

Public Document Pack



To: Councillor Laing, Convener; Councillor Lumsden, Vice Convener; and Councillors Boulton, Alex Nicoll and Yuill.

Town House,
ABERDEEN, 23 June 2020

URGENT BUSINESS COMMITTEE

The Members of the **URGENT BUSINESS COMMITTEE** are requested to meet remotely on **TUESDAY, 30 JUNE 2020 at 2.00 pm.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

In accordance with UK and Scottish Government guidance, meetings of this Committee will be held remotely as required. In these circumstances the meetings will be recorded and thereafter published on the Council's website at the following [link](#)

B U S I N E S S

DETERMINATION OF URGENT BUSINESS

1.1 Determination of Urgent Business

DETERMINATION OF EXEMPT BUSINESS

2.1 Members are requested to determine that any exempt business be considered with the press and public excluded

DECLARATIONS OF INTEREST

3.1 Members are requested to intimate any declarations of interest (Pages 5 - 6)

DEPUTATIONS

4.1 Deputations - none at this time

MINUTE OF PREVIOUS MEETING

5.1 Minute of Previous Meeting of 6 May 2020 (Pages 7 - 18)

NOTICES OF MOTION

6.1 Notice of Motion by Councillor Alex Nicoll

That the Committee

1. notes that at the COSLA group leaders meeting of 15 May 2020, Councillor Lumsden moved a motion calling on the group leaders to reject the funding formula being proposed for the distribution of the £155M Barnett Formula Consequentials to local government arising from the Covid-19 pandemic on Council budgets and to consider instead distributing the monies on a pro rata basis in line with the predicted costs to Councils of the Covid-19 pandemic reported to COSLA on 24th April 2020;
2. notes that reports in the media suggest this motion failed to attract support and was defeated by 31 votes to 1;
3. notes that the costs of managing the effects of the Covid-19 pandemic and the related loss of revenue to individual Councils vary considerably across the country;
4. instructs the Chief Officer - Finance to write to his colleagues responsible for finance in each of the other 31 local authorities in Scotland, together with the leaders or co leaders of each local authority outlining the disproportionate effect the use of the GAE formula has had on individual local authorities and requesting they consider supporting any future grant from the UK Government or Scottish Government to mitigate the effects of Covid-19 on Council budgets be distributed in a manner which takes full cognisance of the existing payments which have been made and the need in future to make any payments to the disproportionately affected Councils such as will allow them to be reimbursed for the total financial impact of the Covid-19 pandemic on an equitable basis, in line with the costs Councils have identified to COSLA; and
5. instructs the Chief Officer - Finance to report back at the earliest opportunity to the appropriate committee with details of any progress.

6.2 Notice of Motion by Councillor Alex Nicoll

That the Committee:

1. notes with concern the announcement by Aberdeen Harbour Board that the contractor for the Aberdeen South Harbour development, Dragados UK, has withdrawn from the contract with effect from 15th June 2020;
2. notes the significant challenges Aberdeen Harbour Board are facing as a result of Ferry, Cruise and Energy Sector Operators reducing activity in response to COVID-19 and the wider impact of reduced oil and gas prices;
3. notes Aberdeen Harbour Board's concerns the impact of these challenges may have on the future delivery of the harbour expansion project;
4. notes the strategic importance of the Aberdeen South Harbour development; and
5. instructs the Chief Officer City Growth to bring a report to the next meeting of either the Urgent Business Committee or City Growth and Resources Committee, whichever is sitting first, detailing the progress Aberdeen Harbour Board have made in securing a new contractor, the impact on the completion date and the wider impact of any delay in delivery of economic growth to the wider local economy.

6.3 Notice of Motion by Councillor Malik

That the Committee:-

- (i) notes the Black Lives Matter protests across the United Kingdom following the death of George Floyd in the United States of America;
- (ii) notes the tragic case of Sheku Bayoh who died whilst being arrested by Police Scotland;
- (iii) notes activists in Aberdeen played their part in the Black Lives Matter campaign with a special poster protest across the city and by holding a non-violent Black Lives Matter protest march in the city centre on Saturday 13th June;
- (iv) agrees to work with the organisers of the Black Lives Matter poster protest and other race equality organisations in the city to mount an exhibition on the anti-slavery abolition movement in Aberdeen when public health restrictions are lifted;
- (v) agrees Aberdeen City Council understands there is also a problem with racial inequality and prejudice within Scotland and the wider UK;
- (vi) agrees Black Lives Matter and instructs the Chief Executive to write to the Ambassador of the United States to the Court of St James condemning the use of force by Police Officers on George Floyd which resulted in his unfortunate death; and
- (vii) agrees Black Lives Matter and instructs the Chief Executive to write to the Cabinet Secretary for Justice at the Scottish Government, providing a copy of this motion and requests details of any proposed legislation the Scottish Government intend to introduce as a result of the BLM movement.

6.4 Notice of Motion by Councillors Laing, Lumsden and Boulton

That the Committee:-

- (i) agrees Aberdeen City Council recognises all involved in protecting the public during the coronavirus pandemic as public service champions, whether they are NHS and emergency services staff working directly with patients; cleaners, caterers, carers and teachers keeping our hospitals, care homes and schools going; council staff providing crucial support to our communities in this crisis; and all those who have contributed so much to delivering vital public and support services during Covid-19 and on behalf of the City of Aberdeen we extend our unequivocal gratitude and thanks; and
- (ii) instructs the Chief Executive to form a working group consisting of the Lord Provost, Depute Provost, the President of the Aberdeen Trade Union Council, along with The Seven Incorporated Trades of Aberdeen and The Burgesses of Guild of the City and Royal Burgh of Aberdeen to bring forward a suitable costed event to show Aberdeen City Council's gratitude to everybody involved in providing vital public and support services during Covid-19.

BUSINESS

7.1 NESPF Unaudited Annual Report and Accounts 2019/20 - RES/20/093
(Pages 19 - 148)

7.2 External Audit Annual Audit Report - to follow

7.3 Audited Annual Accounts 2019/20 - RES/20/097 - to follow

7.4 Financial Resilience Recovery Plan - RES/20/101 (Pages 149 - 254)

- 7.5 Spaces for People - COM/20/095 (Pages 255 - 268)
- 7.6 Socio-Economic Rescue Plan 2020/2021 - COM/20/098 (Pages 269 - 366)
- 7.7 Net Zero Vision and Infrastructure Plan Governance - COM/20/099 (Pages 367 - 384)
- 7.8 COVID-19 Governance Arrangements Update - COM/20/094 (Pages 385 - 414)
- 7.9 Workplans and Business Cases - COM/20/096 (Pages 415 - 420)

EXEMPT BUSINESS

- 8.1 Workplans and Business Cases - COM/20/096 - Exempt Appendices (Pages 421 - 434)

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DECLARATIONS OF INTEREST

You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether reports for meetings raise any issue of declaration of interest. Your declaration of interest must be made under the standing item on the agenda, however if you do identify the need for a declaration of interest only when a particular matter is being discussed then you must declare the interest as soon as you realise it is necessary. The following wording may be helpful for you in making your declaration.

I declare an interest in item (x) for the following reasons

For example, I know the applicant / I am a member of the Board of X / I am employed by... and I will therefore withdraw from the meeting room during any discussion and voting on that item.

OR

I have considered whether I require to declare an interest in item (x) for the following reasons however, having applied the objective test, I consider that my interest is so remote / insignificant that it does not require me to remove myself from consideration of the item.

OR

I declare an interest in item (x) for the following reasons however I consider that a specific exclusion applies as my interest is as a member of xxxx, which is

- (a) a devolved public body as defined in Schedule 3 to the Act;
- (b) a public body established by enactment or in pursuance of statutory powers or by the authority of statute or a statutory scheme;
- (c) a body with whom there is in force an agreement which has been made in pursuance of Section 19 of the Enterprise and New Towns (Scotland) Act 1990 by Scottish Enterprise or Highlands and Islands Enterprise for the discharge by that body of any of the functions of Scottish Enterprise or, as the case may be, Highlands and Islands Enterprise; or
- (d) a body being a company:-
 - i. established wholly or mainly for the purpose of providing services to the Councillor's local authority; and
 - ii. which has entered into a contractual arrangement with that local authority for the supply of goods and/or services to that local authority.

OR

I declare an interest in item (x) for the following reasons.....and although the body is covered by a specific exclusion, the matter before the Committee is one that is quasi-judicial / regulatory in nature where the body I am a member of:

- is applying for a licence, a consent or an approval
- is making an objection or representation
- has a material interest concerning a licence consent or approval
- is the subject of a statutory order of a regulatory nature made or proposed to be made by the local authority.... and I will therefore withdraw from the meeting room during any discussion and voting on that item.

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ABERDEEN, 6 May 2020. Minute of Remote Meeting of the URGENT BUSINESS COMMITTEE. Present:- Councillor Laing, Convener; Councillor Lumsden, Vice Convener; and Councillors Boulton, Alex Nicoll and Yuill.

The agenda associated with this minute can be found [here](#).

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

DETERMINATION OF URGENT BUSINESS

1. In terms of Section 1.3 of the Committee Remit and in accordance with Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Committee was informed that it had to determine (1) that the items on the agenda were of an urgent nature; and (2) that the Committee required to consider the items and take decisions thereon.

The Committee resolved:-

to agree that the items of business listed on the agenda were of an urgent nature and required to be considered this day to enable the Committee to consider the matters at the earliest available opportunity and take decisions thereon.

DETERMINATION OF EXEMPT BUSINESS

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

- Financial Resilience - COVID-19 - Exempt appendices
- Roads and Transport Related Budget Programme 2020/21 - Exempt appendices
- Workplans and Business Cases - Exempt appendices

The Committee resolved:-

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the aforementioned items so as to avoid disclosure of exempt information of the classes described in paragraphs 8, 10 and 12 of Schedule 7A of the Act.

DECLARATIONS OF INTEREST

3. The following declarations of interest were intimated:-

The Vice Convener declared an interest in item 11 on the agenda (Roads and Transport Related Budget Programme 2020/21) by virtue of one of the items involving

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work on the street where he lived, however he intimated that that the nature of his interest did not require him to leave the meeting.

Councillor Alex Nicoll declared an interest in items 11, 12, 13 and 14 on the agenda by virtue of his previous membership of the Board of NESTRANS, but intimated that he would be remaining in the meeting as NESTRANS was a Regional Transport Partnership which was covered by a specific exclusion as set out in paragraph 5.18(2)(ii) of the Councillors' Code of Conduct.

Councillor Yuill declared an interest in items 11, 12, 13 and 14 on the agenda by virtue of his substitute membership of the Board of NESTRANS, but intimated that he would be remaining in the meeting as NESTRANS was a Regional Transport Partnership which was covered by a specific exclusion as set out in paragraph 5.18(2)(ii) of the Councillors' Code of Conduct.

MINUTE OF PREVIOUS MEETING OF 20 MARCH 2020

4. The Committee had before it the minute of its meeting of 20 March 2020.

Councillor Alex Nicoll moved as a procedural motion, seconded by Councillor Yuill:-

That the Committee suspend Standing Order 43 and agree that the membership of the Urgent Business Committee be reinstated to 9 members with its previous composition.

On a division, there voted: for the procedural motion (2) - Councillors Alex Nicoll and Yuill; against the procedural motion (3) - Convener; Vice Convener; and Councillor Boulton.

The Committee resolved:-

- (i) to reject the procedural motion;
- (ii) to approve the minute; and
- (iii) to note that the Chief Officer - Governance would report to a future meeting of the Urgent Business Committee on various governance matters, including the membership of the Committee, live streaming of meetings and arrangements for meetings beyond 21 August 2020.

FINANCIAL RESILIENCE - COVID-19 - RES/20/091

5. The Committee had before it a report by the Director of Resources which provided an update on the current financial challenges the Council was facing in relation to the current pandemic situation and the potential impact this would have on the 2020/21 budget.

