complaints between 2014 – 2017 related to unregistered / unlicensed activities.

3.3.4 It is also worth noting that the Council is currently investigating the introduction of a policy on 'HMO Overprovision'. If introduced this could potentially restrict the amount of HMOs in a given locality, and impact the role of any officer employed by the Council through this report.

3.4 PRIVATE SECTOR HOUSING UNIT

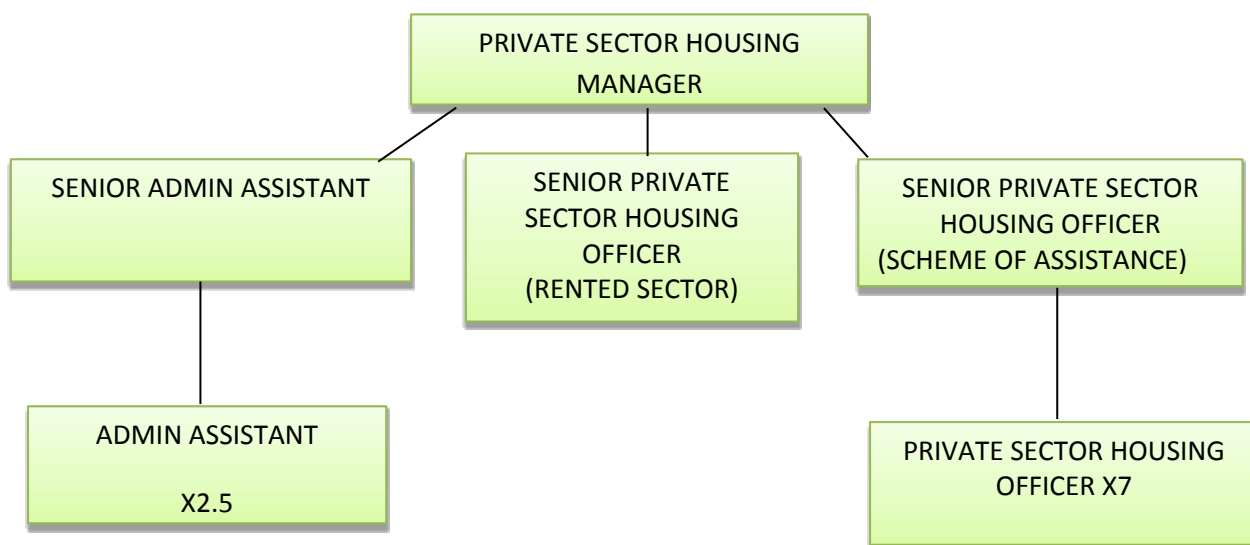
3.4.1 Activities

The Private Sector Housing Unit (PSHU) is responsible for:

- Landlord Registration
- HMO licensing
- Scheme of Assistance (Disabled Adaptation Grants and repair & maintenance of private property).

3.4.2 Staffing Complement

The PSHU staff complement is as follows:



3.4.3 Private Rented Sector Activities

- The Senior Administration Assistant and their team of Administration Assistants handle the Landlord Registration applications submitted online and by paper, and the paper HMO licence applications. The HMO licence applications are then allocated to the Private Sector Housing Officers who handle the inspection duties liaising with the Scottish Fire & Rescue Service as appropriate.

3.4.4 Existing Enforcement Activities

PSHU staff currently:

- Handle and investigate claims/complaints by members of the public of unregistered landlords and unlicensed HMOs, to determine whether the persons are actually operating as landlords and actually operating unlicensed HMOs, then take appropriate action.
- Pursue previously registered landlords whose Registrations have expired, to determine whether they are still operating as landlords, and if so then apply the £110 Late Application Fees and serve Rent Penalty Notices.
- Pro-actively attempt to identify unregistered landlords via Council Tax records, then confirm whether or not the persons are actually operating as landlords, then take appropriate action.
- Report to the Licensing Committee any objections or concerns in respect of HMO licence applications and Landlord Registration applications.

3.4.5 Complaints received

- Complaints received about unlicensed / unregistered properties over the last three years are detailed below, as are conversion rates. The current Registration fee paid online by a landlord who owns one rental property is £59.40 every 3 years. HMO fees are on a sliding scale dependent upon the amount of tenants to be accommodated. The

majority of HMOs in Aberdeen are houses and flats where 3 – 5 tenants are resident, and the relevant HMO fee is £495 every 3 years.

Year	Unlicensed HMOs	Unregistered landlords	Additional income if all converted
2015	41	157	£29,620.80
2016	154	146	£84,902.40
2017	19	73	£13,741.20
3 year total	214	376	£128,264.40

Period	Complaints	Converted to licenced / registered	Additional fees generated
2015-17	HMO – 214	41 (19%)	£20,295
	PRS – 376	253 (67%)	£15,028.20
	Total – 590	Total – 294 (50%)	£35,323.20

- The average return per year in this period is therefore £11,774.40.

3.5 OPTIONS FOR ENHANCING ENFORCEMENT ON A REVENUE-NEUTRAL BASIS

- Landlord registration

3.5.1 The cost of the Council's Landlord Registration activities is met fully from the Registration fees paid by landlords. The Scottish Government sets the Registration fee and it has remained unchanged since Registration was introduced in 2006. Registration fees are not, by law, ring-fenced although the Scottish Government's intention is that the Registration fees first and foremost will fund the Registration activities, with any fee surplus being retained for other private sector housing activities. Thus, all Registration fees are fully committed by this Council on private sector housing issues.

3.5.2 The table below indicates the potential fee generation accruing from enforcement activity resulting in additional registration applications being submitted, based upon a fee of £59.40 per application.

Number of additional landlord applications	Fee generation
100	£5,940
200	£11,880
300	£17,820
400	£23,760
500	£29,700

- HMO registration

3.5.3 The cost of the Council's HMO licensing activities is met fully from the HMO fees paid by licence-applicants, although HMO fees are ring-fenced. In this regard, the Council sets the level of HMO fees to reflect the cost of the HMO licensing service, and the fees are reviewed each year and increased or

decreased as necessary to reflect the costs of providing the service. Any surplus of HMO fees cannot be diverted for any other use. It should be noted that HMO fees only reflect the costs of the licensing process. The HMO fees cannot fund any HMO enforcement activity.

3.5.4 The table below indicates the potential fee generation accruing from enforcement activity resulting in additional HMO licence applications being submitted, based upon a fee of £495 per application.

Number of additional HMO applications	Fee generation
10	£4,950
20	£9,900
30	£14,850
40	£19,800
50	£24,750

- Enforcement options

3.5.5 The Committee remit is to consider options for enhancing enforcement on a revenue-neutral basis, and as stated above the Landlord Registration & HMO Licensing revenues are fully committed, which means that any option involving additional resources must be funded by the generation of additional applications and therefore fees.

- Option 1

3.5.6 To continue enforcement activities using existing PSHU staff, at no extra cost. As mentioned above, the service has received, over the last 3 years, 376 complaints about unregistered landlords and 214 about unlicensed HMO landlords. These complaints are followed up and converted where required into registered / licensed properties.

- Option 2

3.5.7 The recruitment of an additional office-based Administration Assistant on a 1 - year fixed-term contract specifically to identify unregistered landlords and unlicensed HMOs by interrogation of various Council databases, principally Council Tax, and thereafter to contact the individuals to establish whether they are operating as landlords and take appropriate action as necessary. Any subsequent visiting of properties would need to be done by existing PSHU inspecting Officers. Existing PSHU Administration Assistants are paid at Grade 8 (£17,624 - £18,913 + corporate costs). At the first point of Grade 8, the total cost for an officer per year is £23,474.54. In order to cover this cost, the equivalent of 300 unregistered landlords would need to be converted, alongside 20 – 30 unlicensed HMO properties each year.

- Option 3

3.5.8 The creation of a post of 'Enforcement Officer' on a 1-year fixed-term contract specifically to work alongside the existing Administration Assistants and the Senior Private Sector Housing Officer (Rented Sector). The post would identify unregistered landlords and unlicensed HMOs by interrogation of various Council databases, principally Council Tax, and thereafter would contact the individuals to establish whether they are operating as landlords and take appropriate action as necessary. This will involve an element of

visiting properties, talking to residents etc to establish the facts to pursue appropriate action. As a new post the grade will need to be assessed though the Council's job evaluation scheme. However, a comparison with current similar roles shows that the post could potentially attract a salary on G12/13 grades. This equates to a range of £27,302 - £35,575 + corporate costs. To achieve this on a revenue-neutral basis the equivalent of 300 unregistered properties and 50 unlicensed HMO properties would need to be discovered and converted each year.

- Recommendation

3.5.9 Option 2 above is considered to be the most viable method of increasing discovery and enforcement activity while minimising financial exposure. This option is considered the lowest risk of the enhanced options, as while it requires additional fee income to be revenue-neutral, this is generated through a lower number of properties than Option 3. The role will be designed to identify and then tackle potential offenders as an enhancement to current service delivery. As noted above, the average return per year since 2015 is £11,774.40. This would require the postholder to identify a similar number of unregistered / unlicensed properties and convert them accordingly.

3.5.10 Alongside this, it is proposed that a communication plan is created to advise of the work being done in this sector, and also to publicise successes. It is hoped that this will encourage unregistered landlords to apply for registration / licensing and ultimately improve the compliance rate in the sector. If agreed by Committee, Officers will take forward a detailed business case to implement the instruction.

3.5.11 A business case to establish this fixed term post was considered by the Council's Establishment Control Board on the 19th October 2017, with permission to recruit to the post agreed.

4. FINANCIAL IMPLICATIONS

4.1 The recommendations would see increased costs incurred over the 1-year life of the additional discovery and enforcement activity.

4.2 Additional costs incurred will be funded by increased income from Landlord Registration applications which are likely to be generated by the activities.

4.3 A financial risk exists if costs are incurred with the increased activity if the additional landlord registration applications expected do not materialise.

4.5 As a new post the grade will need to be assessed though the Council's job evaluation scheme.

5. LEGAL IMPLICATIONS

5.1 As the proposal is to enhance the existing enforcement activities, there are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

6.1 Financial and Technological

- 6.1.1 If additional resources are to be deployed the costs of the landlord registration element will have to be funded from the income generated by fees. There is a significant risk that the additional fee income will not be sufficient to cover the costs of the extra post – High risk
No technological risks are identified - Low Risk

6.2 Employee

- 6.2.1 If the 'Enforcement Officer' option is agreed, an element of lone-working will be involved.
Medium Risk

6.3 Customer / citizen

- 6.3.1 Landlords who are unregistered or are operating unlicensed HMOs are committing an offence, and their tenants are at risk.
High Risk

6.4 Environmental

- 6.4.1 Not Applicable

6.5 Legal

- 6.5.1 Landlords who are unregistered or are operating unlicensed HMOs are committing an offence, and their tenants are at risk. Enforcement which brings about Registration or licensed HMOs results in compliance with the relevant legislation
Low Risk

6.6 Reputational

- 6.6.1 The Council could be criticised by 'complying' landlords for not doing enough to enforce against 'rogue' landlords.
High Risk

7. IMPACT SECTION

- 7.1 This section demonstrates how the proposals within this report impact on the strategic themes of Aberdeen City Council and Community Planning Aberdeen, as set out in the [Aberdeen City Local Outcome Improvement Plan 2016-26](#) and the [Aberdeen City Council Strategic Business Plan](#).

7.2 Economy

- 7.2.1 The private rented sector is a key element of the housing market. It provides housing for particular sectors of the economy and in particular students and workers taking up job opportunities in the city. A vibrant private rented sector is therefore very important in supporting the local economy.

7.3 People

7.3.1 The Council is committed to improving the key life outcomes for all people in Aberdeen. Private tenants are at risk if their landlords are not registered or HMO-licensed, therefore enforcement to achieve compliance with the legislation and the various standards should result in a safer living environment for private sector tenants.

7.4 Place

7.4.1 The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operating to the highest environmental standards. Ensuring that landlords comply with their registration and licencing obligations will make it easier to identify owners of property and thereafter to ensure that they meet their property maintenance and repairing obligations.

7.5 Technology

7.5.1 No direct implications.

8. BACKGROUND PAPERS

8.1 Scottish Government Statutory Guidance on the HMO legislation
Scottish Government Guidance on Landlord Registration

9. APPENDICES

9.1 None.

10. REPORT AUTHOR DETAILS

Ally Thain
Private Sector Housing Manager
allyt@aberdeencity.gov.uk
01224 522870

HEAD OF SERVICE DETAILS

Derek McGowan
Head of Communities & Housing
demcgowan@aberdeencity.gov.uk
01224 522226

ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy and Resources
DATE	1 st December 2017
REPORT TITLE	Alternative options for storage of belongings
REPORT NUMBER	CHI/17/133
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Jim Currie and Graeme Gardner

1. PURPOSE OF REPORT

- 1.1 This report sets out options to reduce the volume of goods taken in to storage, to reduce the period for which goods are stored and to set out options to charge customers for the storage of their belongings where appropriate with a view to reducing the costs incurred by the Council.
- 1.2 These measures are designed to reduce the demand on Council services to provide furniture storage while at the same time providing a safety net for customers who are unable to make their own arrangements.

2. RECOMMENDATION(S)

- 2.1 Committee approve Option 2, at point 3.4 below, as the Charging Policy for storage of homeless households belongings which is anticipated to achieve a cost reduction of £26,898.
- 2.2 To implement the charge from 1st of April 2018

3. BACKGROUND/MAIN ISSUES

- 3.1.1 In line with the Housing (Scotland) Act 1987 (as amended) (“the 1987 Act”) in relation to Homelessness, Local Authorities are required to provide removal storage and disposal facilities for the furniture and personal belongings of people who are determined as statutory Homeless or threatened with Homelessness.
- 3.1.2. Specifically, the duty applies where
 - (a) there is a danger of loss of, or damage to, any moveable property of his by reason of his inability to protect it or deal with it, and
 - (b) no other suitable arrangements have been or are being made.

3.1.3 Furthermore, in the statutory Code of Guidance on Homelessness published by the Scottish Government it states:

“If homeless people are to set themselves up successfully in a new home, they are likely to need all or most of their existing possessions. Therefore, the preservation of their possessions benefits not only the applicant themselves, but can produce savings to the public purse in terms of homelessness recurring, or the need for such support as provision of furniture”

3.1.4 While the importance of such good practice is acknowledged, it must be noted that there has been an increasing need for storage in recent years. The lengths of storage requirement have also increased and allocated budgets have consequently been overspent.

3.1.5 Requests for Furniture Storage over the last financial year, and this financial year to date are below:

2017/18 Year to Date			
Statutory Decision	Number of Applications	Number of requests for storage	%
Unintentional	748	34	4.5%
Intentional	56	2	3.6%
Not Homeless	80	1	1.25%
Resolved Homeless	19	0	0%
Ineligible	21	1	0%
Withdrawn	48	0	0%
Lost Contact	28	0	0%
Waiting Assessment	69	0	0%
Total	1069	38	3.6%

2016/17			
Statutory Decision	Number of Applications	Number of requests for storage	%
Unintentional	1203	53	4.4%
Intentional	53	3	5.7%
Not Homeless	57	1	1.8%
Resolved Homeless	33	1	3.0%
Ineligible	43	0	0%
Withdrawn	28	0	0%
Lost Contact	73	1	1.4%
Waiting Assessment	0%	0%	0%
Total	1490	59	4.0%

3.1.6 The spending for the previous three financial years is as follows:

2014/15	£108,717
2015/16	£112,784
2016/17	£89,955

3.1.7 Actions have already been implemented to reduce the level of spend, for example, disposing of items that were being stored on behalf of the council's Furniture Leasing Scheme and the combining of smaller lots of storage. Officers are continuing to ensure spend is minimised by actively case managing items that are in storage. Therefore there is little further scope to reduce spend.

3.1.8 At the same time homelessness presentation in 2017/18 have increased, therefore there is a risk that spend will increase in 2017/18.