The report recommended:-

that the Committee -

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- (a) note the content of the report and the unprecedented financial pressure under which the Council was now operating;
- (b) instruct the Chief Officer - Finance to report back to a meeting of the Urgent Business Committee on 30 June 2020 with proposals to ensure the Council maintained a balanced budget position, which would include a review of the Council's commissioning intentions and service standards;
- (c) instruct the Chief Officer - Finance, having considered national government guidance, to prioritise Council resources for critical services and to minimise all other expenditure, stopping non-essential or non-critical spend where possible;
- (d) note the current status of the major capital projects that the Council had underway which would, likely, result in increased costs and time extensions requested by contractors (meaning previously advised completion dates and budgets would now not be met);
- (e) note the use of the Food Fund to support children entitled to free school meals and food provision/delivery for people in poverty, as detailed in Appendix 1; and
- (f) delegate authority to the Chief Officer - Finance, following consultation with the Chief Officer - Education and Chief Officer - Early Intervention and Community Empowerment, to allocate further funds in line with the Food Fund guidance up to the current allocation of £802,000 and that the Committee be notified thereafter.

The Convener moved, seconded by Councillor Boulton:-

That the Committee -

- (1) approve the recommendations contained within the report;
- (2) instruct the Chief Executive to email all employees where possible, and to post on the internal website, thanking them on behalf of elected members for the way in which they have risen to the challenge of providing vital public services at a time of national crisis; and agree that our employees are our greatest asset and their response to the pandemic reminds us why;
- (3) to note the implications of the Financial Resilience Covid-19 report; and recognising the wider impacts of Covid-19 to the city, and building on the work to date that had seen over 1,000 applications for £13.4m of business grants with an average turnaround of seven days, to instruct the Chief Officer - City Growth in consultation with Administration Leaders, to provide the Urgent Business Committee on 30 June 2020 with a Socio-economic Rescue Plan for 20/21 that would consider other short term responses under business, people and place themes in line with the Stronger Together policy decision by Council in August 2017;
- (4) to note the UK Government had provided the Scottish Government with £155m of additional revenue for local authorities and instruct the Chief Executive to write to the Minister for Local Government and Housing and the Cabinet Secretary for Finance requesting our fair share of that allocation from the Scottish Government and that any allocation should be distributed with no conditions attached to the use of the funding. The letter should reference paragraphs 3.25 to 3.27 and 3.29 to 3.30 of the report, and that a letter also be sent to COSLA requesting their support;

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- (5) to instruct the Chief Executive to write to the Chancellor of the Exchequer and the Cabinet Secretary for Finance at the Scottish Government providing them with a copy of the report and asking for additional funding on top of our share of the £155m provided to the Scottish Government by the UK Government. The letter should reference paragraphs 3.25 to 3.27 and 3.29 to 3.30 of the report;
- (6) to agree to limit external recruitment of employees only to critical posts where there was a clear and pressing need for resources relating to the COVID-19 response or public health and protection and the resources cannot be found either from temporary or permanent internal movement. Any permanent internal or external recruitment should only be undertaken in consultation with the Convener of the City Growth and Resources Committee and should only be undertaken where the post would not be impacted by ongoing future redesign, and that the relevant Committee be a provided with service updates regarding any permanent recruitment that had been undertaken;
- (7) to agree that Aberdeen City Council should participate in the “Spaces for People” Initiative providing it is 100% funded by Sustrans Scotland;
- (8) to instruct the Chief Officer - Strategic Place Planning to submit bids to the Spaces for People initiative in conjunction with the Council’s Transport spokesperson Councillor Macdonald and report the outcome of those bids to the Urgent Business Committee on 30 June 2020; and
- (9) to thank the Director of Resources, the Chief Officer - Finance and their staff for the considerable effort that had gone into the report and all of the work in relation to it.

Councillor Yuill moved as an amendment, seconded by Councillor Alex Nicoll:-

That the Committee approve the terms of the motion outlined above with the exception that Administration Leaders be replaced with Group Leaders in part (3).

On a division, there voted:- for the motion (3) - Convener; Vice Convener; and Councillor Boulton; for the amendment (2) - Councillors Alex Nicoll and Yuill.

The Committee resolved:-
to adopt the motion.

COUNCIL FINANCIAL PERFORMANCE QUARTER 4 2019/20 - RES/20/079

6. The Committee had before it a report by the Director of Resources which provided the full year actual financial position of the Council against budget for the financial year 2019/20, including the General Fund and Housing Revenue Account (HRA) revenue and capital accounts, and the Common Good Revenue Account and Balance Sheet.

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The report recommended:-

that the Committee -

- (a) note the unaudited final outturn position for financial year 2019/20 as detailed in Appendix 1;
- (b) note that the General Fund had recorded a surplus of £0.8m for 2019/20, which had been added to the uncommitted working balance;
- (c) note that the Housing Revenue Account and Common Good surpluses for the year increased their working balances;
- (d) approve the various transfers for 2019/20, between Council Reserves and Earmarked sums for the General Fund, Housing Revenue Account, Common Good and Statutory Funds as at 31 March 2020, as detailed in Appendix 1;
- (e) approve the reprofiling of the 2020/21 - 2024/25 capital programmes to take account of the year end position and that the outcome of this was incorporated into the 2020/21 Quarter 1 reporting; and
- (f) note that the unaudited Annual Accounts for 2019/20 were presented to the Committee also on 6 May 2020, along with the Annual Governance Statement and Remuneration Report.

The Committee resolved:-

- (i) to approve the recommendations;
- (ii) to note that the Chief Officer - Finance would provide Councillor Alex Nicoll with more detailed information following the meeting on the Housing Capital Programme in relation to the approved budgets and actual expenditure on page 21 of the report;
- (iii) to agree, in light of the positive outturn against budget for the Common Good, that a contribution of £100,000 from the Common Good Fund be made to the Lord Provost's Charitable Trust's 'Aberdeen Covid-19 Emergency Appeal' Hardship Fund; and
- (iv) to thank the Director of Resources and the Chief Officer - Finance and his staff for the huge amount of work that had been carried out in relation to the financial results, as well as the unaudited annual accounts.

UNAUDITED ANNUAL ACCOUNTS 2019/20 - RES/20/080

7. The Committee had before it a report by the Director of Resources which provided an overview of the Council's 2019/20 unaudited Annual Accounts as well as the unaudited Annual Accounts for those registered charities where the Council was the sole trustee and was subject to statutory requirements for separate accounts and audit opinions.

The report recommended:-

that the Committee -

- (a) approve the Annual Governance Statement as included in the Council's unaudited Annual Accounts for the financial year 2019/20;
- (b) consider the Council's unaudited Annual Accounts 2019/20;

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- (c) consider the unaudited Annual Accounts 2019/20 of the Council's registered charities;
- (d) note that following the meeting the Council's and the registered charities unaudited Annual Accounts would be finalised, signed and submitted to the Council's external auditors, KPMG and Audit Scotland;
- (e) note that it was the intention that the Urgent Business Committee on 30 June 2020 would receive the Council's audited Annual Accounts for consideration and approval prior to their signature by the Chief Officer - Finance, Chief Executive and a Council Leader;
- (f) note that the Urgent Business Committee on 30 June 2020 would also receive the external auditor's report on the annual accounts for debate and consideration and that this report would set out the auditor's findings and conclusions, highlight the significant issues arising from the audit of the annual accounts and inform elected members of the proposed audit opinion in advance of the accounts being certified; and
- (g) note that the Urgent Business Committee on 30 June 2020 would also receive the audited Annual Accounts for the registered charities for consideration and approval prior to their signature along with the associated external auditor's report.

The Committee resolved:-

- (i) to approve recommendation (a), (d), (e), (f) and (g);
- (ii) to note the Council's unaudited Annual Accounts 2019/20;
- (iii) to note the unaudited Annual Accounts 2019/20 of the Council's registered charities;
- (iv) to agree in 2019/20, Aberdeen City Council received total income of £457 million, comprising £385 million raised locally through non-domestic rates and Council Tax, with only £72 million received from Scottish Government general revenue grants, with the balance coming from service-related grants, fees, charges and other income;
- (v) to agree the Council continued to maintain a healthy credit rating of Aa3 with a negative outlook, recognising "a strong institutional framework" and "a strong track record of operating performance" and thereby demonstrating external assurance on the financial governance and strength of the organisation;
- (vi) to note the 2019/20 financial year results showed a surplus of £2.2 million for the year across all Council accounts, which showed another strong performance over the year and demonstrated the underlying ability of the Council to deliver longer term financial and service outcomes going forward;
- (vii) to agree the impact of the COVID-19 outbreak brought global economic insecurities and specific uncertainties for the city of Aberdeen and the Council, and that through the Council's governance arrangements for responding to the emergency, and specific financial resilience plans it aimed to manage and mitigate risks in a robust way to protect the sustainability of Council finances; and
- (viii) to note that the Chief Officer - Finance would provide the members of the Committee with further information following the meeting in respect of (a) a breakdown of the £51 million of net spend on the corporate budgets, including

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capital financing costs; and (b) an update on additional payments to Councillors in respect of Group Leader/Interim Group Leader positions.

INTERNAL AUDIT PLAN 2020/21 - IA/20/009

8. With reference to Article 7 of the minute of meeting of the Audit, Risk and Scrutiny Committee of 12 February 2020, the Committee had before it a report by the Chief Internal Auditor which sought approval of proposed amendments to the Internal Audit plan for 2020/21.

The report recommended:-

that the Committee -

- (a) approve the revised Internal Audit Plan for 2020/21 as appended to the report;
- (b) agree that audits contained in the reserve list be progressed as and when possible during the year at the discretion of Internal Audit following consulting with Cluster management; and
- (c) note that any further changes required to the Internal Audit Plan would be referred to the Audit, Risk and Scrutiny Committee.

The Committee resolved:-

- (i) to approve recommendations (a) and (c); and
- (ii) to agree that audits contained in the reserve list be progressed as and when possible during the year at the discretion of Internal Audit following consultation with Cluster management and the Convener and Vice Convener of the Audit, Risk and Scrutiny Committee.

NET ZERO VISION AND INFRASTRUCTURE PLAN - PLA/20/088

9. The Committee had before it a report by the Chief Officer - City Growth which provided an update on the work that had been done on the development of a Net Zero Vision for Aberdeen and associated infrastructure investment needed to support the achievement of the vision.

The report recommended:-

that the Committee -

- (a) approve the Net Zero City Vision for Aberdeen;
- (b) agree the governance framework to drive and lead the vision for the city and instruct the Chief Executive to report back to the June 2020 Urgent Business Committee on the proposed governance model, its composition and the terms of reference (including monitoring of delivery to target emissions);
- (c) approve the Strategic Infrastructure Plan - Energy Transition and the outline prioritisation of projects;
- (d) instruct the Chief Officers - City Growth and Strategic Place Planning to update the evidence base and baseline data in order to provide a monitoring and evaluation framework against which progress could be measured;

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- (e) instruct the Chief Officers - City Growth and Strategic Place Planning to engage external partners to develop business cases for priority projects; and
- (f) instruct the Chief Officer - City Growth, in consultation with the Chief Officer - Finance, to develop a supporting cohesive finance and investment plan to support delivery of the city's energy transition, including those projects with national and transformational significance.

The Committee resolved:-

- (i) to approve recommendations (a), (c), (d), (e) and (f);
- (ii) to agree the governance framework, to be led by Co-Leader, Councillor Laing, to drive and lead the vision for the city and instruct the Chief Executive to report back to the June 2020 Urgent Business Committee on the proposed governance model, its composition and the terms of reference (including monitoring of delivery to target emissions);
- (iii) to instruct the Chief Executive to write to the Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office seeking to reschedule the meeting arranged in March 2020 for a suitable date enclosing a copy of the Net Zero Vision and Strategic Infrastructure Plan - Energy Transition report for his attention; and
- (iv) to instruct the Chief Executive to write to the First Minister seeking a meeting with the First Minister and/or the Scottish National Investment Bank, given the primary mission of the bank was to ensure a net zero carbon emissions economy and provide a copy of the report for her attention.

COUNCIL ENERGY AND CLIMATE PLAN ROUTEMAP - PLA/20/082

10. The Committee had before it a report by the Chief Operating Officer which sought approval for the Aberdeen City Council Energy and Climate Plan "Routemap", which set out the work phases proposed to develop and deliver a net zero emissions and climate resilience plan for Council owned assets and operations.