3.1.9 The 1987 Act also permits "the making and recovery by the authority of reasonable charges for the action taken"

3.2 *Current Practice*

3.2.1 When a customer presents to the Council as homeless, and an application is triggered, a Case Officer will advise him/her of our statutory duty to store their belongings. If a need for storage is identified, and the service requested, the Case Officer will refer to the Housing Support Service to arrange the storage of customers' belongings. Greater emphasis on the need to ascertain the volume

of goods that require to be stored would help reduce demand and consequent cost of storage, as would a greater emphasis on identifying alternative arrangements and to enquire into the ability of customers to make such arrangements. As there is currently no charge to the customer for utilising these services, and as they are not aware of the costs incurred to the Council, there is little deterrence and consequently no opportunity to reduce demand.

- 3.2.2 The Council has a contract with a local charity, Instant Neighbour, for storage. This is a standalone contract and not a service that is available to the general public. This contract will be subject to tender as indicated in report CHI/17/038, with an outcome of this tender expected by January 2018.

3.3 *Practice of other local authorities*

We have consulted with a number of other local authorities who have provided us with details of their policies. Shelter Scotland has also advised that most Local Authorities will charge for the protection of a homeless person's property, although some charges will be waived where individuals are on a low income or receive benefits.

- 3.3.1 The practice of Moray Council is as follows:

The Housing Needs Officer will ask the applicant to contact three removal/storage companies and obtain an estimate for the removal and storage of the goods identified. The applicant will provide the Housing Needs Officer with the estimates as soon as they receive them or will ask the removal/storage company to forward the estimates directly by post, email or fax to the Housing Needs Officer.

- 3.3.2 This policy is more participatory on the customer's behalf, encouraging the sourcing of alternate solutions and assuring that the customer is aware of the cost of the service. The recommendations in this report encourage this element of participation, whilst also offering an alternative for the customer.

- 3.3.3 The practice of Aberdeenshire Council is as follows:

-Where a storage cost is incurred:

- (a) The full cost will be recharged where the customer is employed and not in receipt of Housing Benefit, however, the option to pay in instalments will be offered, if necessary. Note that where a charge is due, the customer should be advised that it is in their interests to arrange their own storage if possible as they will also incur a 10% administration charge by the council in addition to the storage cost.
- (b) If the customer is on full or partial Housing Benefit there will be no charge.

(c) If the customer is not employed and not entitled to Housing benefit (e.g, has too much capital, students) the full charge will be made with the option to pay by instalments if necessary.

- The proposed practice for Aberdeen City Council would involve a similar charging policy to that of Aberdeenshire Council (subject to our existing “Contributing to Your Care” policy) but it is not planned to raise an administration charge.

3.3.4 Glasgow City Council are currently at the same stage as ourselves. They do not charge for the service at present, but are preparing a case to introduce a charging policy. They reported the same issues as Aberdeen City Council such as large loads of items being stored and charges for storage that cost many times more than the cost of the goods.

3.3.5 Dundee City Council do not charge for storage, however their costs are reduced by using their own storage facilities. The service is also funded in part through their Housing Revenue Account.

3.4 Options for Future Practice

- Option 1

- Do nothing - continue operation as at present and continue to develop other initiatives to reduce the “homeless journey” time which will impact on the time that customers are in temporary accommodation and the length of time required for storage.

- Option 2

- Save an estimated £26,898 each year by introducing a charging policy, with the following underlying principles:

1. Customers should be advised of the charge for the service.
2. Customers should be encouraged to make alternate arrangements for the storage of items.
3. A limit will be placed on the amount that each customer will be permitted to place in storage. This will ensure that essential items can be stored, but not an unnecessary amount of additional items. *Actions 1 – 3 would make an estimated annual saving of £5,000.*
4. Customers should be encouraged to minimise the amount of belongings that they place in storage. *It is estimated that this will result in an annual saving of £9,500*
5. Customers should be charged for the service if and when they have the means to pay. This would be subject to financial assessment, as indicated in section 4 below. *It is estimated that this will result in an annual saving of £3,848 assuming that the charge recovers the full cost of the service.*

6. Payment may be delayed until customers have been allocated their settled accommodation.
7. Customers can be given the option to donate their household goods to charity on the understanding that all such goods will be replaced when they move into permanent accommodation. Customers will be aware of the goods that will be received in order to make an informed decision. At present, the cost of storing such goods costs many times more than the value of the goods. *It is estimated that this will result in an annual saving of £8,550.*
8. The introduction of a charge is largely aimed at diverting customers from placing unnecessary large quantities of furniture into storage and to consider alternative storage provision. We anticipate that there will only be few people who will be charged for the service and this will happen after a financial assessment has been undertaken.

- Option 3

- Introduce a charging policy including the elements outlined above in option 2, with the additional requirement of customers obtaining three alternative quotes for storage, as currently operated by Moray Council. Officers are not recommending this option as it is an unnecessary extra burden on customers at a time of crisis. They are, of course, free to obtain any quotes that they wish and would be encouraged to do so

- Option 4

- Introduce a charging policy including the elements above in option 2, with the addition of an administration charge similar to that operated by Aberdeenshire Council. This option is not recommended as the administration of the service is an integral part of our duty and it would not be appropriate to raise an additional charge.

3.5. Customer Survey

3.5.1 To establish whether the existence of a charge would have altered the behaviour of customers, officers conducted a survey of those who had previously used storage by Aberdeen City Council

- 85% would have reduced the volume of items that they placed in storage;
- 62% would have arranged to store items with family and friends; and
- 15% would have made their own arrangements with a storage provider.
- 85% indicated that they would be interested in donating furniture and white goods to charity and to have them replaced when they took up their new accommodation.

- 23% of people indicated that they would no longer have need for any storage.
- 62% indicated that, having reduced the amount of items that they place in storage, they would be unable to afford to store the remainder.

3.5.2 This supports the suggestion that a charging policy would encourage goods to be diverted from storage.

4. FINANCIAL IMPLICATIONS

4.1 The introduction of a charging policy is intended both to recoup some of the costs of the service, but also to encourage customers to make alternative arrangements for the storage of their belongings.

4.2 It is estimated that the cost of storage will reduce by £26,898, as detailed in Appendix 1. This estimated saving may change due to actions that customers take in reaction to the introduction of charging and to the level of homeless presentations.

4.3 The amount to be charged to customers will be subject to financial assessment. Due to individual financial circumstances, it is not possible to establish the exact level at which people will pay any charge. Worked examples show that there would be no charge for people in receipt of benefits who do not have assets and no charge of those on low incomes. The charge for storage of belongings would “rank” below other chargeable services, so this would further reduce the number of people who would be liable for this charge if they are already in receipt of other chargeable services.

4.4 Indicative amounts available for charge at varying income levels are as follows

Income level	Under 60	Over 60
£10,000	£0.00	£0.00
£12,000	£26.64	£0.00
£14,000	£52.41	£7.52
£16,000	£78.18	£33.29

4.5 A tender is currently in progress for renewal of the service. The current charging method involves a charge per square footage of floor space required. Our tender has asked for a charging method involving cubic metres of storage. Worked examples based on current lots of storage have indicated that this may result in a saving of approximately 20%, equating to an additional cost reduction of £20,000 per annum.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report

6. MANAGEMENT OF RISK

- 6.1 Customer/Citizen - There is a risk that, by introducing a charge to a customer group who may already be on a low income, “uncollectable debt” is introduced onto our financial system. This has been highlighted by colleagues in Income Management. This risk is mostly mitigated by the fact that the recommended policy principally seeks to reduce the amount of furniture placed in storage and there will be appropriate financial assessments in place to exempt those who would not be able to afford to pay.
- 6.2 The following categories have been considered, and no risk has been identified:- Financial, Employee, Environmental, Technological, Legal and Reputational.

7. IMPACT SECTION

7.1 People

- 7.1.1 An Equality and Humans Right Impact Assessment has been undertaken as part of the process of developing the charging policy.

- 7.2 At this stage it is not felt that the introduction of charging for furniture storage will have an adverse effect on any group due to the mitigating measures that are proposed.

7.3 Economy, Place Technology

- 7.3.1 The categories of economy, place and technology have been considered and it is not considered that there will be an impact in these areas.

8. BACKGROUND PAPERS

Scottish Government Code of Guidance on Homelessness
<http://www.gov.scot/Publications/2005/05/31133334/33492>

Housing (Scotland) Act 1987
http://www.legislation.gov.uk/ukpga/1987/26/pdfs/ukpga_19870026_en.pdf

Shelter Guidance on the Storage of Belongings
http://scotland.shelter.org.uk/get_advice/advice_topics/homelessness/help_from_the_councils_housing_department/what_happens_after_ive_made_my_application/storage_for_personal_belongings

9. APPENDICES (if applicable)

Appendix 1 Anticipated Reduction in Costs

10. REPORT AUTHOR DETAILS

Jim Currie
Development Officer (Contracts)
jcurrie@aberdeencity.gov.uk

01224 523116

Graeme Gardner
Development Team Leader
rggardner@aberdeencity.gov.uk
01224 523560

HEAD OF SERVICE DETAILS

Derek McGowan
Head of Communities and Housing
demcgowan@aberdeencity.gov.uk
01224 522226

Appendices

Appendix 1: Anticipated Reduction in Costs

Current Spend		£100,000
Anticipated Reductions	Saving	
No Longer Required (1)	5%	£5,000
Reduction in Volume (2)	10%	9,500
Sale/Buy Back (3)	10%	8,550
Income from Charging (4)	5%	<u>3,848</u>
		<u>26,898</u>
		<u>£73,103</u>

Notes

- 1 This reduction is achieved from clients who will find an alternative arrangement to store their belongings.
- 2 This reduction is achieved from clients who when faced with a charge, will reduce the volume of items being placed in storage.
- 3 This reduction is achieved from clients who would be happy to dispose of "white goods and furniture on the understanding that they will be replaced when they take up a new tenancy.
- 4 This is the amount that will be raised by operating a charging policy.

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	1 December 2017
REPORT TITLE	Towards A Fairer Aberdeen That Prospers For All 2017 – 20 - 'Food and Fun'
REPORT NUMBER	CHI/17/132
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Neil Carnegie

1. PURPOSE OF REPORT:-

- 1.1 The purpose of this report is to provide feedback on the “Food and Fun” work undertaken in priority localities across the city during the school Summer holidays 2017.

2. RECOMMENDATIONS

- 2.1 Committee is recommended to:

- a) Note the content of the report and positive impact the provision of food and fun had within the pilot neighbourhoods
- b) Request the Head of Communities and Housing to reports back to the next Finance, Policy and Resources committee setting out a plan for providing meals to school children during school holidays and the budget requirements to deliver this.

3. BACKGROUND/MAIN FINDINGS

- 3.1 Delivering a mix of good food provision and enrichment opportunities outside the busy school calendar year not only helps alleviate hunger but it can support working parents and those struggling with family food budgets in pressured holiday periods. It can also raise children’s aspirations, offer safety and give opportunities for fun and socialising.
- 3.2 The cost of meals during school holidays, particularly for those pupils entitled to free school meals, has been identified as a financial burden on low income families and those families in poverty. The Child Poverty Action Group (CPAG) report, Cost of the School Holiday, highlighted the impact of this on families and the further disadvantage it can cause.
- 3.3 The Finance, Policy and Resources committee at its meeting on 9 March 2017 determined that we should pilot a school holiday meal programme for

school children in three schools in summer 2017 and provide a report back to committee within nine months. £90,000 was allocated in the 2017/18 general fund budget to deliver this pilot programme.

- 3.4 The programme was to reach families who were most in need by offering spaces firstly to those who were entitled to free school meals. It was also to target regeneration areas in order to provide enhanced support to the areas which are facing the most financial difficulty in the city. This would also include people on the fringe of entitlement to free school meals who are struggling financially.
- 3.5 Evidence from similar programmes in other areas is that food should be provided alongside an activities programme. This is important to encouraging children to accept the meals on offer and also to support health and wellbeing through keeping children active. Hence, in each of the three pilots the food was provided alongside activity programmes, a short video of the fun and food activity at Bramble Brae is available at appendix two.
- 3.6 The pilot programme was delivered in Torry, Cummings Park, and Woodside. A detailed evaluation is appended to the report. The following summarises the programmes delivered and key findings.

3.7 Torry

- 3.7.1 The programme in Torry was delivered in four strands
- 3.7.2 Hip hop. The first week was an intensive hip hop class which was targeted at children with the most need at Tullos. The teachers identified the kids who were invited to attend. The course ran from 9-5 Monday to Friday with a break for lunch. They covered all styles of hip hop with professional dance teachers and at the end staged a performance for their families. Cfine provided most of the food for this week and the children rose to the challenge of a full time activity course. (18 children x 5 days = 90 lunches)
- 3.7.3 Balnagask Community Centre benefitted from lunches from the communities team for 3 of their summer trips – they provided all activities for their playscheme themselves. (35 children x 3 days = 105 lunches)
- 3.7.4 “Food and Fun” Fridays – Torry Sports Centre, Oscar Road. Active Schools ran a programme of activities every Friday during the summer holidays. P1-3 attended in the mornings and had an early packed lunch. Then P4-7 arrived for a packed lunch followed by activities. On average about 20 attended the mornings and about 15 the afternoons = 245 lunches.
- 3.7.5 “Food and Fun” at Tullos. In partnership with Aberdeen Football Club Community Trust (AFCCT) we also offered mornings and afternoons on the above split of ages. Similar numbers attended for the 8 days = 280 lunches.
- 3.7.6 In total 720 lunches were provided to school children through the programme. 123 school children participated in the programme. With the exception of week 1 (where food was provided via Cfine and prepared by communities staff) all meals were packed lunches provided by the Council catering service.

3.8 Cummings Park

3.8.1 The “Food and Fun” project at Bramble Brae Primary School was delivered in partnership with Aberdeen Football Club Community Trust (AFCCT) and won a special success Award at The Children and Young People’s Services Award Ceremony on 27th September 2017.

3.8.2 Food was provided by ACC catering services and consisted of each child having at least one hot meal each week and a build your own sandwich meal. A salad bar was available every day and additional extras (fresh fruit, yoghurt and water) were provided free by CFine and Tesco. Build your own sandwiches were very popular with the children and also allowed staff and volunteers to encourage the children to try healthy options.

3.8.3 The staff and volunteers were encouraged to sit and have lunch with the children. This allowed them to develop great relationships with the children and allowed the opportunity to develop skills around meals. The children were encouraged and supported to set tables and help to serve the food.

- 209 lunches were provided to P1-P3 children
- 198 lunches were provided to P4-P7 children
- Of the 67 children booked onto the summer “Food and Fun” programme, 65 children enjoyed 1 or more sessions throughout the 7 weeks. 52% of children that attended receive free school meals.

3.8.4 Additional funding was sought to allow AFCCT to deliver the activities during the 7 week project. They also provided additional resources – staff, volunteers, First Team player visit, mascot visit and access to free tickets for a home game. Their staff voluntarily stayed during lunch to supervise and build stronger relationships with the children. Without this partnership there would have been additional costs for staff to supervise at lunchtimes.

3.8.5 In total 407 lunches and 407 breakfasts were provided.

3.9 Woodside

3.9.1 A summer play scheme for primary school children running two days each week for five weeks was already planned and funded from other sources, so the programme here was to provide the food. The play scheme was organised and delivered by the Woodside Community Centre Association.

3.9.2 200 meals were provided over the five week programme and the majority to children entitled to free school meals.

3.10 Summary of findings

- In total 1,734 meals were provided over the three pilot areas
- The majority of meals were provided to children entitled to free school meals
- The total cost of providing the meals was £6,357
- The average cost per meal was £3.66
- Overall satisfaction with the Food & Fun programmes was high. 98.4% of parents indicated that their child enjoyed attending
- Over 40% said their child's behaviour at home was better since attending

- Overall the children were happy (86%) with attending the Food & Fun summer holiday clubs
- Overall, the majority of children were happy with the taste (96%), choice (87%) and amount (94%) of food on offer
- Over 50% of parents said they find **it harder to makes ends meet** during the school summer holidays
- Over 80% **spend more on food** during the summer holidays
- Almost a third sometimes find themselves **without enough money to buy food**

3.11 The pilot programme confirmed the importance of providing activities alongside food provision. Also the significant contribution charities, community groups and business can make to supporting a sustainable future programme.