The report recommended:-

that the Committee -

- (a) approve the proposed Council Energy and Climate Plan 'Routemap', as outlined in Appendix 1;
- (b) note the indicative remit and activities of the Council's Energy and Climate Thematic Groups, as outlined in Appendix A of the Routemap;
- (c) instruct the Chief Operating Officer to ensure consistency between the Council's Energy and Climate Routemap and Plan and the closely related Place focused work packages led by the Chief Officer - City Growth;
- (d) instruct the Director of Customer Services, in conjunction with Co-Leaders, to produce an external Communications Plan to deliver consistent communications and key messages on the Council's Energy and Climate Routemap and Plan, using a range of communication methods and channels while ensuring consistency with the Council's place-based approach;

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- (e) instruct the Director of Resources to produce an internal Communications and Engagement Plan to deliver consistent communications, key messages and inspire action to assist with the realisation of the Council's Energy and Climate Routemap and Plan, ensuring consistency with the external Communications Plan (subject of (d) above); and
- (f) instruct the Chief Operating Officer to report back to Full Council with a Council Energy and Climate Plan for the Council's operations and assets by March 2021, ensuring alignment with the Council's annual budget setting process.

The Committee resolved:-

to approve the recommendations.

ROADS AND TRANSPORT RELATED BUDGET PROGRAMME 2020/21 - OPE/20/081

11. The Committee had before it a report by the Chief Operating Officer which presented, as a provisional programme, the proposed roads and transportation programme from the approved capital budgets for 2020/21 for approval.

The report recommended:-

that the Committee -

- (a) approve the schemes listed in the appendices as the detailed proposals for expenditure within each budget heading; and
- (b) instruct the Chief Officer - Operations and Protective Services following consultation with the Head of Commercial and Procurement, to undertake or instruct appropriate procedures in accordance with the Council's Procurement Regulations to procure the works referred to in the exempt appendices for the roads capital budget programme for the financial year 2020/21 and award contracts relating thereto.

The Committee resolved:-

to approve the recommendations.

EXTERNAL FUNDING FOR TRANSPORT PROJECTS 2020/21 - PLA/20/085

12. The Committee had before it a report by the Chief Officer - Strategic Place Planning which advised of a number of external funding opportunities that the Council had submitted funding applications for and were already or may soon become available to the Council for transportation projects.

The report recommended:-

that the Committee -

- (a) note that Aberdeen City Council:-

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- (1) had been successful in securing funding from Paths for All to deliver projects outlined in the Smarter Choices, Smarter Places 2020/21 Programme (Appendix 1);
- (2) had been successful in securing funding from the NESTRANS Capital and Revenue Programme 20/21 to deliver projects (including a reserve list of projects) outlined in the report (Appendices 2A, 2B and 2C);
- (3) had submitted bids to the SUSTRANS Places for Everyone 20/21 to deliver projects outlined in the report (Appendix 3);
- (4) had submitted a bid to Transport Scotland for Low Emission Zone (LEZ) funding to continue this project (Appendix 4);
- (b) instruct the Chief Officers - Strategic Place Planning and Capital to implement these projects in accordance with due process and the Scheme of Governance; and
- (c) note that approval of the procurement of contracts associated with those projects with estimated expenditure of £250,000 and above for works and £50,000 and above for goods and services was sought within the Procurement Workplans and Business Cases report, as listed in paragraph 3.8.

The Committee resolved:-

to approve the recommendations.

SOUTH COLLEGE STREET JUNCTION IMPROVEMENTS (PHASE 1) - COMPULSORY PURCHASE ORDER - RES/20/090

13. The Committee had before it a report by the Director of Resources which sought agreement to make the Compulsory Purchase Order (CPO) to facilitate the construction of the South College Street Junction Improvements Project (Phase 1).

The report recommended:-

that the Committee agree to make a Compulsory Purchase Order in respect of the land identified in the CPO Map contained in Appendix 1 and instruct the Chief Officer - Governance to implement the statutory procedures following on from the making of the Order.

The Committee resolved:-

to approve the recommendation.

WORKPLANS AND BUSINESS CASES - REVENUE/CAPITAL - COM/20/088

14. The Committee had before it a report by the Head of Commercial and Procurement which presented procurement workplans where expenditure was included for the Commissioning and Operations Functions for review and sought approval of the total estimated expenditure for the proposed contracts as contained in the Procurement Business Cases appended to the report.

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The report recommended:-

that the Committee -

- (a) review the workplans as detailed in the appendices;
- (b) approve the procurement business cases, including the total estimated expenditure for the proposed contracts; and
- (c) approve the direct awards of contract where there were special circumstances outlined in each of the respective procurement business cases which justified not issuing a tender or calling off a framework agreement.

The Committee resolved:-

- (i) to note the workplans as detailed in the appendices; and
- (ii) to approve recommendations (b) and (c).

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

FINANCIAL RESILIENCE - COVID-19 - EXEMPT APPENDICES

15. With reference to Article 5 of this minute, the Committee had before it Appendices 2 and 3 to the report by the Director of Resources.

The Committee resolved:-

to note the appendices.

ROADS AND TRANSPORT RELATED BUDGET PROGRAMME 2020/21 - EXEMPT APPENDICES

16. With reference to Article 11 of this minute, the Committee had before it the full versions of the appendices to the report by the Chief Operating Officer.

The Committee resolved:-

to note the appendices.

WORKPLANS AND BUSINESS CASES - RESERVE/CAPITAL - EXEMPT APPENDICES

17. With reference to Article 14 of this minute, the Committee had before it the eight business cases which were appended to the report.

The Committee resolved:-

to note the appendices.

- COUNCILLOR JENNIFER LAING, Convener.

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ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	30 June 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	NESPF Unaudited Annual Report and Accounts
REPORT NUMBER	RES/20/093
DIRECTOR	Steven Whyte
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Laura Colliss
TERMS OF REFERENCE	UBC 1

1. PURPOSE OF REPORT

- 1.1 To present the unaudited Annual Report and Accounts for the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund for consideration.

2. RECOMMENDATION

That the Committee:-

- 2.1 review and consider the unaudited Annual Report and Accounts for the North East Scotland Pension Fund and the Aberdeen City Council Pension Fund.

3. BACKGROUND

- 3.1 Further to the Local Authority Accounts (Scotland) Regulations 2014 the unaudited Annual Report and Accounts for the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund are presented to the Committee at this stage for review, with the audited version being presented to the September Pensions Committee for consideration and signing.

Appendix I, North East Scotland Pension Fund and the Aberdeen City Council Transport Fund unaudited Annual Report and Accounts

4. FINANCIAL IMPLICATIONS

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

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendation in this report.

6. MANAGEMENT OF RISK

- 6.1 There are no direct risk implications arising from the recommendation in this report.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
UK and Scottish Legislative and Policy Programmes The Local Authority Accounts (Scotland) Regulations 2014 Local Government Pension Scheme (Scotland) Regulations 2018, Regulation 55(1) The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, regulation 12(1)	This report presents the unaudited Annual Report and Accounts for the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund, as required.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Not required
Data Protection Impact Assessment	Not required

9. BACKGROUND PAPERS

None

10. APPENDICES

Appendix I, North East Scotland Pension Fund and the Aberdeen City Council Transport Fund unaudited Annual Report and Accounts

11. REPORT AUTHOR CONTACT DETAILS

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North East Scotland **PENSION FUND**

**UNAUDITED
ANNUAL REPORT
& ACCOUNTS**

**FOR THE PERIOD
1 APRIL 2019 TO 31 MARCH 2020**

**ABERDEEN CITY COUNCIL,
ADMINISTERING AUTHORITY FOR THE
ABERDEEN CITY COUNCIL PENSION FUND,
KNOWN AS
NORTH EAST SCOTLAND PENSION FUNDS**



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Foreword

As Convener of the Pensions Committee, I am pleased to introduce the 2019/20 Annual Report and Accounts. 2019/20 was another year of significant activity and achievement with the Funds continuing to utilise technology and digital communications, participate and collaborate on national projects and develop our services to meet customer needs.

However, this work was partially overshadowed by the turbulence we saw in investment markets as a result of the COVID-19 outbreak. Despite a solid financial performance throughout the year, the economic uncertainty in the last quarter saw the North East Scotland Pension Fund's (NESPF) total asset value reduce from £4,469m as at 31 March 2019 to £4,383m as at 31 March 2020. An overall reduction of 1.9%.

The NESPF has a diversified portfolio of assets to help spread the risk of exposure to any one investment area or stock. This has ensured the financial impact on the Fund is minimal. In order to maintain the success of the Fund, it is our duty to continue to make investment decisions from a long-term perspective and we will continue to do so in 2020/21, in what we expect to be another challenging period.

Meanwhile the Aberdeen City Council Transport Fund (ACCTF) had a net increase in fund value of £203.5m, increasing the total net asset value to £308.8m. This increase is primarily a result of the merger of Strathclyde's No. 3 Fund (First Glasgow) to the ACCTF. The move, at the request of First Group, was a substantial project that involved close working partnerships to ensure a smooth transition of financial assets and data from Strathclyde to ourselves, whilst ensuring No. 3 Fund members were fully informed and engaged throughout the process.

Administratively, the Funds continued to make use of technological improvements and systems to push administration and communications online. For the first time, all annual benefit statements for active and deferred members were issued via our self-service portal, My Pension. A record number of retirement cases and system updates were processed this year, with the Funds' data quality improvement plan maintaining the high quality and accuracy of our data.

Looking ahead while challenges and uncertainties remain, the Funds will continue to deliver essential services in addition to a number of projects that are already planned. These projects include the triennial valuation, where the Funds will look to replicate the success of previous valuations; the launch of the Funds' new website and revised branding; the move to a new office; and the completion of a buy-in process for the ACCTF.

Finally, I would like to take this opportunity to thank my colleagues on the Committee and Board, Pension staff and our advisors for their dedication and hard work during the year. In particular for their remarkable response to the COVID-19 outbreak and their continued efforts to maintain and deliver services.

Councillor M. Tauqeer Malik
Pensions Committee Convener

Management Commentary

1. About the North East Scotland Pension Funds

The North East Scotland Pension Fund (NESPF) and the Aberdeen City Council Transport Fund (ACCTF) are administered by Aberdeen City Council within Local Government Pension Scheme (LGPS) regulations.

The LGPS is a public sector, multi-employer defined benefit Scheme that was established under the Superannuation Fund Act 1972.

The Funds are used to pay pensions, lump sum benefits and other entitlements to Scheme members and their dependents. The funds to pay these benefits are built up from contributions from both employees and employing bodies, together with interest, dividends and rent from investments.

The NESPF is open to all employees of the 11 scheduled bodies, except for those who are entitled to belong to another statutory pension Scheme (e.g. Police, Fire, Teachers). Employees of admitted bodies can join the Scheme in line with the body's individual admission criteria for staff.

The ACCTF was created in October 1986 for employees of the former passenger Transport Undertaking who transferred to the limited company now known as First Aberdeen.

The rules by which the LGPS operates by are set out in the Local Government Pension Scheme (Scotland) Regulations which are Scottish Statutory Instruments (SSIs). Separate regulations set out Scheme benefits, investment and governance requirements.

As at 31 March 2020, the NESPF is the third largest LGPS Fund in Scotland in asset size, with over 69,000 members and 50 participating employers.

2. Administration 2019/20

Administering Authority	Aberdeen City Council
Committees	Pensions Committee, Pension Board, Urgent Business Committee*
Chief Officer – Finance	Jonathan Belford
Actuary	Mercer
Global Custodian	HSBC
Performance Measurement	HSBC
Banks	Clydesdale Bank & HSBC
AVC Providers	Prudential, Standard Life Assurance
External Auditor	Audit Scotland
Internal Auditor	Aberdeenshire Council
Investment Consultant	KPMG (until March 2020) Isio (from March 2020)
Legal Advisor	Aberdeen City Council
Employers	For full details see Appendix 2

* Following the COVID-19 outbreak, all Council Committees were suspended. The purpose of the Urgent Business Committee (UBC) is to determine business of an urgent nature which might otherwise have been reported to Full Council or other Committees and Sub-Committees. As the Pensions Committee was unable to meet, the Unaudited Annual Report and Accounts 2019/20 were considered by the UBC at their meeting on 30 June 2020.