3.12 It is important to note that various community groups also provide meals to children during school holidays with no assistance from the Council.

4. FINANCIAL IMPLICATIONS

4.1 £90,000 allocated in the 2017/18 general fund for this pilot, £6,357 has been used providing food and £83,643.30 is unspent. The £6,357 does not include any activity/food provided at no cost to the Council, for example from Aberdeen Football Club Community Trust (AFCCT), CFine and Community Groups. Any future budget provision should consider the cost of these services.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report. Budget for any future programme will be considered through the budget setting process.

6. MANAGEMENT OF RISK

6.1 The following categories have been considered and no risks have been identified:- Financial, Employee, Customer/Citizen, Environmental, Technological, Legal and Reputational.

7. IMPACT SECTION

7.1 Economy

7.1.1 The Council aims to support improvement in the local economy to ensure a high quality of life for all people in Aberdeen. This proposal will impact on quality of life improvements for children by providing “Food and Fun” during holiday periods, where otherwise they may suffer from the effects of poverty and hunger which have a direct correlation to poor educational attainment.

7.2 People

7.2.1 The Council is committed to improving the key life outcomes of all people in Aberdeen and so has agreed a set of Equality Outcomes (2017-21). This proposal will impact on people via supporting families, providing free “Food and Fun” for children during school holiday periods. This proposal is inclusive and open to all children, irrespective of protected characteristics. This proposal will have a positive impact upon children and families who are experiencing poverty.

7.2.2 This proposal will improve the staff experience by ensuring staff have the necessary resources to support families in need.

7.3 Place

7.3.1 The proposal has a positive impact on the environment in terms of working with families to increase community resilience and cohesion. Children and families will meet new friends and build new support networks.

7.4 Technology

7.4.1 There is no impact on technology.

8. BACKGROUND PAPERS

CHI/17/004 Towards A Fairer Aberdeen That Prospers For All 2017-20 (9 March 2017)

CHI 16/2831 Tackling Food Poverty – Update Report (1 December 2016)

CHI/16/003 Sustainable Food Cities

CHI/16/187 Sustainable Food Cities - Tackling Food Poverty.

Filling The Holiday Gap (Update 2015) - All-Party Parliamentary Group on Hunger

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, February 2016

Dignity, Ending Hunger Together In Scotland, The Report of the Independent Working Group on Food Poverty, June 2016

Empowering Scotland’s Cities, June 2016

9. APPENDICES

Appendix 1 - Parent and Children evaluation

Appendix 2 - https://youtu.be/QpATo_mkiCw

10. REPORT AUTHOR DETAILS

Neil Carnegie
Communities and Housing Area Manager
ncarnegie@aberdeencity.gov.uk
(01224) 522942

HEAD OF SERVICE DETAILS

Derek McGowan
Head Communities and Housing
demcgowan@aberdeencity.gov.uk
(01224) 522226

Food and Fun Evaluation

Parents Follow-up Questionnaire

Combined results from Bramble Brae, Torry/Tullos, Woodside

Parents Follow-up Questionnaire

- 79 parents in total completed a questionnaire
- 21 from Bramble Brae, 41 Torry/Tullos, 17 from Woodside
- Not all questions were completed, % are shown for completed questions

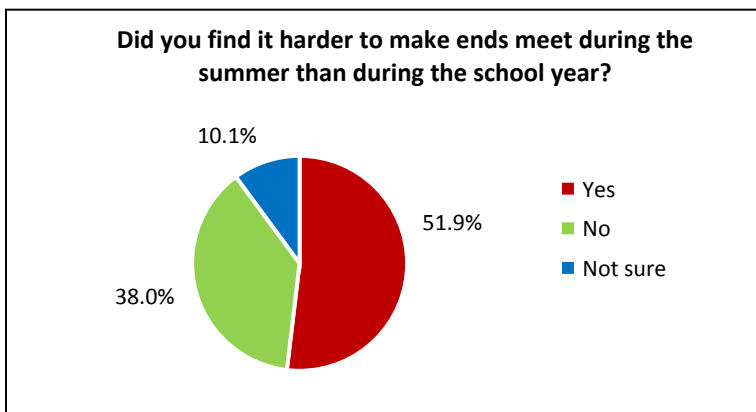
Summary of parents' questionnaire findings

- Over half of parents (41/79) said they find **it harder to makes ends meet** during the school summer holidays
- Over 80% (63/78) **spend more on food** during the summer holidays
- Almost a third (26/79) sometimes find themselves **without enough money to buy food**
- 84% (53/63) **spend more on activities** than usual
- Overall satisfaction with the Food & Fun programmes was high. 98.4% of parents (60/61) indicated that their child enjoyed coming to food & fun (n=1 was "not sure") and were happy with the activities on offer (93.4%)
- 28 (41.8%) said their child's behaviour at home was better since going to Food & Fun
- Over 97% of parents who completed a questionnaire said they would be happy like their child to attend Food & Fun in the following year

Q1. Did you find it harder to make ends meet during the summer than during the school year? N (%)

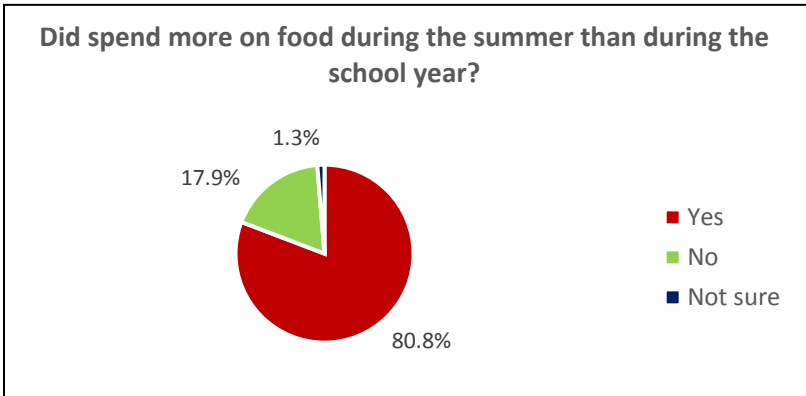
	Yes	No	Not sure	Total
Bramble Brae	9 (42.9)	12 (57.1)	0	21
Torry	21 (51.2)	14 (34.1)	6 (14.6)	41
Woodside	11 (64.7)	4 (23.5)	2 (11.8)	17
Total	41 (51.9)	30 (38.0)	8 (10.1)	79

Note: % shown are for each location



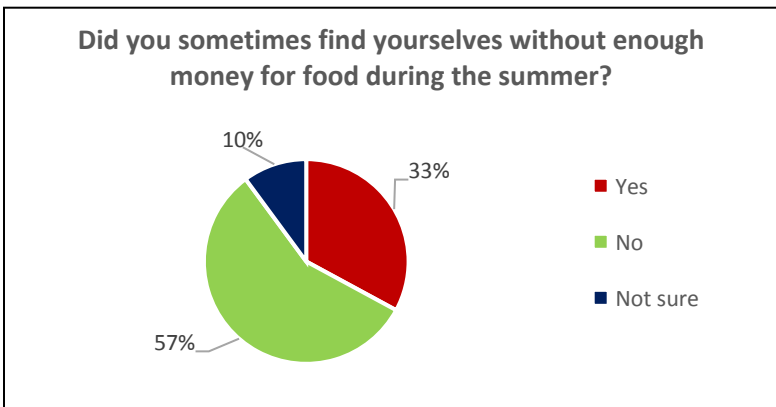
Q2. Did spend more on food during the summer than during the school year? N (%)

	Yes	No	Not sure	Total
Bramble Brae	13 (65.0)	6 (30.0)	1 (5.0)	20
Torry	34 (82.9)	7 (17.1)	0	41
Woodside	16 (94.1)	1 (5.9)	0	17
Total	63 (80.8)	14 (17.9)	1 (1.3)	78



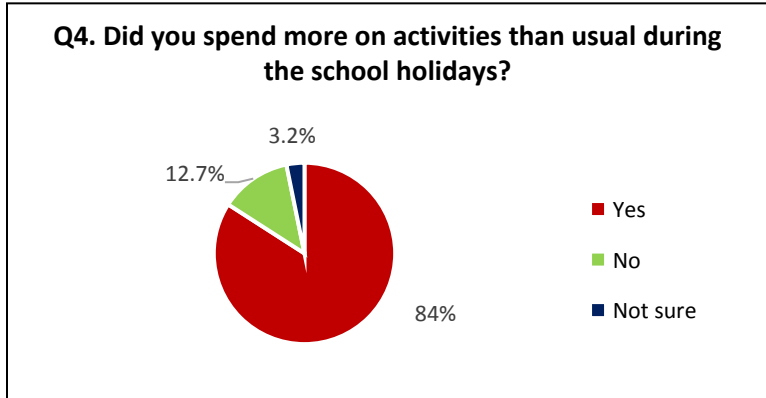
Q3. Did you sometimes find yourselves without enough money for food during the summer?

	Yes	No	Not sure	Total
Bramble Brae	8 (38.1)	10 (47.6)	3 (14.3)	21
Torry	8 (19.5)	29 (70.7)	4 (9.8)	41
Woodside	10 (58.8)	6 (35.3)	1 (2.1)	17
Total	26 (32.9)	45 (57.0)	8 (10.1)	79



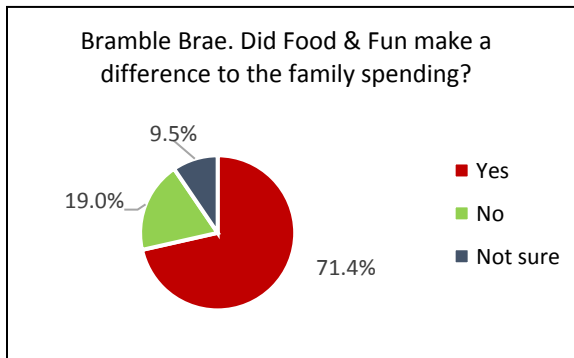
Q4. Did you spend more on activities than usual during the school holidays?

	Yes	No	Not sure	Total
Bramble Brae	11 (55.0%)	7 (35.0%)	2 (10%)	20
Torry	25 (26.2%)	1 (3.8%)	0	26
Woodside	17 (100%)	0	0	17
Total	53 (84%)	8 (12.7%)	2 (3.2%)	63



Q5. Did Food & Fun make a difference to your family spending in the summer holidays? N (%)

	Yes	No	Not sure
Bramble Brae	15 (71.4%)	4 (19.0%)	2 (9.5%)



Q6. Did your child enjoy coming to Food & Fun?

- 98.4% of parents (60/61) indicated that their child enjoyed coming to food & fun (n=1 was "not sure")

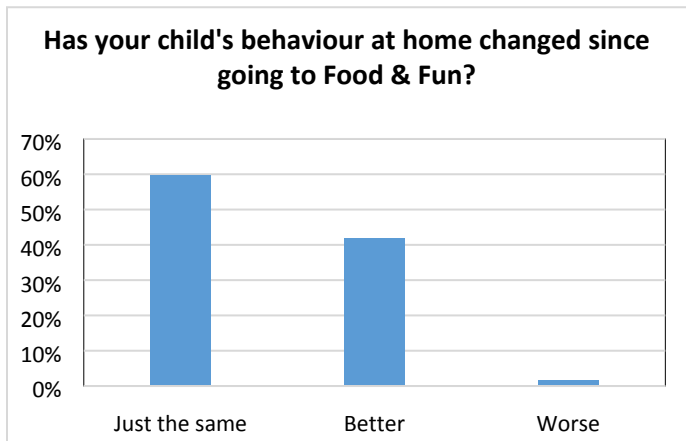
Q7. How do you rate the activities at Food & Fun?

- Overall 57/61 parents indicated that they were Happy with the activities on offer (93.4%)

	Happy	Not Sure	Unhappy	Total
Bramble Brae	18 (90%)	1 (5%)	1 (5%)	20
Torry	23 (95.8%)	1 (4.2%)	0	24
Woodside	16 (94.1%)	1 (5.9%)	0	17
Total	57 (93.4%)	3 (4.9%)	1 (1.6%)	61

Q8. Has your child's behaviour at home changed since going to Food & Fun? Is it?

	Better	Worse	Just the same	Total
Bramble Brae	5 (25.0%)	1 (5%)	14 (20%)	20
Torry	14 (35%)	0	26 (65%)	40
Woodside	9 (52.9%)	0	8 (47.1%)	17
Total	28 (41.8%)	1 (1.5%)	40 (59.7%)	67



Q9. If the Food & Fun holiday club was to run next year, would you like your child to go?

	Yes	No	Not sure	Total
Bramble Brae	18 (90%)	2 (10%)	0	20
Torry	39 (100%)	0	0	39
Woodside	16 (100%)	0	0	16
Total	73 (97.3%)	2 (2.7%)	0	75

- Over 97% of parents who completed a questionnaire said they would like their child to attend Food & Fun in the following year

Free text comments

What was the best thing about Food & Fun?

Food & activities

- *It was good they got packed lunches. The trips was good.*
- *Pack lunches being provided and going trips helped a lot*
- *Got nice food and did lots of activities*
- *Getting a meal and going to parks*
- *My children enjoyed the games and sandwiches*
- *The reason I allowed him to attend was to socialise and have fun. The food aspect is below the standard*

Costs

- *The kids thoroughly enjoy going on trips and the pack lunches helped keep extra food costs down.*
- *free sporting activities that the children got to try out*
- *A couple of hours my son got to see his school friends and have fun and it was free*
- *He had something to do on rainy days and the money I saved with him going to club meant I had money for other treats and activities. Also the chance to see his friends*
- *Activities that were offered. Great staff did great. Filled up the 7 weeks and I couldn't afford holiday - great idea*

Specific activities and play

- *He enjoyed playing sports like football with other kids*
- *Our son says he gets to play outdoors and he gets to play team games*
- *My son got a chance to play with his school friends (which he may not have had the chance to without the club).*
- *The children get to socialise with friends in the holidays - children have great fun and exercise*
- *My daughter enjoyed the arts and crafts*
- *Adventure Aberdeen, football*
- *The choices of activities they did this year was fab. It took up their time and gave them something to look forward too and help pass the 7 weeks*
- *Adventure Aberdeen, gym hall activities, kept them occupied*

Other benefits

- *I got peace and quiet*
- *My child got to meet other children and it took him away from the door as he is not allowed to play on his own because two of the neighbours have a pick on him and have called the police three times this holiday already and all because he is loud and noisy.*
- *L gets to see her friends and also mix with other children, she won't feel so nervous going back to school.*
- *The kids really enjoyed going and having fun and couldn't wait to come back every week*
- *Close location and children the same age as my son.*
- *My 3 children just loved Food and Fun. My son has autism and this club has helped big time with giving him routine. My girls also loved being able to socialise with their school friends*
- *T enjoyed the golf and swimming sessions. All helpers were very friendly and Tyler loved going. It made my life easier as Tyler comes to work with me so the 2 days at club meant we both got a break and resulted in happier family for the summer*

Do you have any suggestions to improve Food & Fun for the future?

- *None they do a brilliant job; Everything was fantastic; nothing though it was really well ran*
- *More and different trips; More activities;*
- *More days a week*
- *I think the older group are fantastic but maybe arrange a couple of day trips for the younger ones. e.g. trips to park with parent help*
- *make it a wee bit longer and let the little ones go out on outings i.e. parks etc*
- *Baking - he would have loved that and just dance on wii, yoga, clay modelling, movie time*
- *Is it possible if there is space in any sessions to open up to allow older/younger kids into other sessions? This would help working parents like myself*
- *great job - fantastic idea - thank you to all involved :-)*
- *No as S is always excited telling me what he has done that day going home in the car. Just to say that the staff have done a wonderful job with S and I am very grateful for the time he has had with other children without family to be with him 24/7 - far fewer the police are called and that S has been allowed to express himself without any questions or stress*
- *extra days, longer sessions; longer sessions and day trips*
- *Yes - would be better if it was on from 9.30 - 12.30 instead of just the 2 hours*

Not all were positive –

- *Would be to advertise the play scheme earlier as a few parents from Walker Road were unaware*
- *The organisers should ensure the food served during food and fun should meet standard health and safety. My son always complained of stomach pain/ache. I immediately stopped him from attending the programme*




Children's Questionnaire

- A total of 112 children who attended the Food & Fun summer holidays programmes AND completed a questionnaire
- 30 from Bramble Brae, 61 from Torry/Tulllos and 21 from Woodside

Summary points




- Overall the children were happy (86%) with attending the Food & Fun summer holiday clubs
- Over 82% were happy with the food on offer
- Over 92% were happy with the activities
- Overall, the majority of children were happy with the taste (96%), choice (87%) and amount (94%) of food on offer

Q1. What do you think of the Food and Fun club?




				Total
Bramble Brae	26 (92.8%)	1 (3.6%)	1 (3.6%)	28
Torry/Tulllos	49 (80.3%)	12 (19.7%)	0	61
Woodside	20 (95.2%)	1 (4.8%)	0	21
Total	95 (86.4%)	14 (12.7%)	1 (0.9%)	110

Note: % shown are for each location

Q3. What did you think of the food?

				Total
Bramble Brae	25 (83.3%)	5 (16.7%)	0	30
Torry/Tulllos	48 (80%)	11 (18.3%)	1 (1.7%)	60
Woodside	19 (90.5%)	2 (9.5%)	0	21
Total	92 (82.8%)	18 (16.2%)	1 (0.9%)	111

Q4. What did you think about the activities?

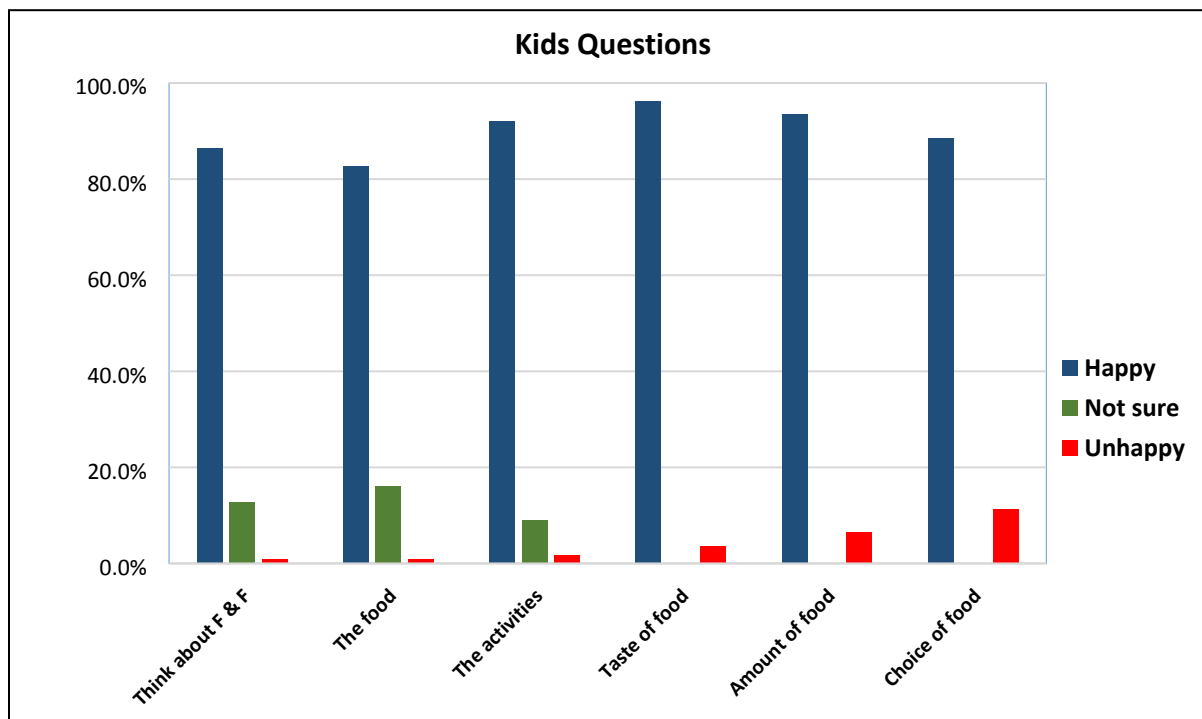
				Total
Bramble Brae	25 (86.2%)	4 (13.8%)	0	29
Torry/Tulllos	52 (86.7%)	6 (10%)	2 (3.3%)	60
Woodside	21 (100%)	0	0	21
Total	98 (92.1%)	10 (9.1%)	2 (1.8%)	110

Q6. At lunch time, which of these things are you happy or unhappy with?

TASTE OF THE FOOD			
	😊	☹️	Total
Bramble Brae	29 (100%)	0	29
Torry/Tullos	54 (94.7%)	3 (5.3%)	57
Woodside	20 (95.2%)	1 (4.5%)	21
Total	103 (96.3%)	4 (3.7%)	107

AMOUNT OF FOOD			
	😊	☹️	Total
Bramble Brae	27 (93.1%)	2 (6.9%)	29
Torry/Tullos	52 (91.2%)	5 (8.8%)	57
Woodside	21 (100%)	0	21
Total	100 (93.5%)	7 (6.5%)	107

CHOICE OF FOOD			
	😊	☹️	Total
Bramble Brae	25 (89.3%)	3 (10.7%)	28
Torry/Tullos	47 (83.9%)	9 (16.1%)	56
Woodside	21 (100%)	0	21
Total	93 (88.6%)	12 (11.4%)	105



Children's comments

Q2. What was the best thing about the Food and Fun club?

There was a wide range of responses from the children to this question. Comments have been selected to give an overview and grouped together below.

Food - Food; BBQ, Crisps, Hamburger was tasty, Hotdog, I like going to park and I like the sandwich, Yoghurts were fine, How they give us nice food; They gave you two juices; The football was the best thing and the fruit; the best thing about the food is that I like apples and fruit; sandwiches

Playing with friends - Going to parks with my chums; That I got to see my friends and make more friends; Playing with my best friend; Art and craft and making new friends going outside; That we can sit with our friends and that they activities are good; Other kids and staff were nice

Activities - playing football; bowling was the best; Hoodles play barn; going swimming; Adventure Aberdeen; Arts and crafts because you can do and use anything; the gym hall; Playing basketball; Dodgeball; Loved playing football and on the bikes; the bouncy castle

Quite a few were non-specific and said, "all of it"; "Everything"; "lots of fun"; I was happy with everything; "The food was good. I liked when we went outside to play"; "Going on the trips. Loved we got different kinds of sandwiches."; "I loved the trip to Arbroath, the food was very tasty"

Q5. What activities did you like THE MOST?

There was no overwhelming favourite activity, although most were related to being physically active. The wide range of activities chosen by the children and entered into the questionnaires included -

- Playing outside was a regular theme for many of the children

Football; The park; Farm at Aden park; Bowling; Hoodles; Rounders; Landmark; swimming; yoga; arts and crafts; cheesy pasta; dodge ball in the gym; golf; adventure Aberdeen; fun games; drawing; skipping; I liked doing Zumba; basketball; colouring in; Dodgeball/capture the flag/football: the obstacle course; hide and seek; Playing outside; Play on the bouncy castle; Playing on the bikes

- "They were all ace"
- "I loved it all because all staff are good"
- "Playing on the bikes was fun. They were all good"

Q7. Do you have any suggestions for next year at Food and Fun?

- Quite a few had no suggestions for changes, *"Nothing because it is so good"*

Food - Different food; Orange juice; Different sandwiches; Chipper; I'm a fussy eater; pizza/burger king/chips; Cheese puffs, haribo's, apple juice; different flavours of crisps; McDonalds; change yoghurt and fruit; Flavoured water; carton of juice

Activities - go outside more; play outside, play on climbing frame; Maybe let the kids choose where to go; more swimming; golf, swimming, adventure Aberdeen; basket ball; hockey; more arts and crafts; take our pets in (A dog); football; Gymnastics; To go on a trip; Exercising; Dolphin adventure; Baking/painting; Maybe designing a t-shirt

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	1 st December 2017
REPORT TITLE	Towards A Fairer Aberdeen That Prospers For All 2017-20 – Governance and Performance
REPORT NUMBER	CHI/17/286
DIRECTOR	Bernadette Marjoram (Interim)
REPORT AUTHOR	Elisabeth Manners

1. PURPOSE OF REPORT

- 1.1 To report to Committee as agreed on 20th September 2017 that a further report on the governance and performance management for tackling poverty and inequality linked to Aberdeen city's Local Outcome Improvement Plan (LOIP) be reported to Committee.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee:
- a) Note the governance arrangements listed in Appendix 1 to 31st March 2018; and
 - b) Note that the present governance arrangements will be transferred over into the new governance arrangements once confirmed.

3. BACKGROUND

- 3.1 On 9th March 2017 the Finance Policy and Resources Committee approved the corporate approach to tackling poverty as detailed in the actions and priorities listed in *Towards a Fairer Aberdeen that Prospers for All 2017- 2020*. The Committee further approved the additional Health and Wellbeing priorities in a report on 20th September 2017.
- 3.2 In the approved report from the 20th September 2017, it was recommended that officers come back with the governance and performance management arrangements for the strategy. The appendices detail the governance structure with Appendix 1 detailing the arrangements until 31st March 2018 and Appendix 2 arrangements from 1st April 2018. Both appendices include the lead director and proposed manager for each priority, and where appropriate the governance arrangements for Community Planning Aberdeen (CPA) and then the governance within the Council. Due to the transformation that the Council is currently undergoing, committee names have not been included in Appendix 2 as they are not yet known.

- 3.3 Within the CPA structure, there are five officer led Outcome Improvement Groups (OIGs), which are responsible for delivering the outcomes and actions listed in the LOIP each with certain remits. These groups are:
- Aberdeen Prospers
 - Digital City
 - Integrated Children's Services
 - Resilient, Included and Supported
 - Sustainable City

- 3.4 Community Planning Aberdeen implemented their Outcome Management and Improvement Framework in February 2017, which the governance structure of CPA follows for performance management reporting which the OIGs report into.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

6.1 Financial

- 6.1.1 Failure of governance on this issue will result in identified outcomes not being achieved, and health and wellbeing inequalities will lead to increased demand on services and associated increased costs.

6.2 Employee

- 6.2.1 It will be important to have the right services and staff with the appropriate skills in place to deliver on the proposed actions.

6.3 Customer / Citizen

- 6.3.1 There is a risk that we fail to address the demands due to the welfare reform changes that are being implemented. Citizens and community organisations will have an important role in tackling poverty and addressing health inequalities and wellbeing through the increasing need to adopt asset based co-produced and co- designed services that build on community strengths.

6.4 Legal

- 6.4.1 The governance structure to deliver the priorities as outlined in the appendices will ensure that legal risks are mitigated.

6.5 Reputational

6.5.1 Failure to deliver *A Fairer Aberdeen that Prospers For All* is a reputational risk in relation to the commitments contained in the Local Outcome Improvement Plan. It will be important in the delivery of the LOIP that Community Planning Aberdeen demonstrates improvements in reducing poverty and the gap in health and wellbeing inequalities.

6.6 Other

6.6.1 Consideration has also been given to Environmental and Technological risks, and no risks were identified.

7. **IMPACT SECTION**

7.1 **Economy**

7.1.1 The actions contained in this report are aimed at tackling poverty for those primarily experiencing socio-economic disadvantage. Reduction in the health and inequalities gap has benefits for all citizens as it will not only reduce costs but provide improved wellbeing for all.

7.2 **Place**

7.2.1 Through locality planning, we are improving outcomes for our most disadvantaged communities, which will address poverty where it exists and improving health and wellbeing for citizens.

7.3 **Technology**

7.3.1 Access to new technology and digital solutions has a major contribution to make in terms of reducing consumer costs and improving access to services. It will be important as Council services are transformed that the needs of socio-economically disadvantaged people are considered and addressed inclusively as part of the design.

8. **BACKGROUND PAPERS**

[CHI/17/004 -- Towards a Fairer Aberdeen That Prospers for All 2017 - 2020](#)

[CHI/17/098 – Towards a Fairer Aberdeen That Prospers for All 2017 - 2020](#)

9. **APPENDICES (if applicable)**

Appendix 1: Current governance arrangements of Towards a Fairer Aberdeen that Prospers for All 2017-2020

10. **REPORT AUTHOR DETAILS**

Elisabeth Manners

Community Planning Development Officer

emanners@aberdeencity.gov.uk

01224 523969

HEAD OF SERVICE DETAILS

Derek McGowan
Head of Communities and Housing
demcgowan@aberdeencity.gov.uk
01224 582226

Towards A Fairer Aberdeen That Prospers For All 2017 – 2020

Proposed Aberdeen City Council Lead Officers for Priority Areas – current organisational structure

No.	Priority	Lead officer	Proposed Manager	Community Planning Aberdeen Governance	ACC Governance (until 31 st March 2018)
1	For Aberdeen to become Scotland's 1 st "Real" Living Wage City	Director of Communities, Housing and Infrastructure (CH&I)	Head of Economic Development	<ul style="list-style-type: none"> • Aberdeen Prospers Outcome Improvement Group • CPA Management Group • CPA Board 	Finance, Policy and Resources Committee
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	Director of CH&I	Head of Economic Development	<ul style="list-style-type: none"> • Aberdeen Prospers Outcome Improvement Group • CPA Management Group • CPA Board 	Communities Housing and Infrastructure Committee
3	To be a leading Local Authority in Providing Apprenticeship opportunities for developing our young workforce	Director of CH&I	Head of Education and Inclusion	<ul style="list-style-type: none"> • Aberdeen Prospers Outcome Improvement Group • CPA Management Group • CPA Board 	Finance, Policy and Resources Committee
4	To ensure that those people most affected by welfare reform changes are provided with the advice and support services they need	Director of CH&I	Head of Communities and Housing	<ul style="list-style-type: none"> • Resilient, Included and Supported Outcome Improvement Group • CPA Management Group • CPA Board 	Communities Housing and Infrastructure Committee
5	To prioritise the development of	Director of	Head of	<ul style="list-style-type: none"> • Integrated Children's 	Education and Children's

No.	Priority	Lead officer	Proposed Manager	Community Planning Aberdeen Governance	ACC Governance (until 31st March 2018)
	new flexible childcare services where working families are on the lowest incomes and will benefit the most	Education and Children's Services (ECS)	Education and Inclusion	<ul style="list-style-type: none"> • Services Board • CPA Management Group • CPA Board 	Service Committee
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"	Director of ECS	Head of Education and Inclusion	<ul style="list-style-type: none"> • Integrated Children's Services Board • CPA Management Group • CPA Board 	Education and Children's Service Committee
7	To close the educational attainment gap	Director of ECS	Head of Education and Inclusion	<ul style="list-style-type: none"> • Integrated Children's Services Board • CPA Management Group • CPA Board 	Education and Children's Service Committee
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	Director of CH&I	Head of Communities and Housing	<ul style="list-style-type: none"> • Sustainable City Outcome Improvement Group • CPA Management Group • CPA Board 	Communities, Housing and Infrastructure Committee
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	Director of CH&I	Head of Communities and Housing	<ul style="list-style-type: none"> • Sustainable City Outcome Improvement Group • CPA Management Group • CPA Board 	Communities, Housing and Infrastructure Committee
10	To increase the supply of social and affordable housing	Director of CH&I	Head of Communities and Housing	<ul style="list-style-type: none"> • Aberdeen Prospers Outcome Improvement Group • CPA Management Group • CPA Board 	Communities, Housing and Infrastructure Committee or Finance, Policy and Resources Committee

No.	Priority	Lead officer	Proposed Manager	Community Planning Aberdeen Governance	ACC Governance (until 31 st March 2018)
11	To reduce Health Inequalities where they exist in the city	Chief Executive	Head of Communities and Housing	<ul style="list-style-type: none"> • Resilient, Included and Supported Outcome Improvement Group • CPA Management Group • CPA Board 	Council or Finance, Policy and Resources Committee

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Towards A Fairer Aberdeen That Prospers For All 2017 – 2020

Proposed Aberdeen City Council Lead Officers for Priority Areas – proposed organisational structure from 1st April 2018.