In reviewing the Unaudited Annual Report and Accounts 2019/20, some UBC members were substituted to ensure individuals with the appropriate knowledge and competence were present to recommend the submission of the Unaudited Accounts to Audit. The UBC consisted of the following individuals when considering the Unaudited Annual Report and Accounts; Councillor Malik, Councillor Bell and Councillor Delaney (all current Pension Committee members); Councillor Laing (a former Pensions Committee member) and Councillor Alex Nicoll (a substitute Pensions Committee member); both received pensions training.

3. Pensions Committee & Pension Board

Pensions Committee

While day to day administration of the Pension Funds is the duty of Pension Fund staff, decision making and overall responsibility has been delegated to the Pensions Committee by Aberdeen City Council.

The Pensions Committee carries out a role similar to that of trustees of a pensions Scheme. It is the key decision maker for all matters under LGPS Regulations including benefit administration and investment management.

The Council and the Pensions Committee recognise that they have fiduciary duties and responsibilities towards pension Scheme members, participating employers and local taxpayers.

The Committee meets on a quarterly basis to address matters such as risk management, administration, funding, investment strategy and performance.

The Committee is comprised of nine elected members of Aberdeen City Council each with equal voting rights.

Membership 2019/20

Councillor M. Tauqeer Malik (Convener)	
Councillor John Reynolds (Vice Convener)	
Councillor Barney Crockett	
Councillor Neil MacGregor	
Councillor Philip Bell	
Councillor John Cooke	
Councillor Steve Delaney	
Councillor Christian Allard	(left May 2019)
Councillor Stephen Flynn	(joined May 2019, left January 2020)
Councillor Dell Henrickson	(joined January 2020)
Councillor Alan Donnelly	(left December 2019)
Councillor John Wheeler	(joined December 2019)

Meeting Attendance in 2019/20

	14/06/19	13/09/19	29/11/19	20/03/20	Overall Attendance 2019/20
Cllr Malik	✓	X	✓	✓	75%
Cllr Reynolds	✓	✓	X	✓	75%
Cllr Crockett	✓	✓	✓	✓	100%
Cllr MacGregor	✓	✓	X	✓	75%
Cllr Bell	✓	✓	✓	✓	100%
Cllr Cooke	✓	✓	✓	✓	100%
Cllr Delaney	X	✓	✓	✓	75%
Cllr Flynn	✓	✓	X	n/a	67%
Cllr Henrickson	n/a	n/a	n/a	✓	100%
Cllr Donnelly	✓	✓	X	n/a	67%
Cllr Wheeler	n/a	n/a	n/a	✓	100%

Pension Board

In line with Scheme regulations, the Funds established a Pension Board in 2015/16 with the responsibility of assisting the Scheme Manager (Administering Authority) in relation to compliance with Scheme regulations and the requirements of the Pensions Regulator.

Board membership consists of equal numbers of trade union representatives and employer representatives, drawn from Councils and scheduled or admitted bodies.

Membership 2019/20

Unison

Morag Lawrence

(Substitute: Kenny Luke)

GMB

Kevin Masson (Left May 2019)

Neil Stirling (Joined May 2019)

(Substitute: Brenda Murdoch)

Unite

Alan Walker

(Substitute: Graham Gavin)

UCATT

Liam Knox (Chair)

Admitted/Scheduled Bodies

Mr Ian Black (Aberlour Child Care Trust)

The Moray Council

Councillor John Cowe

Aberdeenshire Council

Councillor Alistair McKelvie (Vice Chair)

(Substitute: Councillor Alastair Bews)

Aberdeen City Council

Councillor Yvonne Allan

(Substitute: Councillor Freddie John)

Meeting Attendance in 2019/20

	14/06/19	13/09/19	29/11/19	20/03/20	Overall Attendance in 2019/20
Cllr Yvonne Allan	✓	✓	✓	X	75%
Cllr Alistair McKelvie	✓	✓	✓	X	75%
Cllr John Cowe*	X	X	X	X	0%
Ian Black	X	X	✓	X	25%
Neil Stirling	✓	✓	✓	X	75%
Morag Lawrence	✓	✓	✓	✓	100%
Alan Walker	✓	✓	✓	X	75%
Liam Knox	✓	✓	✓	✓	100%

Notes:

- Councillor Cowe was unable to attend meetings and training during 2019/20 due to personal mitigating circumstances.
- March 2020 – based on government guidance around non-essential travel and social distancing due to the COVID-19 pandemic, a number of members did not attend.

Apart from the Pension Board's Annual Meeting, the Board sits at the same time as the Pensions Committee. For each meeting, both the Board and the Committee receive the same reports. These reports include information on all areas of the Pension Funds; Investment, Accounting, Governance, Employer Relationship, Administration and Technical.

In assisting with compliance, the Board can report the Funds to the Pensions Regulator for non-compliance with guidance or regulations. In 2019/20 no issues were reported by the Board to the Pensions Regulator.

An Annual Report which reviews the activity of the Pension Board can be viewed on our website at www.nespf.org.uk

Conflicts of Interest

The Funds maintain a 'Conflicts Register' on an ongoing basis to record and monitor all potential or actual conflicts noted prior to or during Pension Board meetings.

Every 12 months all individuals complete a new 'Declaration of Interest' form to either confirm that the information held on the Register is correct or to update their declaration as necessary.

In terms of management, where an actual conflict of interest arises the following option(s) exist:

- a member can withdraw from the discussion and decision making process;
- the Pension Board can establish a sub-board to review the issue (where the terms of reference give the power to do so); or
- a member can resign from the Pension Board if the conflict is so fundamental that it cannot be managed in any other way.

Pensions Committee members are managed by the national Councillors' Code of Conduct. Training was delivered on audit, risk and scrutiny by Aberdeen City Council in February 2020.

Committee and Board Training 2019/20

While Pensions Committee members are not legally obliged to undertake training, the Funds feel strongly that Committee members should receive training to ensure that they have the necessary levels of knowledge and understanding to exercise their functions. In addition, training is a requirement of the Council's Standing Orders. As per the Training Plan agreed by Committee, Committee members are expected to undertake 2 days of training per year. Recording and monitoring of attendance at meetings or training events allows any issues to be addressed promptly.

In line with the Training Policy, Board members undertook 6 training sessions during 2019/20. Board members were asked to carry out a personal training needs analysis in 2019 to assess their overall level of knowledge and understanding. The results have been evaluated and will be used to direct training in 2020/21.

In 2019/20, attendance for both Pensions Committee and Pension Board members' training is outlined below.

	24/04/19	03/09/19	13/09/19	08/10/19	24-25 /10/19	7-10 /01/20	Overall Attendance
Pensions Committee							
Cllr Malik	✓	X	X	✓	✓	✓	67%
Cllr Reynolds	✓	X	✓	✓	X	✓	67%
Cllr Crockett	X	X	✓	X	X	✓	33%
Cllr MacGregor	X	✓	✓	✓	✓	✓	83%
Cllr Bell	X	X	✓	X	X	✓	33%
Cllr Cooke	X	✓	✓	X	✓	X	50%
Cllr Delaney	✓	X	✓	X	X	✓	50%
Cllr Allard	X	n/a	n/a	n/a	n/a	n/a	0%
Cllr Flynn	n/a	X	✓	X	✓	n/a	50%
Cllr Henrickson	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cllr Donnelly	X	✓	✓	X	✓	n/a	60%
Cllr Wheeler	n/a	n/a	n/a	n/a	n/a	X	0%
Pension Board							
Cllr Allan	X	X	✓	X	X	X	17%
Cllr McKelvie	X	X	✓	X	✓	X	33%
Cllr Cowe	X	X	X	X	X	X	0%
Ian Black	✓	✓	✓	X	✓	✓	83%
Kevin Masson	X	n/a	n/a	n/a	n/a	n/a	0%
Neil Stirling	n/a	✓	✓	X	✓	✓	80%
Morag Lawrence	✓	X	✓	X	✓	X	50%
Alan Walker	✓	✓	✓	X	✓	X	67%
Liam Knox	X	✓	X	X	X	✓	33%

Notes:

- Councillor Cowe was unable to attend any meetings or training sessions during 2019/20 due to personal mitigating circumstances.
- Councillor Henrickson joined the Committee in January 2020, after the January training session took place.

Training Topics

24 April 2019

The first event of the year was the Funds' Finance Forum. There were a number of presentations and panels on the day covering:

- Investment Overview
- Introduction to Environmental, Social and Governance (ESG): Strategy & Implementation in Real Estate
- Fund Review
- Brexit and Regulatory Insights
- Actuarial Considerations for 2020

3 September 2019

Training from the Investment Governance Group (IGG) and Scottish Pension Liaisons Group (SPLG) covered the following:

- Valuations/Cost Cap/Section 13
- ESG
- Structure Review
- Annual Report and Accounts
- Pensions Administration
- Cost Transparency
- Investments

13 September 2019

The training on 13 September took place in Aberdeen following the Pensions Committee/Board meeting on the same day and covered actuarial valuation calculations and liability assessment.

8 October 2019

Training was held by Baillie Gifford in their Edinburgh offices. The Local Authority Investment and Training Seminar focused on LGPS specific issues including investments across the life cycle of an LGPS fund, responsible investment and changes within the LGPS.

24 – 25 October 2019

Local Government Chronicle (LGC) Seminar. Areas covered during the 2 days of training included:

- Update on the SPLGS structural review consultation
- The infrastructure and housing challenge
- ESG
- How aligned is your scheme's approach to climate change and to your council's policy?
- What is keeping the investment managers awake at night?
- Investment strategy and the challenge of being an overfunded fund
- Investing in renewable energy: the opportunities and pitfalls
- Early reflections on the LGPS and looking to the future

7 – 10 January 2020

The extended training from 7 to 10 January took place at the Aberdeen Standard offices in London covering various topics from fund managers.

4. Administration and Performance

This year's report focuses on digital communications, pension administration strategy performance, data quality and our commitment to collaboration with other administering authorities.

Going Digital

2019/20 was the first year that both active and deferred annual benefit statements (ABS) were issued through our online Member Self Service (MSS) portal – 'My Pension'. Providing statements online has provided several advantages including:

Segmentation: by taking the ABS process in-house, it provides additional scope to produce multiple benefit statements. Statements are now tailored based on type of service, so members will only receive statements with information relevant to themselves.

Cost savings: There are significant cost savings in terms of production and postage. These savings will continue to increase as more members register for the system.

Environmental Impact: Issuing statements online saves over 120,000 sheets of A4 each year. This saving will increase as the Funds replace letters with email notifications to alert members of future statements.

The overall percentage achieved for providing benefit statements to more than 42,000 active and deferred members prior to the 31 August deadline was 99.86% (99.81% in 2018/19).

As at 31 March 2020, 44.6% of active members and 41.2% of deferred members were registered for MSS. The Funds will continue to promote and develop online services. This includes the development of a new website that will have increased functionality, enhanced usability and improved design, resulting in a better user experience.

Pension Administration Strategy

The Pension Administration Strategy (PAS) focuses on NESPF processing against key performance measurements and monthly data provision from employers.

NESPF processing performance

Key performance measurement	Target	2018/19	Amount	Achieved	2019/20
Letter notifying death in service to dependent	5 days	84%	43	38	88%
Letter notifying retirement estimate	10 days	99%	1029	1009	98%
Letter notifying actual retirement benefit	10 days	96%	2072	1984	96%
Letter notifying deferred benefit	10 days	97%	1302	1185	91%
Letter notifying amount of refund	10 days	98%	1473	1401	95%
Letter detailing transfer in quotes	10 days	88%	77	65	84%
Letter detailing transfer out quotes	10 days	85%	432	327	76%

This year again saw an increase in actual retirements with 528 processed in the fourth quarter. This exceeds the previous best and contributed to the total retirements for the year exceeding 2000 cases for the first time. New regulations came into force on 28 June 2019 and were backdated to 1 June 2018 which allowed deferred members to take their benefits from age 55 rather than 60. This resulted in an additional 220 retirements. Despite this increase, the percentage achieved remained the same as the previous year at 96%. However prioritising retirements was the main reason for percentage reductions in other areas.

From August 2019 trivial commutation, a one-off pension payment that extinguishes all rights in the scheme, was automatically offered to members whose capital value of all benefits was below £30,000 which increased the time taken to process retirement options.

Prior to the 6 October 2019 deadline, statements were issued to all members who potentially could exceed their Annual Allowance threshold for tax free pension savings.

Employer data provision

Moving from annual returns to obtaining monthly data from employers through i-Connect has provided huge benefits for the Funds in terms of information accuracy and the ability to record, check and reconcile contributions paid to the Funds. As of March 2020, the Employer Relationship Team has met its objective to obtain monthly information from all participating employers within the NESPF.

As new records, member movements and leaver information for all active members is updated through this secure online portal, the administrative burden has eased considerably across all areas of the Fund. The change of methodology allows the Fund to comfortably meet the regulatory deadlines for providing accurate benefit statements

to members by 31 August each year. Of noticeable significance is the reduction in time taken to process the year-end from 328 working days (2013/14) to 21 working days (2018/19).

Updates from I-Connect	2017/18	2018/19	2019/20
Starters	4,415	4,852	5,125
Amendments	30,314	31,543	59,305
Leavers	3,345	4,352	4,196
Contributions (employee, employer and additional)	261,380	310,983	309,519
Salary	259,913	308,978	309,637
CARE pay	251,773	299,746	297,847
Total Updates	811,140	960,454	985,629

Communication between the Funds and participating employers is key to ensuring compliance with administration requirements. Through the Funds' Employer Relationship Team regular updates are provided by email and quarterly employer newsletters. The team provide training and guidance using the employer pages of the Funds' website, annual administration and financial forums and one to one training where requested. In addition, a dedicated telephone helpline and clear points of contact help the Funds to maintain a good working relationship with employers which allows the Funds to meet the expectations of administering the scheme on their behalf.

Data Quality

Measuring and improving the quality of data held by pension scheme administrators is high on the agenda of the Pensions Regulator. Data quality held by Funds impacts directly on the calculation of member benefits and determines the level of comfort that both Funds and participating employers can have around the valuation of the liabilities calculated by the scheme actuary.

As data is collected and reconciled on a monthly basis the Funds hold consistently high quality data. Validation of the data processed by the transferring system and reconciliation of the data received ensures that inaccurate or missing data is caught at source or queried upon receipt.

As part of the annual scheme return all LGPS Schemes are required to score the quality of their data. For accurate scores that are comparable to other Funds the NESPF contracted with Aquila Heywood to use their Data Quality Analysis Tool. In November 2019 Heywood carried out the first of three annual evaluations against the data held by the Fund. The scores provided as part of the results were reported in the 2019 annual return. The scores of 98.3% for common data and 97.1% for scheme specific data fell well above the national average for the 50 plus LGPS funds that have used this analysis tool for the same purpose.

Although the Funds can take great pride in the quality of the data held, work continues to improve and maintain data quality through the implementation of the NESPF data

quality improvement plan. The plan, used in conjunction with the in-depth reports provided as part of the data analysis service contract with Heywood work towards meeting the following objectives:

1. To maintain the accuracy of member records to ensure that benefits held and paid are correct
2. To meet the regulatory requirements of pension administration including the Pensions Regulator Code of Practice 14
3. To provide comfort to the Administering Authority and participating employers in the accuracy of the actuarial results based on the quality of the data provided
4. To ease the administrative burden of incomplete or inaccurate records.

In addition to maintaining the accuracy of the current data and improving the historical data the plan details projects regarding tracing members and reducing the number of unprocessed records. Work continues around the completion of the reconciliation of Guaranteed Minimum Pensions (GMP) with Her Majesty's Revenue and Customs (HMRC).

Collaboration through CLASS

The Funds recognise the importance of working with other authorities and the software provider, Aquila Heywood, through the CLASS (Computerised Local Authority Superannuation System) group. Currently the group consists of 81 administering authorities in England, Wales, Scotland and Northern Ireland (NILGOSC), with all 11 Scottish funds currently using the Altair pension administration system.

CLASS collaboration takes many forms including regional and national user groups, a national testing working party for every software release and regular webinars on system issues and development. These events provide an opportunity to collaborate with colleagues from other funds to discuss system issues, consider development ideas and share best practise.

The regional group attended by staff contains Scottish funds only and is one of six regional groups in Britain and is currently chaired by NESPF. Staff also attend national user groups for Altair Payroll, MSS and i-Connect.

In October 2019 at the i-Connect user group in Manchester NESPF staff were invited to do a presentation on data quality and reconciliation of monthly submissions and sit on an expert panel for a question and answer session.

Staff participated in two Testing Working Parties (TWP) during 2019/20. In August, the Funds chaired the TWP for the Altair 10 software release and helped test developments which included a change to additional pension benefit calculation methodology for Scotland, paperless pay advices and functionality for members to upload documentation through MSS. Other sites that made significant contributions to the successful testing and sign-off of the release included Greater Manchester, NILGOSC and Oxfordshire.

Although the TWP is a big commitment, taking part provides early access to the latest software which benefits staff, members and employers.

Merge of the Aberdeen City Council Transport Fund and the Strathclyde (No. 3) Fund

In September 2018 First Group approached both the ACCTF and Strathclyde Pension Fund to express their desire to reduce the risk associated with their liabilities held within the LGPS (Scotland). One way to achieve this was to secure the liabilities by way of a buy-in. A buy-in is an insurance policy, purchased by a pension fund, that is an exact match against some, or all of the liabilities held. A buy-in would allow the fund to transfer the longevity risk to the insurer and create certainty around the valuation of the liabilities insured. Unlike a buy-out, the administration of all benefits is maintained within the fund and, should final pricing allow the final purchase to go ahead, would be the first of its kind in LGPS (Scotland).

In order to secure the best price for any potential buy-in and make the proposal more attractive to insurers it was agreed that the liabilities for both the ACCTF and Strathclyde No. 3 Fund would need to be included. Administratively, the easiest way to achieve this would be through a merge of both Funds.

There were additional advantages to the merge which included; the levelling out of funding due to Strathclyde (No. 3) Fund being over funded and the ACCTF being underfunded; the ability to increase the strength of the employer covenant supporting the liabilities held; and simplification of the management of the administrative relationship for First Group.

Aberdeen City Council expressed an interest in acting as the receiving administering authority for the merged liabilities and this was agreed by both the Aberdeen City Council and Glasgow City Council at committee level.






Following application for approval to the Scottish Government and guidance by legal advisors, the scheme actuaries and system providers, the transfer of the liabilities and member records took place in 2019. Communication with members was an integral part of the project to ensure smooth transition, with the first pension payment of Strathclyde pensioners being made in Aberdeen on 15th September 2019. Further work was undertaken to ensure the transfer of assets held was finalised in January 2020 and all signed admission agreements and additional guarantee are now held by the ACCTF.

The successful merge allowed the ACCTF to begin the buy-in process with the approval of the Pensions Committee and an understanding of the clear benefits that this method of de-risking would provide. It was decided following project work carried out by the First Group that the buy-in of pensioner liabilities only would attract the most insurance company interest and would be most cost effective for the ACCTF.



Since completion of the merge, the ACCTF have been working with buy-in specialists at Mercer to secure initial bids through a transparent procurement process.

Unfortunately, having given the insurers the opportunity to bid in early 2020, the COVID crisis and the effect on the assets held have meant that the project has been paused due to the current uncertainty. However, the ACCTF remain committed to progressing the buy-in at the earliest opportunity due to the benefits it will provide for both the ACCTF and First Group and hope to enter into an agreement in advance of the 2020 valuation results.

5. Financial Performance

2019/20 at a Glance		
North East Scotland Pension Fund		Aberdeen City Council Transport Fund
£144m	 Contributions Receivable	£2m
£155m	 Benefits Payable	£9m
£20m	 Management Expenses	£290k
£(56)m	 Net Return on Investments	£(6)m
£4,383m	 Net Assets of the Fund at the End of Year	£309m

Key Statistics


North East Scotland Pension Fund		Aberdeen City Council Transport Fund
50	 Total Number of Employers	2
69,417	 Total Membership	1,630

2,049 

Votes at AGMs

35% 

Members Registered for MSS

985,629 

Updates Processed

33.5 

Staff Employed (FTE)

North East Scotland Pension Fund Financial Summary

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Contributions Less Benefits and Expenses paid Net Additions/ (Deductions)*	(13,485)	(15,456)	(18,219)	(19,697)	(30,977)
Net Investment Income Change in Market Value Net Return on Investment	23,929	648,411	329,035	363,300	(55,506)
Net Increase/ (Decrease) in Fund	10,444	632,955	310,816	343,603	(86,483)
Fund Balance as at 31 March (Market Value)	3,181,793	3,814,748	4,125,564	4,469,167	4,382,684

Net Additions/(deductions)* - 'Management Expenses' are included within this figure resulting in a negative position.

The monies belonging to the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund are managed entirely by appointed fund managers and are held separate from any of the employing bodies which participate in the Funds. The only exception to this is a small investment in Aberdeen City Council's Loan Fund, which varies year on year and represents surplus cash from contributions not yet transferred to the fund managers.

After meeting the cost of current benefits, all surplus cash is invested and the value of investments is then available to meet future liabilities.

Budget

	Note	Actual Spend 2019/20 £'000	Budget or Forecast* 2019/20 £'000	Over or (Under) Spend 2019/20 £'000
Administration Expenses	1	1,822	2,036	(214)
Oversight and Governance Expenses	2	422	601	(179)
Investment Management Expenses*	3	17,953	20,083	(2,130)
Management Expenses Total		20,197	22,720	(2,523)

Where the variance is +/- 5%, an explanation is outlined below:

1. Under spend – New staff posts some of which were recently filled and some yet to be filled.
2. Under spend – Reduction in actuarial fees, as focus switched to the merger of the Transport Funds.
3. Under spend – This is a forecast* rather than a traditional budget. This is largely due to the level of estimation and the extent of the unknown, especially given that the expenses are based upon an unpredictable market activity/value. However, the under spend is largely associated with the reduction in market value arising from the COVID-19 outbreak.

Membership Statistics

NESPF	2015/16	2016/17	2017/18	2018/19	2019/20
Active	24,546	25,329	25,568	25,892	26,275
Pensioners	18,328	19,111	20,023	21,029	22,156
Deferred	16,590	16,888	17,218	17,846	17,965
Frozen Leavers	1,865	2,232	2,435	2,759	3,021
Total	61,329	63,560	65,244	67,526	69,417

Active membership has risen from 2018/19 to 2019/20 with all of the local authorities showing an increase in the number of records held. As 2019/20 was a re-enrolment year for the larger authorities, members that had previously opted out of the scheme were taken back in automatically. Changes to payroll systems and the way employment records are held may also have had an impact on the number of pension records held for active members. Pensioner numbers continue to increase as the use of voluntary severance schemes encourage more eligible employees to take early retirement.

Management Expenses

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Administration	1,542	1,563	1,638	1,634	1,822
Oversight and Governance	348	468	467	474	422
Investment Management	14,627	16,455	19,092	18,665	17,953
Total Management Expenses	16,517	18,486	21,197	20,773	20,197

Unit Cost Per Member

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Administrative Unit Cost per Member	25.14	24.59	25.11	24.20	26.25
Oversight and Governance Unit Cost per Member	5.68	7.36	7.16	7.02	6.08
Investment Management Unit Cost per Member	238.50	258.89	292.62	276.41	258.62
Total Cost per Member	269.32	290.84	324.89	307.63	290.95

Aberdeen City Council Transport Fund Financial Summary

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Contributions Less Benefits and Expenses paid Net Additions/ (Deductions)*	(1,347)	(1,731)	(2,669)	(1,900)	(7,024)
Net Investment Income Change in Market Value Net Return on Investment	(2,050)	15,454	2,774	7,129	(5,836)
Net Increase/ (Decrease) in Fund	(3,397)	13,723	105	5,229	(12,860)
Transfer of Cash/Stock	0	0	0	0	216,388
Fund Balance as at 31 March (Market Value)	86,243	99,966	100,071	105,300	308,828

Net Additions/(Deductions)* - 'Management Expenses' are included within this figure resulting in a negative position.