No.	Priority	Proposed Lead officer	Proposed Manager (Title tbc)	Community Planning Aberdeen Governance	ACC Governance (from 1 st April 2018)
1	For Aberdeen to become Scotland's 1 st "Real" Living Wage City	Director of Resources	People and Organisation	<ul style="list-style-type: none"> • Aberdeen Prospers Outcome Improvement Group • CPA Management Group • CPA Board 	TBC
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	Director of Operations	City Growth	<ul style="list-style-type: none"> • Aberdeen Prospers Outcome Improvement Group • CPA Management Group • CPA Board 	TBC
3	To be a leading Local Authority in Providing Apprenticeship opportunities for developing our young workforce	Director of Operations	Integrated Children's Services	<ul style="list-style-type: none"> • Aberdeen Prospers Outcome Improvement Group • CPA Management Group • CPA Board 	TBC
4	To ensure that those people most affected by welfare reform changes are provided with the advice and support services they need	Director of Customer	Early Intervention and Community Empowerment	<ul style="list-style-type: none"> • Resilient, Included and Supported Outcome Improvement Group • CPA Management 	TBC

No.	Priority	Proposed Lead officer	Proposed Manager (Title tbc)	Community Planning Aberdeen Governance	ACC Governance (from 1 st April 2018)
				<ul style="list-style-type: none"> Group • CPA Board 	
5	To prioritise the development of new flexible childcare services where working families are on the lowest incomes and will benefit the most	Director of Operations	Integrated Services for Children	<ul style="list-style-type: none"> • Integrated Children's Services Board • CPA Management Group • CPA Board 	TBC
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"	Director of Operations	Integrated Services for Children	<ul style="list-style-type: none"> • Integrated Children's Services Board • CPA Management Group • CPA Board 	TBC
7	To close the educational attainment gap	Director of Operations	Integrated Services for Children	<ul style="list-style-type: none"> • Integrated Children's Services Board • CPA Management Group • CPA Board 	TBC
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	Director of Customer	Early Intervention and Community Empowerment	<ul style="list-style-type: none"> • Sustainable City Outcome Improvement Group • CPA Management Group • CPA Board 	TBC
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	Director of Customer	Early Intervention and Community Empowerment	<ul style="list-style-type: none"> • Sustainable City Outcome Improvement Group • CPA Management Group • CPA Board 	TBC
10	To increase the supply of social and affordable	Director of	Place Planning	<ul style="list-style-type: none"> • Aberdeen Prospers 	TBC

No.	Priority	Proposed Lead officer	Proposed Manager (Title tbc)	Community Planning Aberdeen Governance	ACC Governance (from 1 st April 2018)
	housing	Resources		Outcome Improvement Group <ul style="list-style-type: none"> • CPA Management Group • CPA Board 	
11	To reduce Health Inequalities where they exist in the city	Chief Executive	Early Intervention and Community Empowerment	<ul style="list-style-type: none"> • Resilient, Included and Supported Outcome Improvement Group • CPA Management Group • CPA Board 	TBC

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	1 December 2017
REPORT TITLE	Projects, Partnerships & Funding Update
REPORT NUMBER	CHI/17/259
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Laura Paterson Yasa Ratnayeke

1. PURPOSE OF REPORT:-

- 1.1 The purpose of this report is to provide an update of Projects, Partnerships and Funding Activity.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee:
- a) Note that the Projects, Partnerships & Funding Team has secured approximately £16.5m of external funding to support £29.7m of project activity in Aberdeen in 2016-17;
 - b) Approve the submission of the SMART-HY-AWARE project application;
 - c) Approve the development of the FUEL CELL CARGO PEDELECS (FCCP) project application;
 - d) Approve the signing of a Clean Bus Declaration, issued by the European Commission, which has no financial implications or commitments;
 - e) Nominate an Elected Member to the role of Vice-Chair of the East of Scotland European Consortium (ESEC);
 - f) Approve international travel of an Elected Member and Officer to attend a business familiarisation visit to Brussels in March 2018, organised and part-funded by ESEC and Scotland Europa;

3. BACKGROUND

3.1 CURRENT PROJECT ACTIVITY

The Projects, Partnerships & Funding Team have generated approximately £16.5m of external funding to support £29.7m of project delivery in Aberdeen City in the calendar years of 2016 and 2017. This equates to £1.25 of external funding to every £1 spent by Aberdeen City Council on project delivery. This is an approximation rather than exact amount as some of the funding sources are European, hence subject to change based on exchange rates. Sources of

funding include national and international funding programmes, such as OLEV and Interreg. The projects which are being delivered include capital works which support Council programmes, such as Powering Aberdeen, and projects which enable local communities, such as supporting employability and the redevelopment of Aberdeen Science Centre. Full details of projects from 2016-17 is included in Appendix 1.

3.2 FUTURE PROJECT ACTIVITY

3.2.1 SMART-HY-AWARE

SMART-HY-AWARE is a transnational cooperation project seeking funding from the Interreg Europe Programme. The project aims to promote hydrogen-electric mobility by tackling infrastructure and market uptake challenges surrounding this technology. “To maximise the potential of hydrogen” is a key objective of the Regional Economic Strategy and participating in the project ensures that Aberdeen is at the forefront of hydrogen technology in the UK which contributes to the city’s reputation as an innovation leader. This report seeks approval to apply for this project and update Elected Members on the outcome of the funding decision which is expected in December 2017.

3.2.2 FUEL CELL CARGO PEDELECS (FCCP)

The FCCP project is a transnational project seeking funding from the Interreg North West Europe Programme. It is led by the German Aerospace Centre and involves cooperation with eight European partners. The project addresses transport and emission issues caused by the final stages of goods delivery. Increased internet shopping has led to more individual goods journeys within populated areas, often by larger vehicles. This project will develop solutions to transporting goods for the final transit miles by looking at the logistic delivery chains and alternative modes of carbon-friendly transport, specifically the development of fuel cell powered bikes. This project has the potential to benefit citizens of Aberdeen through the reduction in air pollution. This project is in the very early stages of delivery and estimated costs are still to be determined but 60% of total costs would be recoverable through the Interreg NEW Programme. This report recommends that the project application continue to be developed with a report back to committee detailing costings and application progress.

3.3 CLEAN BUS DECLARATION

Aberdeen City has demonstrated commitment to green transport through the development of a hydrogen bus fleet in the city – the largest in Europe. The European Commission’s Directorate-General for Mobility and Transport (DG MOVE) has issued a Clean Bus Declaration to be signed by cities and regions which are committed to transitioning to low-emission modes of transport. This is a Mayor’s Covenant and is required to be signed by the Lord Provost. The Declaration is an acknowledgment that the city is committed to exploring the development of low emission vehicles and has no financial or legal implications. A copy of the declaration is included in the appendix.

3.4 NOMINATION OF ELECTED MEMBER TO VICE-CHAIR OF THE EAST OF SCOTLAND EUROPEAN CONSORTIUM (ESEC)

Aberdeen City Council is a member of the East of Scotland European Consortium (ESEC). ESEC is a partnership of seven local authorities which

collaborates on EU policy developments, lobbying and funding opportunities. Following local elections in May, an Elected Member was nominated to be Aberdeen City's representative on the Policy Board. At the first Policy Board Meeting in August, nominations were sought for Depute Chairs to the Board and a motion was placed for Aberdeen City's representative to be Vice Chair. Responsibilities as Vice Chair include chairing meetings and representing ESEC at external events in the absence of the Chair. The full Constitution, including role of Office Bearers, is attached in Appendix 3. This appointment to Vice Chair ensures the city's interests are strongly represented on the Policy Board and raises the profile of the city at national and international events where there is an ESEC presence. Being a member of ESEC gives ACC access to Scotland Europa services, including access to offices in Brussels. The Brussels office is very well connected and opens the door for Officers and/or Members to meet EU officials where there is an issue which requires input.

4. FINANCIAL IMPLICATIONS

- 4.1 It is anticipated that SMART-HY-AWARE will cost €255,100 with €216,835 (85%) of project activity recoverable from the Interreg Europe programme. The remaining €38,265 will be met through existing staff time spent on the project over a three year period from the Projects, Partnerships & Funding Team.
- 4.2 ESEC are organising a business familiarisation visit to Brussels in March 2018 in conjunction with Scotland Europa. This visit happens once every five years, following the appointment of new Policy Board Members after Local Elections. The aim of the meeting is to familiarise new Policy Board Members with influential organisations in Brussels and this visit will include meetings with various leading European bodies and businesses. Meetings will also be arranged with consulates who are not members of the EU, but who still participate in European Programmes, to learn from the effective transnational policies and partnerships which they have created so that group members are better placed to cultivate internal partnerships and ensure strong deals for the region in a post-Brexit landscape. ESEC will pay for accommodation and meals whilst in Brussels, at an estimated cost of £1,500. Transport to Brussels is estimated at a total of £400 for Elected Member and Officer if booked in advance.

5. LEGAL IMPLICATIONS

- 5.1 All contracts and appointments are and will continue to be subject to review and approval of Head of Commercial and Procurement Service and Head of Legal & Democratic Services respectively.

6. MANAGEMENT OF RISK

6.1 Financial

- 6.1.1 Existing projects detailed financial risks when presented to Committee. There are minimal risks from the SMART-HY-AWARE project as spend is

predominantly related to revenue through staff costs. All spend is subject to existing Aberdeen City Council Procurement procedures. The External Funding Team are experienced with the administration of grant programmes, ensuring programme compliance to enable delivery of funds to the Council from programmes.

Risk – Low

6.2 Employee

6.2.1 New project work will complement existing workloads. Members and Officers will be fully briefed on travel protocol to ensure safety.

Risk – Low

6.3 Customer/Citizens

6.3.1 Projects have engagement and communication policies in place to ensure that the public are fully consulted and aware of projects.

Risk – Low

6.4 Environmental

6.4.1 A number of projects directly enhance environmental practices, including the development of hydrogen technology and blue-green infrastructure. Projects have environmental policies in place.

Risk - Low

6.5 Technological

6.5.1 A number of projects continue to enhance the development of Smart Technology in Aberdeen, such as through the Scotland's 8th City Programme. Projects have individually assessed such risks and put mitigations in place where appropriate.

Risk – Low

6.6 Legal

6.6.1 All contracts and agreements are subject to review by Legal & Democratic Services before signing.

Risk – Low

6.7 Reputational

6.7.1 Participating in internal programmes and active involvement with consortiums demonstrates Aberdeen City Council's commitment to innovative services in the city.

Risk – Low

7. IMPACT SECTION

7.1 Economy

- 7.1.1 Participating in external funding programmes enables significant project delivery in Aberdeen City and reduces spend from Council budget. Projects support the strategic aims and programmes of Aberdeen City Council, including Powering Aberdeen and the Hydrogen Strategy.

7.2 People

- 7.2.1 Projects support a number of strategic themes which empower local communities, developing skills of a future workforce through the ESF Employability Pipeline and Erasmus+ Modern Languages 1+2 Programme.

7.3 Place

- 7.3.1 A number of projects are committed to enhancing environmental issues in the city, such as developing blue-green infrastructure and district heat networks.

7.4 Technology

- 7.4.1 Projects have a positive impact on the enablement of innovative technology developing initiatives in the city such as smart street lighting and flood alerts.

8. BACKGROUND PAPERS

None

9. APPENDICES

1. External Funding Activity 2016-17
2. Clean Bus Declaration
3. Constitution: East of Scotland European Consortium (ESEC)

10. REPORT AUTHOR DETAILS

Yasa Ratnayeke
Team Leader – Partnerships & Funding
yratnayeke@aberdeencity.gov.uk
01224 524604

Laura Paterson
External Funding & Policy Officer
lapaterson@aberdeencity.gov.uk
01224 523082

HEAD OF SERVICE DETAILS

Richard Sweetnam
Head of Economic Development
rsweetnam@aberdeencity.gov.uk
01224 522662

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ACC - Projects Approved 2016-17

Project name	Project duration	Summary	Funding programme	Grant €	Grant £	Match-funding by ACC €	Match-funding by ACC £	Co-financing rate	Council approval date
FCH Train (Training of technicians of FCH vehicles)	01/10/2016 - 30/09/2018	Contribute to the improvement and extension of the existing education offer for auto mechanics.	Erasmus+	44,030 €		8,806 €		80%	25th August 2016
ESF Employability Pipeline	01/01/2016 - 31/12/2018	Support services delivering to individuals in partnership. Given that most jobless people will have a number of personal and employability training needs, they will likely therefore engage with several organisations.	European Structural Funds		£1,100,000.00		£1,625,000.00	40%	25th August 2016
Hydrogen cars	02/2017 - 02/2020	Funding been requested to increase the number of operational FCEVs	Office of low emission vehicles (OLEV)		£310,221.00		£8,822.00	N/A	25th August 2016
CIVITAS PORTIS	05/09/2016 - 09/2020	Test sustainable urban mobility solutions.	H2020	2,768,275.00 €		0 €		100%	15 March 2016
HeatNet (Expansion of District heat network)	09/2016 - 07/2020	To facilitate the implementation of low-carbon, energy and climate protection strategies to reduce GHG emissions in North-West Europe	Interreg North-West Europe	608,485.80 €		405,657.20 €		60%	1st Dec 2016
ACE-Retrofitting (Accelerating Condominium Energy Retrofitting)	15/09/2016 - 14/03/2020	Protection strategies to reduce GHG emissions in NWE	Interreg North-West Europe	242,632.80 €		161,755.40 €		60%	20th Sept 2016

BEGIN (Blue Green Infrastructure through Social Innovation)	01/12/2015 - 30/11/2019	Demonstrate and mainstream improved blue green infrastructure based climate change adaptation solutions.	Interreg North Sea Region	300,000 €		300,000 €		50%	27 August 2015
HyTrEc 2 (Hydrogen Transport Economy in the North Sea Region 2)	21/03/2016 - 19/03/2021	Test of fuel cell, range extenders and dual fuel vehicles. Explore production, storage and distribution of hydrogen.	Interreg North Sea Region	789,831 €		789,831 €		50%	03/12/2015
Hytime - Garbage Trucks	10/04/2017 - 01/03/2019	x2 Garbage Trucks which are FC, operated by ACC Fleet	Innovate UK		£89,000.00			100%	(no need as no Council funds)
JIVE	01/01/2017 - 01/12/2023	Further 10 buses from JIVE. JIVE 2 is an additional 20 buses	FCH JU		£3,000,000.00		£2,500,000.00		FPR Dec 1st 2016
ERDF Scotland's 8th City-the Smart City, Open Data	01/03/2016 - 31/12/2018	Create data publication platforms and data analytics to allow city to make evidence based decisions	ERDF		£101,000.00		£114,000.00	40%	FPR Sep 20th 2016
ERDF Scotland's 8th City-the Smart City, Smart Infrastructure	27/06/2016 - 31/12/2018	Extend deployment of LED technology and installation of sensors and deployment of smart networks to support Intelligent Street Lighting	ERDF		£499,351.51		£750,000.00	40%	FPR Sep 20th 2016
ERDF Scotland's 8th City-the Smart City, Warm Connected Homes	2016 - 2018	Installation of sensors and temperature monitoring equipment to collate and analyse data	ERDF		£302,040.00		£453,060.00	40%	FPR Sep 20th 2016
ERDF Scotland's 8th City-the Smart City, Mobility	07/2015 - 12/2018	Expansion and maximising the use of car club vehicles.	ERDF		£130,000.00		£195,000.00	40%	CH&I Committee March 2016
Middlefield Greenspace Regeneration	01/04/2017 - 31/12/2018	Application for Middlefield Park-environment works, flood alleviation, public health	ERDF (Scottish Natural Heritage)		£426,813.00		£640,219.00	40%	FPR 9th March 2017