Membership Statistics

Transport Fund	2015/16	2016/17	2017/18	2018/19	2019/20
Active	71	61	48	42	77
Pensioners	411	423	434	429	1,373
Deferred	133	121	114	110	171
Frozen Leavers	9	9	9	9	9
Total	624	614	605	590	1,630

Following an application to the Scottish Public Pensions Agency (SPPA), Strathclyde No. 3 Fund merged with the Aberdeen City Council Transport Fund in the financial year 2019/20. All membership data held by Strathclyde Pension Fund was transferred electronically to the ACCTF in advance of the official merge with the first pension payment being made by the ACCTF on 15 September 2019. The transfer included 52 active members, 83 deferred members, 945 pensioners and 1 frozen leaver.

Both admission agreements for First Glasgow and First Aberdeen are closed to new entrants and are very mature in nature therefore the combined membership totals will continue to reduce on an annual basis.

Management Expenses

	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Administration	46	50	51	50	60
Oversight and Governance	16	38	72	31	49
Investment Management	166	157	868	231	181
Total Management Expenses	228	245	991	312	290

Unit Cost Per Member

	2015/16	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£
Administrative Unit Cost per Member	73.72	81.43	84.30	84.75	36.81
Oversight and Governance Unit Cost per Member	25.64	61.89	119.01	52.54	30.06
Investment Management Unit Cost per Member	266.02	255.70	1,434.71	391.52	111.04
Total Cost per Member	365.38	399.02	1,638.02	528.81	177.91

Remuneration Report

There is no need to produce a remuneration report for the Pension Funds as the Funds do not directly employ any staff. All staff are employed by Aberdeen City Council and their costs reimbursed by the Pension Funds. The councillors who are members of the Pensions Committee and the Pension Board are also remunerated by the Council.

Key management personnel for the Funds are explained in the North East Scotland Pension Fund and the Transport Fund Annual Accounts. Full details of councillor and senior employee remuneration can be found in the Remuneration Report in Aberdeen City Council's Financial Statements.

6. Economic and Market Background

It may seem a distant memory, however 2019 was a strong year for financial markets, with most asset classes delivering positive returns. We saw a stabilisation in global growth, helped by the US-China trade truce; plus, supportive economic monetary policies of central banks including the US Federal Reserve. Towards the end of January 2020, the World Health Organisation declared that Coronavirus (COVID-19) was a global pandemic as the virus spread across the world. This unprecedented event caused a major shock to global stock markets and our way of life. We have seen headline grabbing moves across most asset classes despite the unprecedented actions taken by governments and central banks to provide financial support to the world economy. Volatility was unprecedented with stocks having the best and worst sessions in a decade on consecutive days, moving around amid widespread investor concern.

US

Despite the significant political risks and fears of global economic slowdown, 2019 was great for US equities. The S&P 500 saw its best year since 2013 and Nasdaq had its loftiest annual performance in six years. The rally was driven by increasingly conciliatory negotiations between the U.S. and China and dovish policy from the Federal Reserve Bank. A sense of optimism spilled over into 2020, when US markets made fresh highs. However, news of the deadly COVID-19 spreading from China caused havoc, wiping out gains, leaving the US down just under 3%.

UK

UK markets had a slow start to 2019 with political uncertainty and Brexit worries subduing UK stocks. However, the passing of a withdrawal agreement by a newly elected UK parliament lifted sentiment and markets responded positively. As we came into 2020, and investors feared that the spread of COVID-19 would destroy economic growth, gains vanished, and the index closed down over 18%.

Europe

2019 was one of the best years for European equities in two decades after strong runs in 1999 and 2009. The market was driven by ample M&A activity and share buy backs as well as easing measures from the European Central Bank. However, Europe was not immune to steep sell offs and market volatility as the global pandemic took hold with the market closing down 8% for the 12 months to 31 March.

Japan

In 2019, Japan was the second-best performer among major indexes in Asia behind China. The market was buoyed by the Bank of Japan announcing a massive stimulus package to help its economy. However, after a promising start to 2020, stocks fell, as concerns about a Coronavirus-induced recession grew.

Emerging Markets

Despite the volatility that afflicted the Emerging Markets for much of the year, the asset class produced positive returns in 2019. This in part driven by the rise of optimism that a trade deal may be forthcoming between the US and China. With the global outbreak front and centre, in the first quarter of 2020 the Emerging Markets were sharply down, finishing the 12 months to 31 March, down 13%.

Bonds

Bond market returns were better than anticipated in 2019, as concerns about economic growth, inflation outlook and the likelihood of central banks raising interest rates all acted as positive catalysts for the asset class. This was largely validated by disappointing economic data in China, Europe and the US, and by a marked shift in the tone of the European Central Bank and Federal Reserve. This environment was supportive for developed and emerging government bonds, as well as high yield and investment grade debt issuances. However, Bond markets have not been immune to the COVID-19 crisis. Having initially rallied as equities fell, developed market government bond yields moved higher (i.e. prices fell) in mid-March. This is highly unusual in times of market stress and one explanation is that this was driven by market participants selling their most liquid assets to meet collateral requirements, or to raise cash. However, the announcement of trillions of dollars of stimulus from central banks around the world has reversed this sell-off. Elsewhere, Emerging Market government bonds have been materially affected by the current crisis with the main impact seen in their currencies. Credit spreads (the difference between the yield on a corporate bond and a sovereign bond of the same maturity) have also moved sharply wider indicating that corporate credit is seen as riskier than it was.

Property

Over the 12 months to March 2020, according to the Morgan Stanley Capital International (MSCI) Monthly Index, property recorded a total return of 0.1%. This was markedly down on the 5.6% recorded over the previous 12-month period and the weakest since 2009. Capital values fell by 5.0% in the year to March 2020, with rental value growth negative at -0.2% and equivalent yield impact at -4.5%.

The retail sector continued to underperform over the 12-month period, posting a negative total return of -9.7% with COVID-19 adding to the headwinds impacting on investment sentiment and rental levels at the very end of the period. Indeed, monthly returns lower than the -4.2% recorded in March have only been seen twice in the 33 years of data. All other sectors delivered positive returns, with the small residential sample posting the highest total return of 6.3%, closely followed by industrials at 5.8% and offices at 3.9%.

Capital value growth was dispersed across sectors over the year to March, with the retail sector recording a large decrease of 15.3%, although its income return, at 6.6%, remained higher than all other sectors. Hotel capital values decreased by 3.8%, whilst industrials and residential delivered small but positive capital returns of 1.0% and 1.3% respectively over the 12-month period. Office values had been growing modestly but ended the period 0.9% lower after values fell 1.4% in the month of March.

Market rental values delivered positive, yet modest, growth for most sectors, with industrial, office and residential rents growing 3.1%, 1.9% and 1.1% respectively. Retail growth was negative at -5.2% for the year, highlighting challenging occupational market conditions for the sector.

Market Returns	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)
Equities:			
FTSE All Share Index	-18.5	-4.2	0.6
FTSE All World Index	-6.2	2.2	7.2
FTSE All World ex UK	-5.5	2.6	7.6
FTSE North American Index	-2.8	5.0	10.1
FTSE European (ex UK) Index	-8.0	-0.5	3.8
FTSE Japan Index	-2.1	1.4	6.0
FTSE Developed Asia (ex Japan) Index	-17.6	-4.2	2.7
FTSE Emerging Markets Index	-13.0	-1.2	3.6
Bonds:			
FTA Government Securities All Stocks	9.9	4.6	4.7
ML UK Corporate Bonds	1.7	2.2	3.2
FTA Index Linked All Stocks	2.2	2.7	5.7
Above are total returns in Sterling. Source: Datastream content from Refinitiv			

7. NESPF Investment Strategy

The NESPF's investment strategy is one of diversified investment, which means that investments are spread across different investment asset types and different countries, sectors and companies, in order to reduce the overall risk.

There are a range of fund managers employed to again spread risk, with different style biases, each with clear and documented agreements in place detailing their investment mandates. The Funds also employ an independent Global Custodian to custody assets securely.

The objective of the investment strategy is to deliver long term returns which are greater than the growth in expenditure to be paid out in pensions. The investment strategy is monitored on an ongoing basis by the Pensions Committee and Pension Board, focusing on long term investment with consideration given to short term tactical considerations if appropriate.

The suitability of particular investments and types of investments are detailed in the Statement of Investment Principles. The Funds take proper advice at reasonable intervals regarding their investments, through their appointed advisors.

Asset Structure 2019/20

Asset Class	Distribution as at 31 March 2019		Distribution as at 31 March 2020	
	Fund Actual %	Fund Benchmark %	Fund Actual %	Fund Benchmark %
Equities (including Alternative Assets)	76.0	57.5	65.5	57.5
Bonds / Credit	10.0	20.0	20.0	20.0
Property / Infrastructure	11.2	20.0	12.6	20.0
Cash / Other	2.8	2.5	1.9	2.5
Total	100.0	100.0	100.0	100.0

The NESPF continues to re-balance assets in line with its revised investment strategy, aiming to de-risk by reducing exposure to equities and increasing real assets and alternatives.

The current Investment Strategy for the North East Scotland Pension Fund is set out in the Statement of Investment Principles as follows:

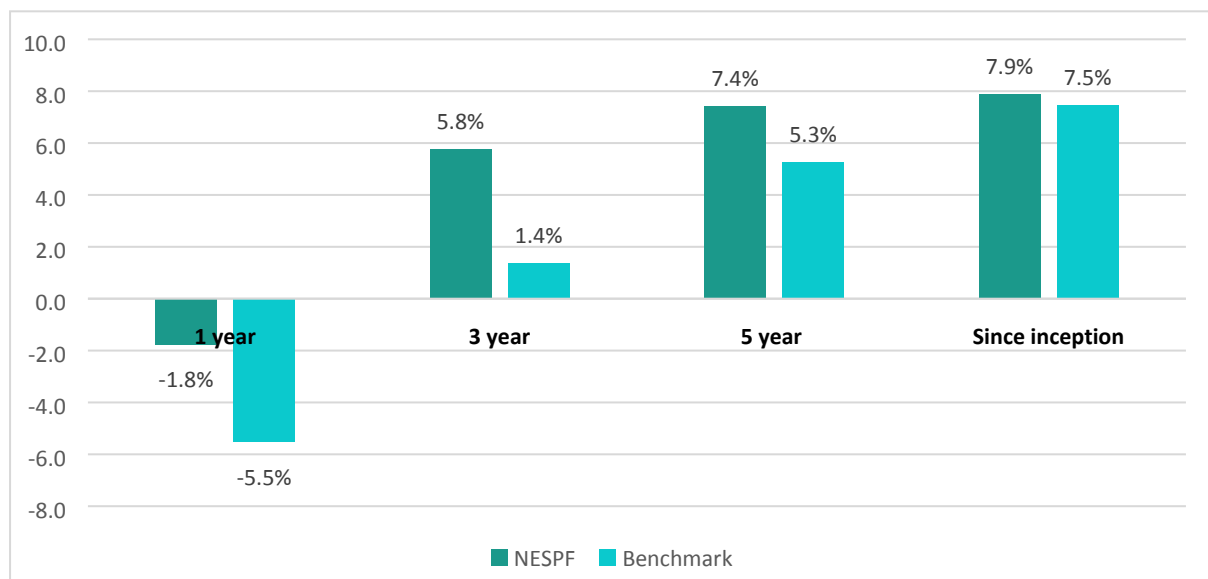
Equities	45.0% (range +/- 5%)
Alternative Assets (including private equity)	12.5% (range +/- 5%)
Bonds / Credit	20.0% (range +/- 5%)
Property / Infrastructure	20.0% (range +/- 5%)
Cash / Other	2.5% (range +/- 5%)

North East Scotland Pension Fund Performance

For the best part of year 2019/20 investment returns were actually very strong and the Fund continued to re-balance and fold in investment gains made. However, towards the end of the period the unforeseeable impact of the COVID-19 pandemic struck and investment performance turned significantly, ending negatively across most asset classes. Risk assets, in particular equities have been more severely impacted, but this is why the Fund is well diversified and has other assets in the portfolio to provide defensive support.

It is notable that despite a difficult year, the Fund has outperformed the benchmark returns over all periods and comparators such as CPI and Average Earnings over the longer term. This provides assurance that the Fund's Investment Strategy will continue to deliver the required returns over the longer term.

The graph below shows the Fund's performance over the short, medium and long term against the Fund's customised benchmark.



Whilst employee contribution rates and benefits payable are set by statute, the long term liabilities of the Fund are linked either to wage inflation or to price inflation. It is the Fund's performance against these benchmarks that affect the long term employer contribution rate, which is variable. Over the longer term, the performance of the Fund remains ahead of both Average Earnings and CPI.

Year Ending	2017/18	2018/19	2019/20	Since Inception Annualised
	%	%	%	%
CPI*	2.5	1.9	1.5	2.5
Average Earning*	2.6	3.2	2.4	2.9
NESPF Return	11.1	8.5	-1.8	7.9

*Source: Office of National Statistics

Investment Management Structure

The Investment Management Structure is contained within Note 11: "Investments Analysed by Fund Manager" within the NESPF Accounts and within Note 9 of the ACC Transport Fund Accounts.

8. ACCTF De-Risking Strategy and Performance

The Aberdeen City Council Transport Fund has until recently been on a de-risking or “flightpath” strategy, therefore measuring performance versus Funding Level with the aim to being 100% funded and thus covering all liabilities.

The aim of the strategy is to reach the funding requirement of 100% funding in a manner that reduces both interest and inflation risk exposure. The strategy consists of a portfolio of growth assets to achieve the 100% funding target and portfolio of matching assets to meet current liabilities.

The aim of the flightpath is to “lock in” improvements in funding by switching from growth to defensive or matching assets. The de-risking plan is to be reviewed in line with the triennial actuarial valuation and is structured to keep contributions as stable as possible.

Over the course of last year, the flightpath strategy returned 1.31% and is now in the process of being merged with the Strathclyde Transport Fund. This process will involve combining both sets of liabilities, effectively insuring out some of those liabilities known as a ‘Buy In’ and then re-assessing the investment strategy to align to the new target. All investment assets have now been received and at present there is an interim investment strategy in place to manage volatility, whilst the exercise is being conducted.

9. Risk

A key element to risk management is the structured delegation of powers from the Council to the Pensions Committee and then to Senior Officers. To complement the delegation to Senior Managers, there is extensive and detailed accountability back to Committee on how these delegations have been exercised. Full details of the structure of delegated powers are contained in the Pension Funds' Governance Statement.

Investment Risk is recognised as falling into two distinct areas: Manager Skill (alpha) and Market Risk (beta). The structure of the Investment Strategy reflects this and is designed with the support of external expert advice. Details are contained in the Statement of Investment Principles and the Funding Strategy Statement.

The operational management of investment risk forms the basis of quarterly reporting to the Pensions Committee and Pension Board.

The Funds' approach to risk is dynamic and can be revised in response to short term market events.

Benefit Risk is also recognised as falling into two distinct areas: Operational Risk (regulation compliance and staffing) and Information Technology (IT) risks. The risks associated with the operational payment of benefits and recording of pensioner records produces a complex set of risks. These are mitigated with the use of a dedicated pension administration system that is thoroughly and regularly tested, combined with the hierarchical checking of output by pension staff. IT risk is mitigated by using an externally hosted benefit administration system subject to regular update and review.

It is recognised that all services are very dependent upon third party contracts ranging from IT through to investment managers. All are subject to regular review and monitoring.

Risk Management

Risk management is an ongoing process with quarterly reporting provided to the Pensions Committee and can be found within the Committee packs. These reports detail the progress achieved in the implementation of the action plan, the ongoing review of the Risk Register and reporting of new risks that have been identified.

10. Funding Strategy Statement

The long term objective of the Funds' is to achieve and maintain sufficient assets in order to pay all pension benefits as they fall due. The Funding Strategy Statement (FSS) addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time facilitating scrutiny and accountability through improved transparency and disclosure.

The purpose of the FSS is therefore:

- To establish a clear and transparent Fund specific strategy which will identify how employers' pension liabilities are best met going forward by taking a prudent longer term view of funding those liabilities.
- To establish contributions at a level to "secure the solvency" of the Pension Funds and the "long term cost efficiency".
- To have regards to the desirability of maintaining, as much as possible, a constant primary contribution rate.

The FSS is required as part of Regulation 56 of the Local Government Pension Scheme (Scotland) Regulations 2018. As part of the 2017 actuarial valuation, the FSS for both the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund were reviewed, with employers consulted on the revised version.

Copies of the full statement are available at www.nespf.org.uk

11. Statement of Investment Principles

This statement sets out the principles governing decisions about investments for the North East Scotland Pension Fund and Aberdeen City Council Transport Fund.

All investment decisions are governed by the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010.

The Funds' objective is to meet benefit liabilities as they fall due at a reasonable cost to participating employers, given that employee contributions are fixed. "Reasonable" in this context refers to both the absolute level of contribution – normally expressed as a percentage of pensionable payroll – and its predictability. The employer contribution rates are impacted by both the assessed level of funding - ratio of the value of assets to liabilities – and the assumptions underlying the actuarial valuation.

The Funds' target is a 100% funding level. 'Growth' assets, such as equities, are expected to give a higher long term return than 'liability-matching' assets, such as bonds. The benefit of higher investment returns is that, over the long term, a higher level of funding should achieve lower employer contribution rates. However, the additional investment returns from growth assets come with a price: greater volatility relative to the liabilities, thus introducing risk. The risk is evidenced by the potential volatility of both the funding level and the employer contribution rate. There is therefore a trade-off between the additional investment return from greater exposure to growth assets and its benefits – higher funding level, lower employer contribution level – and the benefits of greater predictability – of both funding level and employer contribution rate – from having greater exposure to liability matching assets.

The trade off and its consequences on both funding level and employer contribution level, were examined by the Pensions Committee and led to the strategic benchmarks.

The full statement is available at www.nespf.org.uk

12. Environmental, Social and Governance

As a long-term investor, the Funds have a duty to engage with the companies we invest in on Environmental, Social and Governance (ESG) issues.

What makes engagement necessary?

Put simply the interests of those who have control over a firm can differ from the interest of those who supply the firm with external finance i.e. the shareholders. With positive engagement you can help achieve better outcomes and awareness on topics such as executive compensation, environmental issues, corporate governance, and other topics falling outside of the usual financial and strategic conversations. The Funds believe engagement is the best approach to achieving better outcomes.

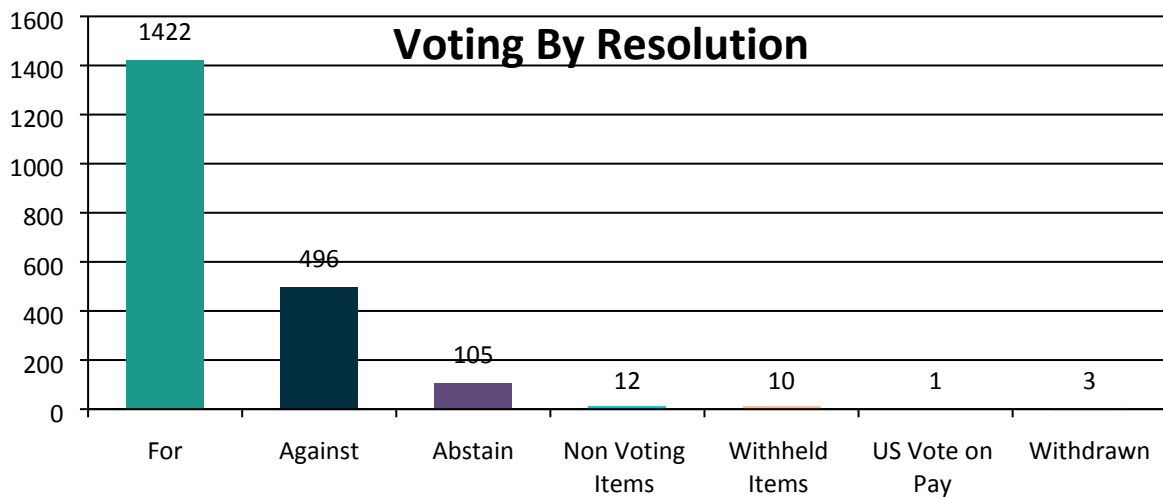
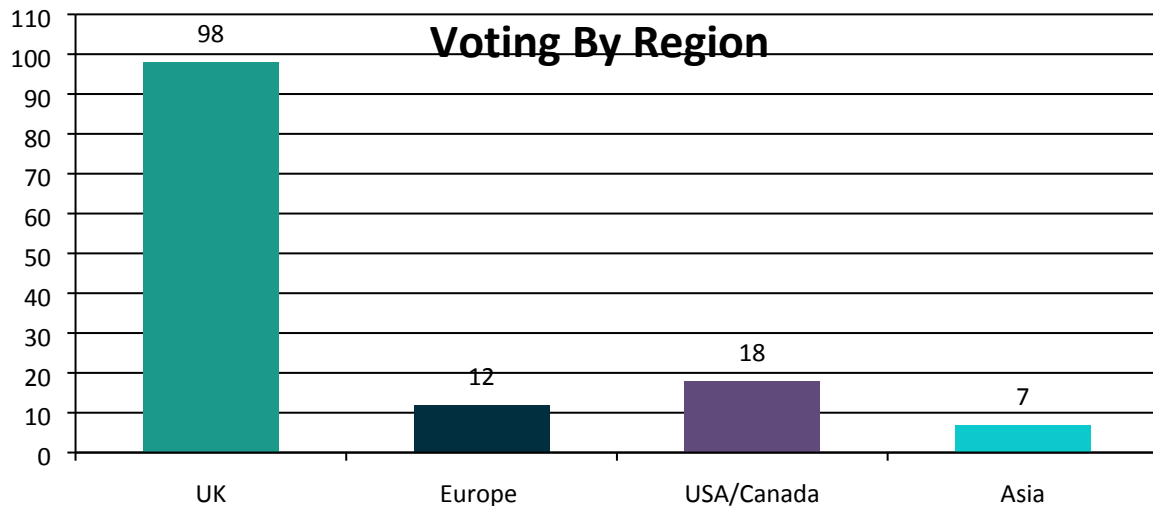
The below gives a snapshot of the activities that the Funds have undertaken on governance and engagement over the past year.

Voting

As an institutional shareholder we have a responsibility to make full use of our voting rights which enables the Funds to promote good governance practices in the companies in which we invest.

The Funds vote in-house on all our active Managers holdings and over the last year have voted at 135 Annual General Meetings/Special meetings on 2,049 resolutions. The Funds' voting advice is provided by P.I.R.C (Pensions & Investments Research Consultants Ltd). Additional advice is also received from the Local Authority Pension Fund Forum.

Further information on the Funds' Voting record can be found on our website http://www.nespf.org.uk/TheFund/Investment/ResponsibleInvestment/Fund_Voting.aspx



During the year to 31 March 2020, the main reasons for casting a vote against a resolution are listed below:

Annual Reports

- Vote on dividend or dividend policy not put to shareholders which is contrary to best practice.

Share Issues/Re-purchase

- No clear justification for the re-purchase put forward by the board.

Election of Directors

- Insufficient Independent representation on the board.
- Lack of board diversity.
- Concerns over aggregated time commitments.

Engagement

Local Authority Pension Fund Forum (LAPFF)

LAPFF is the UK's leading collaborative shareholder engagement group with combined assets of over £230 billion and brings together over 80 local authority pension funds and six pools. The Forum provides a unique opportunity for Britain's local authority pension funds to discuss shareholder engagement and investment issues. Councillor M. Tauqeer Malik, our Pensions Committee convenor, is a member of the LAPFF executive committee.