Tillydrone Community Hub	01/04/2017 - 30/06/2018	The development will replace the existing shopping centre on Hayton Road. New hub will include a library, creche, IT area, café etc	Regeneration Capital Fund Scottish Gov		£1,900,000.00		£4,100,000.00		27th August 2015
Union Street Conservation Area Regeneration Scheme	01/04/2017 - 31/03/2022	Priority projects within Union Street Area	Historic Environment Scotland		£1,177,104.00		£1,200,000.00	50%	17 August 2016
SCORE (Smart Cities through Open Data Reuse)	01/2017 - 12/2020	Increase efficiency and quality of public service delivery in urban sustainability.	Interreg North Sea Region	100,000 €		100,000 €		50%	01 August 2016
Developing Modern Language Opportunities for Aberdeen City Teachers	02/07/2017 - 31/07/2018	Development training for Modern Languages teachers from across city	Erasmus +		£91,980.00		N/A	100%	29th June 2017
Science Centre	06/2017 - 06/2020	Redevelopment of the existing premisses	Scottish Gov		£2,999,700.00		£1,000,000.00		23rd August 2017

TOTAL 4,853,255 € £12,127,209.51 1,766,050 € £12,586,101.00

Currency Conversion (1EURO to 0.91 GBP) £ 4,416,461.69 £1,607,105.14

Total Contribution by ACC	£ 14,193,206.14
Total External Grants	£ 16,543,671.20
Total Project Activity Delivered in City	£ 30,736,877.33

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**Declaration of intent on promoting
large-scale deployment of clean, alternatively fuelled buses in Europe**

1. The transition to low-emission mobility is without alternative.
2. We, representatives of transport authorities, cities and regions, are committed to making it happen. Clean, alternatively fuelled (electric, hydrogen or natural - in particular bio-methane - gas) buses offer strong prospects for increasing quality of lives of our citizens. They improve air quality and reduce noise levels. They also support the needed decarbonisation of transport.
3. We, bus manufacturers, mobility and infrastructure providers, support cities and regions' ambitions in their attempt to promote low and zero-emission mobility. The number of clean, alternatively fuelled bus models is constantly growing, while average prices are falling. Many cities are already testing or using these vehicles and their related infrastructure.
4. Now it is time to accelerate deployment. This requires a real collaborative action:
 - a. Transport authorities and operators need to commit to purchasing volumes of clean, alternatively fuelled buses systems - large enough to matter;
 - b. Transport authorities, transport operators, energy providers & grid operators need to clearly commit to establish corresponding efforts to plan and build a suitable infrastructure;
 - c. Bus manufacturers need to continue extending the range of available vehicles, improve their reliability and bringing prices further down;
 - d. Bus manufacturers and standardisation organisations need to continue working on common standards in view of their widespread use, especially for the electric recharging infrastructure, based on the current mandate to the relevant European Standardisation Organisations (M/533). Interoperability is needed to develop the market.
5. The current share of alternatively fuelled buses in the European bus fleet is roughly 10 - 12 percent (approximately 20.000 out of a total of 200.000 public transport buses (according to UITP figures)). Increasing this share to 30 percent in 2025 yields considerable public and private investment opportunities. We are committed to make it happen. Particular action is needed to foster growth of zero-emission buses. Action under this initiative should contribute to deploying at least 2.000 zero-emission buses by the end of 2019 in the EU, with growing rates thereafter. This alone represents an investment opportunity of over 1 billion Euros.
6. Such a collaborative action needs to be organised. This is why we participate in a European Deployment Platform for clean, alternatively fuelled buses. It will support:
 - a. Information exchange to better match demand and supply;
 - b. Mapping of technology developments, common requirements for buses, infrastructure and key performance criteria;
 - c. Better organise actors and align procurements, where appropriate;
 - d. Leverage investments and promote joint actions, where possible and

- e. Issue recommendations on specific policy topics, including open, fair and equal access to data for SMEs and start-ups.
7. Public procurement is a main lever. To orientate effective procurement, we endorse the set of common public procurement principles attached to this declaration.
8. Such a shift needs to be flanked by clear long-term policy orientation. A substantial revision of the Clean Vehicles Directive is required to encourage public procurement of clean vehicles in Europe. Furthermore, energy taxation schemes could create the right incentives for procurement, including, where needed, policy changes to reach a more equal tax treatment of clean alternatively fuelled buses.
9. We take note of the financial opportunities offered by the Cleaner Transport Facility at European level and encourage financial institutions to support the aims of this initiative through innovative finance mechanisms.
10. Monitoring noise and air pollution will help to demonstrate the benefits of the deployment of this technology. We aim to improve the quality of life in cities.

Date

Signatures

ANNEX

Common principles for public procurement of clean, alternatively fuelled bus systems (i.e. buses and their related infrastructure)

1. **Provide clear long-term orientation through appropriate planning:**
 - a. Base clean bus deployment on a long-term sustainable urban mobility plan, which has been set up in dialogue with all relevant public and private actors.
 - b. Set clear and tangible targets, including for decarbonisation and air quality (where targets per km/passenger can be appropriate).
2. **Fully plan the decision and implementation process:**
 - a. Decide early at system level on the type of approach and its requirements, and map all relevant actors that need to be involved in the process, including local authorities, transport operators, energy providers and grid operators.
 - b. Ensure strong political support and plan sufficient upfront planning time.
3. **Early engage in a dialogue with manufacturers:**
 - a. Consult with manufacturers early on, respecting procurement rules.
 - b. A competitive dialogue can make sense in certain occasions, but is not always useful in view of the complexity of its organisation.
4. **Define a clear strategy for risk mitigation and benefit sharing:**
 - a. Identify technological and operational risks and involve relevant actors (local authorities, operators, energy providers) in a risk mitigation strategy.
 - b. Agree on the allocation of costs and benefits that fall upon different actors. Ensure that those who have to bear costs (e.g. transport operators) are enabled through extra support or are compensated through adequate benefit-sharing.
 - c. Establish a reasonable timeline for return on investment (> 8 years).
5. **Procure full system solutions:**
 - Remain technology neutral to the extent possible – do not lock yourself into one technology too quickly.
 - Build on a systemic approach, including vehicles and related infrastructure, by specifying functions and services at the system level of the transport operation. Do not only focus on vehicles details.
 - Define the functionalities and the operative scenario: do not consider only upfront purchase cost, but lifetime cycle cost of operation, include environmental and health impacts, and consider lessons learned from testing in your own environment.
6. **Where possible, align procurement:**
 - Where possible, align procurement along common principles and criteria.

The common principles build on discussions with relevant public and private actors and related work carried out under different EU-funded projects such as ZeEUS, CHIC, JIVE or CleanFleets.

You can send any requests for additional information to: MOVE-CLEAN-BUSES@ec.europa.eu

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EAST OF SCOTLAND EUROPEAN CONSORTIUM

CONSTITUTION

The East of Scotland European Consortium (ESEC) was established in 1992 to represent the European interests of local authorities in Eastern Scotland. Our membership collaborates on a shared European agenda and to promote economic development in the region.

1. MEMBERSHIP

- 1.1 Membership of the consortium shall be open to the following organisations based in the East of Scotland:
- a) Local authorities (as full members)
 - b) Further/higher education institutes (associate members)
 - c) Local enterprise companies (associate members)
 - d) Local economic development companies (associate members)
 - e) Health boards (associate members)
 - f) Other agencies, including the voluntary sector, involved in socio-economic development.

2. OBJECTIVES OF THE CONSORTIUM

- 2.1 The objectives of the consortium, as reviewed annually by the Policy Board, shall be:
- Establish knowledge and information on funding;
 - Lobby and petition on behalf of the East of Scotland to influence policy change;
 - Ensure policy engagement;
 - Effectively communicate the work of ESEC and the role of the European Union.
- 2.2 These priorities fit with the overall ESEC strategy which seeks to:
- Promote and represent the common interests of local government in the area recognised by the European Union and Scottish Government as Eastern and North Eastern Scotland and;
 - Investigate and pursue all opportunities which will advance the development of ESEC's objectives and that of its members, which includes taking forward the concept of associate membership by inviting academic institutions to join the consortium, and possibly other sectors;
 - Consolidate the position of Eastern and North Eastern Scotland local authorities as major partners within the European Union policy and implementation process;
 - ESEC's 2016 framework should also reflect the Scottish Government's economic strategy of investment, innovation, inclusive growth and internationalisation, and

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the Europe 2020 strategy of smart, sustainable and inclusive growth.

3. LEGAL STATUS OF THE CONSORTIUM

- 3.1 The East of Scotland European Consortium is a Non-Statutory Joint Committee with political representation.

4. STRUCTURE

- 4.1 The key decision making Committee is the Policy Board.
- 4.2 Associate members can attend the policy board as observers however if a vote takes place they would have no voting rights.
- 4.3 The Policy Board will be supported by the Officer Group.
- 4.4 The Secretariat will provide support to the Policy Board and to the Officer Group.
- 4.5 Subject specific and time limited sub-groups may be established as and when deemed appropriate, according to the needs of the Policy Board or the Officer Group.

5. REPRESENTATION

5.1 Policy Board

- 5.1.1 Representation at the Policy Board will be restricted to full. Each Local Authority will nominate one elected member. Each Member Authority is also entitled to send one Officer to the Policy Board. Staff from the Secretariat will also attend in a supporting capacity.

5.2 Office Bearers

- 5.2.1 There will be 3 main Office Bearers of the Consortium. A Chair and two Vice Chairs will be appointed.
- 5.2.2 The role of the Chair is to chair the Policy Board meetings and represent the Consortium in matters of correspondence and at relevant meetings and events.
- 5.2.3 The role of either Vice Chair is to represent the Chair when that person is unavailable.
- 5.2.4 Notwithstanding the above, consideration must be given to ensure a balanced representation of member authorities where opportunities permit.
- 5.2.5 Office Bearers will normally hold their positions for two years, but are permitted to stand for re-election at the end of that period. The election date will be established at the preceding Annual General Meeting.
- 5.2.6 Should any of the Office Bearers demit their post during their normal period of office an Extraordinary General Meeting will be held to elect a successor.
- 5.2.7 Financial responsibilities are delivered by the host authority and any documents signed off by the policy board.

5.3 Voting Rights

- 5.3.1 Elected Members, or their substitute, will have the right to vote at Policy Board meetings.
- 5.3.2 Officers and associate members will not have the right to vote at Policy Board unless no

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elected member from their Authority is present, subject to the standing orders of their respective councils/organisations and they have prior and specific consent to do so

5.4 Officer Group

5.4.1 The Officer Group will consist of Officer Representatives from Member Authorities and associate members. The Officer Group will normally be chaired by the ESEC Secretariat, or if unavailable by the Officer representing the Authority hosting the Secretariat.

5.5 The Secretariat

5.5.1 The purpose of the Secretariat is to provide such support as necessary to the Policy Board, Officer Group and Sub-Groups.

5.5.2 Staff of the Secretariat will be employed by ESEC, but will normally be subject to general terms and conditions of employment of the host Authority.

5.5.3 The hosting of the Secretariat will normally rotate amongst Member Authorities for a two-year term and will normally be located at the authority which is represented by the Chair. Where this is not possible, nominee authorities will be considered and final selection will be made by the Policy Board.

5.5.4 Due to the nature of the role, the ESEC Policy Officer post will be politically restricted.

6. MEETINGS

6.1 Annual General Meeting

6.1.1 An AGM will be held in the autumn of each year.

6.1.2 The purpose of the meeting will be to approve the annual accounts, and, when appropriate, to elect Office Bearers. Changes to the constitution are also to be considered at the AGM. A quorum for the AGM shall consist of at least 5 members.

6.1.3 Papers relevant to the meeting will normally be distributed at least one week prior to the meeting.

6.2 Extraordinary General Meeting

6.2.1 An EGM may be called from time to time as necessary, to consider emergency issues which normally fall within the remit of the AGM. A quorum for an EGM shall consist of at least 5 members

6.3 Policy Board

6.3.1 The Policy Board will normally meet at least 4 times per annum, with 1 meeting in each quarter. The Autumn meeting will be preceded by the AGM.

6.3.2 The purpose of the Policy Board is to consider papers prepared by the Officer Group and/or member councils and other relevant business as agreed by the Chair. A quorum for the Policy Board shall consist of at least 5 members.

6.3.3 Papers relevant to the meeting will normally be distributed at least one week prior to the meeting.

6.3.4 The papers may be tabled at the meeting at the discretion of the Chair

6.3.5 From time to time decisions will need to be made outwith the cycle of the Policy Board.

These will be made through written procedures.

6.4 Officer Group

6.4.1 The Officer Group will normally meet not less than 4 weeks before the Policy Board.

6.4.2 The purpose of the meeting is to consider emerging policy issues and to determine recommendations for the Policy Board.

6.4.3 Papers relevant to the meeting will normally be distributed at least one week prior to the meeting.

6.4.4 The papers may be tabled at the meeting at the discretion of the Chair.

6.5 Sub Groups

6.5.1 Sub Groups will be task orientated and held on an ad-hoc basis.

6.6 Meeting Venues

6.6.1 Both Policy Board and the Officer Group meetings should normally take place in rotation around the Member Authorities or where is most suitable for members.

7. CESSATION OF MEMBERSHIP

7.1 Authorities wishing to withdraw from membership of the Consortium, are required to give not less than one financial year's written notice of their intention to do so.

8. DISSOLUTION OF THE CONSORTIUM

8.1 Should the Policy Board be of the view that dissolution of the Consortium is necessary or advisable, an Extra-ordinary General Meeting must be called giving at least 28 days clear notice.

8.2 Any assets remaining after the satisfaction of proper debts and liabilities will be redistributed on a pro rata basis to member authorities.

8.3 Any debts or liabilities outstanding at dissolution will be shared by member authorities on a pro rata basis.

8.4 Any debts or liabilities incurred as a result of probable maladministration or misappropriation will be investigated by a specially formed working group who will determine cause and final responsibility.

9. CERTIFICATION

9.1 The following office bearers certify as true the adoption of the above constitution.

ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy and Resources
DATE	1 December 2017
REPORT TITLE	Commercial Waste Containers Revised Policy
REPORT NUMBER	CHI/17/265
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Mike Cheyne

1. PURPOSE OF REPORT:-

- 1.1 The purpose of this report is to update the policy regarding the ongoing practice of commercial waste containers being left on the public road and to define a restriction in collection times to control the indiscriminate obstruction of streets and pavements.

2. RECOMMENDATION(S)

- 2.1 That the committee:

(a) Endorses the attached policy and approves the proposed course of action to actively reduce the problems associated with commercial waste containers.

3. BACKGROUND/MAIN ISSUES

- 3.1 At its meeting of the 29th August 2013 the Enterprise Strategic Planning and Enterprise Committee approved a policy for the management of commercial waste bins across the city and instructed officers to proceed with enforcement of the Policy

- 3.2 The approved policy is as follows:

- All commercial premises are to be informed of their responsibilities under the terms of the Environmental Protection Act 1990 as to the requirement that it is their responsibility to ensure that they have proper storage, within the bounds of their property, for the storage of refuse.

- In the event that a bin is left out in the street after 1100 hrs on any day of the week the business in question will be requested to remove the bin within 24 hrs. Any further transgressions will result in the business being served notice under the terms of Section 87 of the Roads (Scotland) Act 1984 to remove bin within 24 hours. To avoid further abuse the notice will apply for a period of 6 months from day of issue.
 - Those businesses who do not comply with the notice will have their bin removed by the Council and a charge given to the businesses for the removal, storage and their return. This charge will be £500 for removal and storage.
 - In the event that waste materials are left outwith a storage bin a £50 Fixed Penalty Notice will be applied under the terms of the Environmental Protection Act 1990 (Section 34)
- 3.3 Following adoption of the policy, letters were sent to commercial premises within the city centre who were noted to be causing an offence, advising them of their obligations with respect to storage and management of their waste bins and that action would follow should they continue with the current practices.
- 3.4 Officers visited individual premises on a number of occasions to provide advice and instruction with regard to the need to comply with the environmental and roads regulations
- 3.5 Due to resource implications and issues relating to the coordination of the various services required to rigorously enforce the policy further action to date has been restricted.
- 3.6 Recent review of the city centre has indicated a significant increase in the depositing of commercial bins on the footways, in part caused by changes to waste legislation that requires businesses to make provision for recycling and food waste collections. It is therefore felt that the current low profile approach has not produced the necessary results and that actions using the full extent of the legislative powers available should be implemented to resolve the current problems.
- 3.7 It is considered that the use of the Statutory powers given to this Council as the Roads Authority under the Roads (Scotland) Act 1984 would be the most effective instrument to use to take forward a robust enforcement regime.
- 3.8 The revised policy introduces a time window (1230-1430) during which there will be a total prohibition on collections and therefore no waste containers are allowed to be left on the street during this period. Defining the period will facilitate enforcement of the policy.
- 3.9 In practice, it is anticipated that the removal of the container would be the last act in a series of engagements with businesses where early discussion and support is undertaken to seek alternatives to leaving containers on the street.

Once a notice is served, the Waste and Recycling Service will be requested to empty the container and remove it to a storage area.

3.10 Commercial Waste Containers Revised Policy

- 3.10.1 All commercial premises are to be informed of their responsibilities under the terms of the Environmental Protection Act 1990 as to the requirement that it is their responsibility to ensure that they have proper storage, within the bounds of their property, for the storage of refuse.
- 3.10.2 Between 12.30 hrs and 14.30hrs on any day, there will be a total prohibition on collections and subsequently no waste containers will be allowed to be left on the street during this period.
- 3.10.3 Any business failing to comply with this prohibition will be requested to remove the offending container.
- 3.10.4 Any further transgressions will result in the business being served notice under the terms of Section 87 of the Roads (Scotland) Act 1984 to remove bin within 24 hours. To avoid further abuse the notice will apply for a period of 6 months from day of issue.
- 3.10.5 Those businesses who do not comply with the notice will have their bin removed by the Council and a charge given to the businesses for the removal, storage and their return. This charge will be £500 for removal and storage.
- 3.10.6 Any waste container not collected within 5 working days will be subject to a further disposal charge of £150
- 3.10.7 In the event that waste materials being left outwith a storage bin a £50 Fixed Penalty Notice will be applied under the terms of the Environmental Protection Act 1990 (Section 34).
- 3.11 Should the revised policy be approved, officers will work in partnership with Aberdeen Inspired, The City Centre Partnership and Aberdeen Chamber of Commerce to engage with businesses and inform them of the new policy, its requirements on the businesses and the enforcement implications should they not be met.
- 3.12 The requirements of the revised policy will be conveyed to businesses through the issue of a letter and a media campaign to be promoted through our media team and in conjunction with our other partners.

4. FINANCIAL IMPLICATIONS

- 4.1 The existing charges for removal, return and storage of commercial waste bins should be sufficient to cover the costs of Waste Services undertaking the removal and storage.

5. LEGAL IMPLICATIONS

- 5.1 The Council is exempt from requiring to be registered as registered carriers of controlled waste under regulation 2 of the Controlled Waste (Registration of Carriers and Seizure of Vehicles) Regulations 1991. This has been confirmed with SEPA.

6. MANAGEMENT OF RISK

- 6.1 The report author must identify the risks with the potential to impact the decision being sought from the Committee. Risks should be categorised as:
- 6.2 **Financial:** There is no financial risk to the Council provided the fixed penalty notices are payed
- 6.2.1 Employees will need to work alongside the businesses to ensure an understanding of the situation.
- 6.3 **Customer / citizen** There will clearly be a number of businesses who claim that they cannot meet the requirements of the legislation because they have been advised by Council officers or the Fire Service that they require to remove bins from their property (usually in the case of Environmental Health), or they have nowhere internally to store the size of bin they have (it is supplied under a nationwide contract that specifies the size of the bin) or it was always intended that the bin would be outside when given planning permission.
- 6.3.1 A meeting between the Waste Collectors and the Council has already taken place; further meetings will be arranged if this policy has been approved.
- 6.3.2 Additionally, internal alterations to the premises may be required to accommodate bins and this may attract the need for building warrant approval. It is not considered to be a suitable project for a pilot scheme. This problem is citywide, but most apparent to anyone travelling round the city centre.
- 6.4 **Environmental:** This change in Policy should assist in improving the environment.
- 6.5 **Technological:** None
- 6.6 **Legal:** There may be a legal challenge from businesses with no room to store their containers within the boundaries of their property as they will be unable to comply with the policy.

6.7 **Reputational:** Reputational will be both positive and negative, positive from the citizens, negative from the affected businesses

7. IMPACT SECTION

7.1 This section demonstrates how the proposals within this report impact on the strategic themes of Aberdeen City Council and Community Planning Aberdeen, as set out in the [Aberdeen City Local Outcome Improvement Plan 2016-26](#) and the [Aberdeen City Council Strategic Business Plan](#).

7.2 Economy

7.2.1 The Council aims to support improvement in the local economy to ensure a high quality of life for all people in Aberdeen. The implementation of the Policy may have an influence on how business has to be carried out.

7.3 People

7.3.1 The Council is committed to improving the key life outcomes of all people in Aberdeen and so has agreed a set of Equality Outcomes (2017-21) http://www.aberdeencity.gov.uk/council_government/equality_and_diversity/eqd_report_2017_21.asp

The removal of Commercial Waste Containers from the street will enhance the environment for both citizens and tourist; provide clearer walking areas for those in wheelchairs and assist the partially sighted as they move around the area

7.4 Place

7.4.1 The removal of Commercial Waste Containers from the street will enhance the build environment and improve the street scene

7.5 Technology

7.5.1 The operation of enforcement will use existing technologies

8. BACKGROUND PAPERS

<http://councilcommittees/documents/g1652/Public%20reports%20pack%2009th-Jun-2009%2014.00%20Policy%20and%20Strategy%20Committee.pdf?T=10>

<http://councilcommittees/documents/g2896/Public%20reports%20pack%2009th-Aug->

9. APPENDICES (if applicable)

9.1 Any appendices attached to the covering report should be numbered and listed here.

10. REPORT AUTHOR DETAILS

Name: Mike Cheyne
Job title: Roads Infrastructure Manager
Email address mcheyne@aberdeencity.gov.uk:
Phone number 01224 522984

HEAD OF SERVICE DETAILS

Name Mark Reilly
Job title Head of Service PI&E
Email address MaReilly@aberdeencity.gov.uk
Phone number 01224 523910

COMMITTEE	Finance, Policy & Resources
DATE	1 st December 2017
REPORT TITLE	Participation in Gigabit Voucher Scheme
REPORT NUMBER	CG/17/145
DIRECTOR	Steve Whyte
REPORT AUTHOR	Gordon Wright

1. PURPOSE OF REPORT:-

- 1.1 To seek approval for the Council to participate in a UK government pilot to provide vouchers to local businesses for 1gb full fibre connections.

2. RECOMMENDATION(S)

- 2.1 It is recommended that committee:
 - a) approve the Council’s participation in a UK Government funded scheme to provide vouchers to local businesses for 1Gbps full fibre connections subject to approval from the Head of Legal and Democratic Services of the associated grant agreement setting out the terms and conditions of the Council’s participation.
 - b) note that the Council will be able to recover administration and support costs related to the scheme.

3. BACKGROUND/MAIN ISSUES / OTHER HEADINGS AS APPROPRIATE

- 3.1 The Aberdeen City Region Deal area has been selected as a pilot location for a UK government voucher scheme offering financial support for SMEs adopting gigabit (hyper-fast) capable digital connectivity. Up to £5M may be available, in total, to local businesses to meet the capital costs to upgrade connectivity under the scheme.
- 3.2 The programme is due to launch in December 2017 and run until the national funding allocation is reached. The Council will need to provide resources to support demand stimulation and validation checks on the SME status of applicant companies. The scheme will be administered through a central portal for supplier registration and claims.

4. FINANCIAL IMPLICATIONS

- 4.1 The Council will work with local partners and media to publicise the availability of the grant to local business, and support scheme administration of the central portal. Any costs incurred for these activities will be recoverable from the UK government, subject to submission of a claim by the Council. The Council will not be directly involved in handling payments for individual vouchers.

5. LEGAL IMPLICATIONS

- 5.1 The Council will be required to sign a grant agreement arrangement setting out the terms and conditions of participation. This is currently under review by Legal Services.

6. MANAGEMENT OF RISK

Risk	Mitigation	Assessment
Finances	Failure to be able to support delivery would see the city region deal area lose a potential of £5m grant support for local SME businesses. Resources will be allocated to support the scheme.	Medium
Employees	Inadequate staff resource to support the scheme. The Head of IT and Transformation will seek to identify and secure capacity to support the delivery of the programme.	Medium
Customers/Stakeholders	A lack of demand may reduce impact of scheme. A comprehensive communications strategy is being developed.	Medium
Environment	No risks	
Legal	The Council will need to sign a partner agreement. Legal Services are reviewing this.	Low.
Technological	In sufficient connectivity to reach SMEs. Engage will suppliers to extend networks.	Low
Reputational	Take up may not be as high as estimated. Comprehensive communications plan will be drawn up.	Low.

7. IMPACT SECTION

- 7.1 This proposal supports activity across all areas of the LOIP programme. Aberdeen's LOIP acknowledges the positive impact that digital connectivity can have on economic, educational, health and social needs.
- 7.2 Economy
- 7.2.1 The Council aims to support improvement in the local economy by providing high speed fibre connectivity to small and medium businesses.
- 7.3 People
- 7.3.1 The proposal supports ACC and partner initiatives to deliver world class connectivity to all communities within the city. While targeted at SMEs the underlying infrastructure becomes available to all sectors and individuals. Supporting the wellbeing of locally based SMEs will have positive social economic benefits.
- 7.4 Place
- 7.4.1 The use of central government support to local SMEs will help secure equitable delivery of enhanced connectivity to SMEs operating in all our communities helping to address market shortcomings in offering competitive pricing to locations at the edge of network reach.
- 7.5 Technology
- 7.5.1 This proposal supports key elements in the LOIP and Aberdeen City Region Deal by facilitating commercially attractive connectivity for our SME community.

8. BACKGROUND PAPERS

Aberdeen Local Outcomes Improvement Plan.

9. APPENDICES (if applicable)

None

10. REPORT AUTHOR DETAILS

Gordon Wright
Digital Economy Manager
gwright@aberdeencity.gov.uk
01224523642

HEAD OF SERVICE DETAILS

Simon Haston

Head of IT and Transformation
shaston@aberdeencity.gov.uk
07768725244

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	1st December 2017
REPORT TITLE	Year of Young People Cultural Award Programme
REPORT NUMBER	ECS/17/071
DIRECTOR	Gayle Gorman
REPORT AUTHOR	Fiona Clark

1. PURPOSE OF REPORT:-

- 1.1 The purpose of this report is to seek approval from Committee to commit £100,000 for a Year of Young People funding Award Programme for the financial year 2018/19 for groups and organisations to apply for funding for the delivery of youth led cultural projects and events in Aberdeen to celebrate the Year of Young People in 2018.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- a) Approve a sum of £100,000 from contingencies or reserves for a Year of Young People Cultural Award Programme for the financial year 2018/19.

3. BACKGROUND/MAIN ISSUES / OTHER HEADINGS AS APPROPRIATE

- 3.1 At their meeting of 16th November Education & Children's Services Committee reviewed an updated Business Plan for 2017 - 2020 and various other documents submitted by Aberdeen International Youth Festival (AIYF). This followed the request made by Council at their meeting on 21st June 2017 to submit a detailed and comprehensive business plan including steps and detailed time line for transitioning to a SCIO.
- 3.2 At the above meeting committee agreed the following:

- (i) to note that the Committee was not supportive of funding being allocated to Aberdeen International Youth Festival as part of the financial year 18/19 budget setting process;
- (ii) to note that the Committee was supportive of funding of £100,000 from contingencies or reserves being approved by the Finance, Policy and Resources Committee at its meeting to be held on 1 December 2017 for a Year of Young People funding Award Programme for the financial year 18/19 for groups and organisations to apply for funding for the delivery of youth led cultural projects and events in Aberdeen to celebrate the Year of Young People;
- (iii) subject to the funding being approved by the Finance, Policy and Resources Committee on 1 December 2017:
 - 1. to instruct the Head of Education and Inclusion, following consultation with the Head of Finance, to set up a Year of Young People funding Award Programme for the financial year 18/19 for groups and organisations to apply for funding for the delivery of youth led cultural projects and events in Aberdeen to celebrate the Year of Young People;
 - 2. delegate authority to the Head of Education and Inclusion, following consultation with the Convener and Vice Convener of the Education and Children's Services Committee, to set the criteria for the awarding of funding from the Award Programme;
 - 3. delegate authority to the Head of Education and Inclusion to review and allocate the awards accordingly;
- (iv) subject to approval of recommendation (ii), to refer the approved recommendations in the report together with appropriate background detail by way of a report to the Finance, Policy and Resources Committee at its meeting be held on 1 December for consideration of funding allocation for the Award Programme, with the recommendation that (1) a sum of £100,000 from contingencies or reserves be allocated to the Award Programme for a one year period; and (2) the Head of Finance be delegated the power to account for this funding as appropriate; and
- (v) to instruct the Head of Finance and Head of Education and Inclusion to report to the Finance, Policy and Resources Committee on 1 December 2017 as part of the report approved at (iv) above detailing all of the in-kind support and non-core funding provided to Aberdeen International Youth Festival.

3.3 Information detailing the total support both financial and in kind given to Aberdeen International Festival is contained in the Appendix to this report . (see Appendix 1)

4. FINANCIAL IMPLICATIONS

4.1 The establishment of a Year of Young People Award Programme will be for 2018/19 only in recognition of the Year of Young People 2018.

5. LEGAL IMPLICATIONS

- 5.1 Legal Services will be required to help scope and agree the conditions of grant awards from the funding award programme for the Year of Young People.

6. MANAGEMENT OF RISK

- 6.1 The following risks and mitigations have been identified:
- 6.2 **Financial** – this report considers the risk attached to funding given to External Cultural organisations and the need to ensure value for the City Council's investment. – medium.
- 6.3 **Employee**- none – N/A.
- 6.4 **Customer/citizen** – with the focus on young people it is important that young people are fully involved in the development of funding bids, programming of events and activities and involved in the award process – medium.
- 6.5 **Environmental** - none – N/A
- 6.6 **Technological** – none – N/A.
- 6.7 **Legal** – conditions of grant for funding programme for the Year of Young People to be drafted as per agreed criteria. -low
- 6.8 **Reputational** – through the 365 Events programme, an in addition with the City Cultural Strategy, the Council has established a framework for the City of Aberdeen, through which to deliver high quality, ambitious and sustainable cultural offer. The Year of Young People Award funding programme will give young people in the city the opportunity to be directly involved in shaping the programme of events and activities throughout 2018 – medium

7. IMPACT SECTION

Economy

- 7.1 Cultural events and activities as part of a celebration of Year of Young People have the potential to attract local and visiting families whether in the city centre or across the city in the wider communities. There is also the potential for opportunities for artists and creatives to work in the city helping to retain talent. .

People

- 7.2 The aim is to offer opportunities which will have a positive impact on our young people, offering them opportunities to engage with, and participate in cultural and creative activities. The current work on the development of a tool

kit to evaluate impacts will assist in evaluating projects and activities to inform future work and assist the Council and grant recipients to understand the impacts of their work

Place

- 7.3 The Year of Young People Award programme has the potential for community cohesion and resilience. Young people will be encouraged to engage with the international visitors on collaboration, enabling relationships to be developed.

Technology

- 7.4 In particular the use of social media to engage local people in the planning and delivery of events and activities, and to provide opportunity to engage in collective sharing of their experiences, will be actively encouraged.

8. BACKGROUND PAPERS

Council Report – 16th November 2017: Aberdeen International Youth Festival updated Business plan 2017-2020. – ECS/17/055

9. APPENDICES (if applicable)

Appendix 1 – Funding and support granted to AIYF

10. REPORT AUTHOR DETAILS

Fiona Clark
Service Manager, Culture (Acting)
fclark@aberdeencity.gov.uk
01224 523270

Brian Dow
Finance Partner
bdow@aberdeencity.gov.uk
01224 526352

HEAD OF SERVICE DETAILS

Helen Shanks
Head of Education & Inclusion
hshanks@aberdeencity.gov.uk
01224 522473

Aberdeen International Youth Festival Funding

The following table shows the funding allocated to AIYF for the current and preceding financial years.

	2015/16	2016/17	2017/18
Direct Funding	£	£	£
Common Good - Annual Funding	85,000	65,000	65,000
Common Good - Mary Garden Prize	1,500	1,500	1,500
Common Good - Aberdeen Mela	-	-	20,000
Common Good - Twinning Grants	-	-	-
Culture Budgets - Annual Funding	57,393	77,393	62,653
Sponsorship - Accord Card	1,750	900	-
Creative Funding grant	3,045	5,000	-
Internship support grant	-	1,000	-
	148,688	150,793	149,153
Indirect Funding/Subsidy			
Finance/Legal Staffing Subsidy	18,400	19,470	18,990
Total AIYF Funding	167,088	170,263	168,143

Note

1 There is a subsidy in terms of AIYF's use of 17B Belmont Street, but this is difficult to quantify due to the multiple occupancy of various parts of the building.

2 The council has guaranteed any pension liability in the event AIYF were to cease and be unable to meet this liability.

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SUBMISSION OF LATE REPORT

NAME OF COMMITTEE : FP&R

DATE OF COMMITTEE : 1 December 2017

TITLE OF REPORT : Aberdeen Art Gallery Redevelopment and Provost Skene's House Refurbishment and Museum Progress

Please explain why this report is late.

Late availability of information

Please explain:

- why this report must be submitted to the next meeting of the Council/Committee; and
- why it cannot be submitted to a meeting of the Council/Committee at a later date.

Continuing discussions with contractor and providing the most up to date information to Committee. To inform actions with regard to Contractor's claim

Director Gayle Gorman

Date 27 November, 2017

The following section must be completed by the Convener where a report must be submitted less than three clear days¹ before a meeting of the Council/Committee.

By law, an item of business must be open to inspection by members of the public for at least three clear days before a meeting.

An item of business not open to inspection for three clear days may be considered at a meeting only by reason of special circumstances, which shall be specified in the minutes, and where the Convener is of the opinion that the item should be considered as a matter of urgency.

Please explain why you are of the opinion that the item should be considered as a matter of urgency.

Convener  D Lumsden

Date 26/11/17

Please note that under Standing Order 12.9, the Head of Legal and Democratic Services may refuse to allow any item of business on to the agenda or may withdraw any item of business from an agenda, following consultation with the Convener and Vice Convener.

¹ For example if a letter is posted on Monday advising of a meeting on Friday, it gives 3 clear days notice (i.e. Tuesday, Wednesday, Thursday). Saturday, Sunday and public holidays are included within the definition of Clear Days.

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	1 December, 2017
REPORT TITLE	Aberdeen Art Gallery Redevelopment and Provost Skene's House Refurbishment and Museum Progress
REPORT NUMBER	ECS/17/072
DIRECTOR	Gayle Gorman, Director of Education and Children's Services
REPORT AUTHOR	Scott Davidson, City Centre Programme Manager

1. PURPOSE OF REPORT:-

- 1.1 Committee approval is sought for the approach and actions relating to the resolution of programming and budgetary issues of the cultural programme; with particular regard to the Aberdeen Art Gallery (AAG) redevelopment and Provost Skene's House (PSH) refurbishment (incorporating the Hall for Heroes).

2. RECOMMENDATIONS

- 2.1 That the Committee –
- a. Note the amended programme for the Aberdeen Art Gallery redevelopment as presented in paragraphs 3.7 and 3.8 of the report.
 - b. Instruct the Head of Finance, following consultation with the Convenor of the Finance, Policy and Resources Committee, to identify funding options for the additional costs of Aberdeen Art Gallery redevelopment and Provost Skene's House refurbishment as presented in Section 4 of the report and submit to the Council's budget setting meeting on 19 February, 2018.
 - c. Request the Chief Internal Auditor to include the Aberdeen Art Gallery in the internal audit of capital governance.
 - d. Approves Option 3 in regard to the refurbishment of Provost Skene's House as detailed in the exempt Appendix of this report and delegates authority to the Interim Director of Communities, Housing and Infrastructure, following consultation with the Head of Commercial and Procurement Services, to undertake a tender process for the procurement and thereafter award of contract to undertake internal and external works.

- e. Approve the total estimated expenditure for Provost Skene's House refurbishment as detailed in the exempt appendix to this report.

3. BACKGROUND AND MAIN ISSUES

Aberdeen Art Gallery (AAG) Redevelopment

3.1 With regard to AAG redevelopment the following considers:

- The Capital Programme Governance Review.
- The Programme Management Office (PMO).
- Current programme issues and their resolution.
- Current budgetary issues and their resolution.

3.2 For clarity, the roles in the AAG redevelopment are:

- Client – Aberdeen City Council
- Project Team
 - Client's Project Manager – Faithful and Gould (from August 2017)
 - Client's Project Manager – Art Gallery & Museums Manager, Education and Children's Services (to August 2017)
 - Client's Project Sponsor – Head of Policy, Performance and Resources, Education and Children's Services (from November 2016)
- Contract Administrator – Hoskins
- Project Quantity Surveyor – AECOM
- Client's Claims Consultant – Faithful and Gould
- Contractor – McLaughlin & Harvey

Capital Programme Governance Review

3.3 Following the review of the capital programme the Audit, Risk and Scrutiny Committee at its meeting on 27 June, 2017 resolved, amongst other things, to:

“Note the amended governance arrangements for Strategic Infrastructure Plan and Capital Plan delivery...incorporating the delivery of City Centre Masterplan projects within these governance arrangements.”

3.4 These governance arrangements have been implemented promoting robust project management for AAG and PSH through the City Centre Masterplan Board.

Programme Management Office (PMO) Review

3.5 In July 2017, the PMO undertook a review of the cultural programme that included the AAG redevelopment. Principal conclusions, with regard to AAG, were:

- The project team and Contract Administrators (Hoskins) were aware of an emerging issue with progress against plan since January 2017 and an opportunity may have been lost to act quickly and minimise the impact.
- Project governance was inconsistent; particularly during 2017.
- Invest in project management to ensure adequate and appropriate resource.
- Appoint a claims consultant to manage issues arising from contractor's claim.
- Review project budget
- Review project programme

3.6 In order to address these matters, the City Centre Masterplan team took on a programme role in July 2017 with Faithful and Gould appointed as Project Managers in August, 2017 and as Claim Consultants in October, 2017.

Project Programme

3.7 The construction programme is under review and key items for consideration are:

- Main Construction Completion – the current contract completion was due in May 2017. This was extended from the original date of March 2017 due to discoveries on site. However, completion of construction works is impacted by contractor performance, site discoveries, design issues and governance issues. The contractor indicates an end of February 2018 completion. It is realistic and prudent to extend the construction completion into March 2018 due to ongoing programme slippage.
- Fit-out Works - The fit-out programme is 9 months. Assuming the construction contract completes in March 2018, completion of fit-out would be December 2018.

3.8 This suggests an opening in January 2019.

3.9 Options to mitigate delay could be focused around the fit out programme and would involve:

- Commence fit-out earlier – the fit-out works could commence earlier than the construction completion date. However, access to site is limited and co-ordination issues could result in additional programme delay and increased risks and liability resulting from co-ordinating two contracts on the same site. This represents an unacceptable risk in the view of the Project Manager.
- Reduce fit-out programme – this would potentially bring forward completion; but the programme involves numerous concurrent activities and would present a risk for further delay and/or quality issues if further concentrated as complexity would increase. This represents an unacceptable risk in the view of the Project Manager.

3.10 Risks to the construction programme is:

- Programme delay – there remains an ongoing risk that the construction programme continues to lose time and completion moves beyond March 2018. As a clear and present risk, mitigation actions are in place of:
 - All change requests have been ceased and any operational changes are reviewed and confirmed by the Project Manager before issue.
 - A programme review workshop was held 23 November 2018 to interrogate the programme and measure robustness of activities and timescales. This confirmed the revised programme and applied an action tracker for monitoring; although some issues emerged that will require effective management and delivery.
 - Senior council officers have engaged with the contractor in discussions to agree solutions on programme and quality. This has elicited a commitment from the contractor to appropriate on-site leadership to see construction programme to completion.

Budget

- 3.11 The original capital budget was £30 million; of which the construction budget was £22 million. Fixed contributions of £10 million from the Heritage Lottery Fund (HLF) and £10 million through fund raising (of which £3.35 million has been donated) have been budgeted. The remaining contribution of £10 million was identified from Council's non-housing capital budget.
- 3.12 The contingency within the Council's £10 million budget was able to incorporate the original extensions to the construction completion date and agreed changes on the project. This contingency is spent.
- 3.13 It has been agreed, through FP&R Committee resolution, to underwrite the philanthropic and public campaign of £10 million. Currently, this is approximately £6.65 million and will be subject to separate reporting on progress to the Committee or its successor in the early part of 2018.

- 3.14 The Contractor has submitted claims for additional works and for delay and disruption, which are disputed and in negotiation.
- 3.15 Additionally, provision has been forecast for £0.5 million of additional fit-out costs as a result of delay and disruption. This will be reviewed and assessed as part of the project management.
- 3.16 These budgetary considerations will be considered at Council's budget setting meeting on 19 February, 2018

Actions to Progress

- 3.17 Negotiation is currently progressing with the Contractor in respect of the cost overrun and ongoing delays.
- 3.18 A Claims Consultant – Faithful and Gould – has been appointed to undertake an initial review of the robustness of the Contractor's delay and disruption claim. Discussions are ongoing with regard to the additional works/variations led by the Project Manager.

Provost Skene's House (PSH) Refurbishment and Hall for Heroes

- 3.19 With regard to PSH refurbishment and Hall for Heroes the following considers:
- Project establishment and progress
 - The Programme Management Office (PMO) review of July 2017.
 - Project Business Case

Project Establishment and Progress

- 3.20 At its meeting on 20 September 2016, The FP&R Committee noted that

“The redevelopment and transformation of Provost Skene's House provides an opportunity to extend and enhance the cultural offer for local residents and visitors to Aberdeen and to extend its reach to new audiences ... It is therefore proposed that [it] becomes a celebration of what Aberdeen ... has given to the world, focusing on the important Aberdonians through history but also providing a chance for visitors to the House to see current iconic figures from the city.”

A budget for the works was set at:

- Essential building works/professional fees - £875,000
- Interpretation works and design - £1,000,000

The committee resolved to allocate £1.5m to the project with the remaining £375,000 being a developer contribution from Muse – the developer of Marischal Square.

It was programmed for completion in July 2017.

- 3.21 As part of the Listed Building application, a full condition survey of the building was carried out in June 2017. It highlighted a number of urgent, necessary and desirable works for PSH.
- 3.22 The £375,000 MUSE contribution had been reduced to meet heating costs to PSH, installation of a new boiler, alteration of the electricity meter and professional fees in line with the Council's property framework and to ensure required environmental conditions for the artefacts in the building. A remaining £110,000 is now available to add to the £500,000 from the City Centre Masterplan budget for the enabling works. The budget for the essential/enabling works was reduced to £610,000 (with a recorded spend to date of £51,000).
- 3.23 Earlier in 2017 public consultation was undertaken to identify the Hall for Heroes figures and those selected, who are still living, have been engaged in preparing the exhibition.
- 3.24 Work packages associated with the interpretation and fit out of PSH have commenced in line with the original programme (to July 2017) and budget (£1 million).

Programme Management Office (PMO) review

- 3.25 In July 2017, the PMO undertook a review of the PSH project. Principle conclusions were to:
- Review the project programme to establish appropriate phasing.
 - Investigate internal and external funding for the project.
 - Prepare a business case for the project and submit to the Capital Board.
- 3.26 In order to bring these recommendations forward, Faithful and Gould were appointed as project managers in August, 2017

Provost Skene's House: Business Case

- 3.27 The revised Business Case for Provost Skene's House is detailed in the exempt Appendix 1.

4. FINANCIAL IMPLICATIONS

- 4.1 Financial implications arising from the report, with regard to AAG, are an exposure for additional costs for delay and disruption, additional

works/variations, provision for fit-out delay and disruption and professional fees.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report. The Head of Legal and Democratic Services will attend to the interests of the Council as regards the Contractor's claim in accordance with delegated powers.

6. MANAGEMENT OF RISK

- 6.1 The following presents the management of risks by identifying them and their impact, establishing the likelihood of occurrence, setting out appropriate mitigation and providing a pre and post mitigation score.

Risk/Impact	Likelihood	Score	Mitigation	Revised Score
Maximum exposure to contractor's claim at AAG through adjudication	Medium	High	<ul style="list-style-type: none"> • Negotiation • Procure legal advice 	Medium
Further construction programme extension at AAG	Low	High	<ul style="list-style-type: none"> • Maintain project management services • Pause delay damages 	Low
Commercial confidentiality of negotiations at AAG could have adverse reputational impact	Medium	Medium	<ul style="list-style-type: none"> • Develop and implement communications plan 	Low
Reputational impacts through late delivery at increased cost at AAG.	High	High	<ul style="list-style-type: none"> • Develop and implement communications plan • Proactive stakeholder engagement • Maintain project management and claims consultant services 	Medium
Budgetary increases at PSH due to unforeseen works	High	High	<ul style="list-style-type: none"> • Appropriate budget contingency to reflect building age 	Medium

Risk/Impact	Likelihood	Score	Mitigation	Revised Score
Programme increase at PSH due to unforeseen works	High	High	• Appointment of Faithful and Gould to manage programme	Medium

6.2 There are no further financial, employee, customer / citizen, environmental, technological, legal or reputational risks.

7. IMPACT SECTION

7.1 The considerations in this report do not provide any new impacts related to economy, people, place or technology on the strategic themes of Aberdeen City Council and Community Planning Aberdeen, as set out in the Aberdeen City Local Outcome Improvement Plan 2016-26 and the Aberdeen City Council Strategic Business Plan.

8. BACKGROUND PAPERS

Report to Council on 23 August 2017 **Council Financial Performance – Quarter 1 2017/18 (CG17/084)**

Report to Audit, Risk and Scrutiny on 27 June 2017 **Review of the Capital Programme Governance (CHI/17/153)**

Report to FP&R Committee on 20 September, 2016 **Refurbishment of Provost Skene's House (ECS\16\058)**

Adams Napier Partnership June 2017 **Condition Survey Report on Provost Skene's House, Aberdeen**

Capital Board on 15 November, 2017 **Provost Skene's House Business Case**

Report to FP&R on 19 June 2014 **Art Gallery Redevelopment Programme Procurement of the Construction Works (ECS-14-046)**

Art Gallery redevelopment programme – procurement of the Museums Collections Centre, Education, Culture and Sport Committee, 27 March 2014
Aberdeen Art Gallery redevelopment programme, Urgent Business Committee, 29 November 2012

Aberdeen Art Gallery redevelopment, Education, Culture and Sport Committee, 7 June 2012 and Finance and Resources Committee, 21 June 2012

Finance Policy & Resources Committee, 15 September 2015, Article 25: **Art Gallery Redevelopment Fundraising**

Finance Policy & Resources Committee, 7 June 2016, Article 27: **Art Gallery Fundraising - Update**

Finance Policy & Resources Committee, 1 December 2016 **Art Gallery Fundraising**

9. APPENDICES (if applicable)

Appendix 1 – Provost Skene's House: Business Case (Exempt)

10. REPORT AUTHOR DETAILS

Scott Davidson
City Centre Masterplan Programme Manager
scodavidson@aberdeencity.gov.uk
07833 40 22 12

HEAD OF SERVICE DETAILS

Euan Couperwhite
Project Sponsor
ecouperwhite@aberdeencity.gov.uk
07717 22 63 71

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