Some examples of the engagement work undertaken by LAPFF are noted below:

Climate Change

LAPFF's two main areas of work on this issue are:

1. Engagement - this work included raising climate risk and carbon management in nearly every direct company engagement. It has also involved being increasingly active in the Climate Action 100+ campaign and other international collaborative investor initiatives.
2. Social Impact – A Just Transition on Climate Change
The social dimension of the transition to a resilient and zero-carbon economy has been given insufficient attention, notability in terms of the implications in the workforce and wider community. The entire Just Transition initiative is premised on the need to achieve a net zero economy for both social and environmental reasons.

Achievements

- Given that construction and building work contributes around 40% of the UK's total carbon footprint, addressing new build as well as retrofitting is a core component of the zero-carbon drive. A positive outcome here is Taylor Wimpey's commitment to set science-based targets.
- LAPFF was also able to leverage collaboration through its partnership with the US-based Climate Majority Project. Joining a call to the 20 largest carbon emitting US utility companies to commit to achieving net-zero carbon emissions by 2050. By the end of September, Entergy, NextEra, WEC Energy Group and NRG Energy indicated 2030 targets in line or ahead of science-based parameters.
- After consistent engagement with LAPFF and other investors ArcelorMittal announced an aim to be carbon neutral in European operations by 2050.

Plastics

During the last year the Forum has progressed work on the issue of plastics, joining a coalition of investors engaging with companies on the overall threats posed by plastic waste and pollution.

The Forum met with two companies on this issue, Nestle & PepsiCo, as well as discussing single use plastic specifically. Additionally, the Forum co-signed a letter to a range of companies on reducing plastic pellet loss. Pellet loss is incurred during both the manufacturing and transport stages, these pellets create pollution in the oceans and on the beaches.

Achievements

- Following on from engagement PepsiCo has committed to reducing use of virgin plastic across its portfolio by 35% by 2025. This is additional to the company's commitment to increase its use of recycled commitment in plastics packing by 30%.

The above are just a few examples of engagement carried out by LAPFF, more in-depth information can be found at <http://www.lapfforum.org>

Climate Action 100+

Climate Action 100+ is an investor initiative launched in 2017. There are two categories of participation, Participant or Supporter. The Funds are a Supporter in this initiative.

Its aim is to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. More than 450 investors with over \$40 trillion in assets collectively under management are engaging companies to:

- Curb emissions
- Improve governance
- Strengthen climate related financial disclosures

The companies include 100 'systemically important emitters', accounting for two-thirds of annual global industrial emissions, alongside more than 60 others with significant opportunity to drive the clean energy transition.

Achievements

- Rio Tinto has exited from mining coal, published a Task Force Climate-related Financial Disclosure (TCFD) report, and committed to an asset by asset review to set emissions reduction targets.
- Royal Dutch Shell released a statement committing to a range of industry leading climate commitments, including emissions reduction targets that include Scope 3 emissions.
- Maersk the world's biggest shipping company committed to net zero emissions by 2050.

The first progress report has now been produced and the full report can be found on our website-

<http://www.nespf.org.uk/TheFund/Investment/ResponsibleInvestment/ResponsibleInvesting.aspx>

Principles for Responsible Investment (PRI)

PRI is the world's leading proponent of responsible investment.

It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

Through being members of the PRI, we have the opportunity to become involved in issues at an early stage and to effect change on a global basis.

Through the year the Funds have added their name to:

Feb 2020 Legislation - Letter sent to the Securities and Exchange Commission in the USA on its proposed changes to shareholder proposals and proxy firms.

Aug 2019 Deforestation – Statement to companies asking them to demonstrate clear commitment to eliminate deforestation within their operations and supply chains.

Jun 2019 Climate Change – Global investor statement to governments in advance of G20 Summit in Osaka

Aug 2019 Palm Oil - Statement of Investor expectations in the Palm Oil Industry

More information on the above can be found on our website at <http://www.nespf.org.uk/TheFund/Investment/ResponsibleInvestment/ResponsibleInvesting.aspx>

13. Acknowledgement

The production of the Unaudited Annual Report and Accounts is very much a team effort involving many staff as well as information supplied by our advisors. We would like to take this opportunity to acknowledge the considerable efforts of staff in the production of the 2019/20 Unaudited Annual Report and Accounts.

Angela Scott
Chief Executive

Jonathan Belford, CPFA
Chief Officer – Finance

Councillor M. Tauqeer Malik
Pensions Committee Convener

On behalf of Aberdeen City Council

30 June 2020

Statement of Responsibilities

The North East Scotland Pension Funds are governed by an Administering Authority, Aberdeen City Council, and are required to:

- Make arrangements for the proper administration of their financial affairs and to secure that the proper officer of the authority has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). For the North East Scotland Pension Funds, that officer is the Chief Officer - Finance for Aberdeen City Council.
- Manage their affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and so far as is compatible with the legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts for signature.

I confirm that these Unaudited Annual Accounts were approved for signature by the Urgent Business Committee, on behalf of the Pensions Committee, at its meeting on 30 June 2020.

Signed on behalf of Aberdeen City Council

**Councillor M. Tauqeer Malik
Pensions Committee Convener**

The Chief Officer - Finance responsibilities:

The Chief Officer - Finance is responsible for the preparation of the Pension Funds' Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Accounting Code).

In preparing the Annual Accounts, the Chief Officer - Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation;
- complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Chief Officer - Finance has also:

- kept adequate accounting records which are up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Financial Position:

I certify that the Unaudited Annual Accounts give a true and fair view of the financial position of the North East Scotland Pension Funds at the reporting date and the transactions of the Funds for the year ended 31 March 2020.

Jonathan Belford, CPFA
Aberdeen City Council, Chief Officer – Finance
Date: 30 June 2020

Annual Governance Statement

Scope of Responsibility

Aberdeen City Council has statutory responsibility for the administration of the Local Government Pension Scheme (LGPS) in the North East of Scotland.

As the Administering Authority for the Pension Funds, the Council is responsible for ensuring that its business, including that of the Pension Funds, is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

In discharging this overall responsibility, the Aberdeen City Council Pensions Committee is responsible for putting in place proper arrangements for the governance of the Funds' affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Local Code of Corporate Governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: Delivering Good Governance in Local Government.

Purpose of the Governance Framework for North East Scotland Pension Funds

The governance framework comprises the systems, processes, culture and values by which the Administering Authority (including the Pension Funds) is directed and controlled. The Pension Funds comply with this framework ensuring that strategic objectives are monitored and to assess the effectiveness of services.

The North East Scotland Pension Funds are governed by the Local Government Pension Scheme (Scotland) Regulations. These include requirements for the preparation and production of several key policy documents including a Funding Strategy Statement and Statement of Investment Principles. These documents set out the Funds' objectives together with the main risks facing the Funds and the key controls in place to mitigate those risks.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness.

A governance framework has been in place at Aberdeen City Council and North East Scotland Pension Funds during 2019/20 and up to the date of approval of the Annual Report and Accounts.

The Governance Framework

The Funds' place reliance upon the Council's internal financial controls for its financial systems and that monitoring is in place to ensure the effectiveness of those controls. Within the overall control arrangements, the system of internal control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period.

To help provide a framework of control, the Council's governance framework includes standing orders, financial regulations, financial/administrative monitoring and procedures (including segregation of duties, management supervision and a system of delegation and accountability). In addition, the terms of reference for the Pensions Committee sets out its role and delegated functions.

The systems include:

- Managing receipt of contributions from employees and employers and payment of benefits to retired members of the Funds;
- Review of financial and performance reports against forecasts, benchmarks and targets set;
- The preparation of regular financial reports which include funding updates and actual expenditure against forecasts; and
- Consideration of external and internal audit reports by the Audit, Risk and Scrutiny Committee and by the Pensions Committee.

These arrangements also include:

- A training programme to ensure that Pensions Committee and Pension Board members develop the required level of knowledge and understanding of the LGPS;
- Identifying the objectives of the Funds in the Funding Strategy Statements, Statement of Investment Principles and Service Plan. Quarterly updates are presented to the Pensions Committee;
- Monitoring the achievement of objectives by the Pensions Committee and senior officers;
- A systematic approach to monitoring service performance by the Pensions Committee, senior officers and stakeholders including benchmarking of services in terms of quality and cost against other Local Government Pension Scheme funds;
- A clear statement of risk combined with effective risk management arrangements. A risk register is updated and regularly reported to the Pensions Committee;
- The Monitoring Officer reports on any non-compliance with laws and regulations of which the Pensions Committee are made aware;
- Operating within clearly established investment guidelines defined by the Local Government Pension Scheme Investment Regulations and the Funds' Statement of Investment Principles;
- Compliance with the CIPFA Principles for Investment Decision Making in the Local Government Pension Scheme and the Myners Principles on investment;

- Appropriate investment custody arrangements with a global custodian and access to the custodian's extensive internal control framework;
- Monitoring of appointed fund managers and third-party providers ensuring compliance within their management agreements and receipt of assurances from them on the adequacy of the internal financial control systems operated by them.

The Public Service Pensions Act 2013 introduced new regulatory requirements including the introduction of a Pension Board. The Board assist the Administering Authority in delivering a regulatory compliant Scheme and was implemented from 1 April 2015. In addition, the Scheme now reports to The Pensions Regulator under the new governance arrangements. This provides additional assurances to all stakeholders that the Scheme has the appropriate internal and external governance framework in place.

From 1 April 2016, the Pension Funds have also implemented a new structure that identified six key areas; Investment, Accounting, Administration, Technical, Employer Relationship and Governance.

Teams are now in place to continue to deliver an efficient and effective service to all stakeholders while providing succession planning and clear and accountable roles.

Review of Effectiveness

The Pension Funds have a responsibility for conducting, at least annually, a review of the effectiveness of their control environment including the system of internal control.

The Pension Funds approach this with reference to the Council and its approach. This considers different layers of assurance, namely management assurance both internally through the Council and the assurance and recommendations provided by internal audit; and external audit and other external scrutiny reports.

Management Assurance

As the administration of the Pension Funds was directly within the remit of the Chief Officer - Finance, assurance was sought from him in relation to the effectiveness of internal financial controls. These assurances include internal financial controls and provide the opportunity to highlight any weaknesses or areas of concern that should be taken account of. For 2019/20, no significant areas of weakness were highlighted.

In reviewing this, it has been assessed that the Council's financial management arrangements conform to the governance requirements of the CIPFA statement on the Role of the Chief Financial Officer in Local Government (2010). Furthermore, in relation to statutory postholders, the effectiveness of the Council's arrangements can be evidenced through the relationship that they have had throughout the year with the Council and its officers, being full members of the Corporate Management Team. In addition, the Chief Officer - Finance and the Monitoring Officer are generally in attendance to advise not only the Council at its meetings, but the Audit, Risk and

Scrutiny Committee, City Growth and Resources Committee and the Pensions Committee.

The Audit, Risk and Scrutiny Committee remains responsible for ensuring the effectiveness of the internal audit function and considering reports prepared by the external auditor. Further to this, the Pensions Committee is responsible for the internal and external audit functions in respect of the Pension Funds.

Assurance from Internal Audit

The internal audit function, for the Council and the Pension Funds, was under contract to Aberdeenshire Council during the financial year.

During 2019/20, internal audit focused on the Pension Funds' Investment Strategy and Investment Performance Management with the outcome to be reported to the September 2020 Committee.

At the Pensions Committee meeting on the 20 March 2020, the 2020/21 internal audit plan was approved to review payroll. The audit will focus on the calculation and payment of new and ongoing pensions, and transfer and termination of pension payments.

External Audit and Other External Scrutiny

The external auditor, Audit Scotland, reports to the Pensions Committee on the year-end financial audit and issues national performance audit reports.

Governance Compliance Statement

The LGPS regulations require administering authorities to measure their governance arrangements against the standards set out in the guidance. Where compliance does not meet the published standard, there is a requirement for administering authorities to set out any reasons for non-compliance in their Governance Compliance Statement. In 2019/20, there were no significant issues to highlight on the Governance Compliance Statement.

A copy of the Governance Compliance Statement can be found on our website www.nespf.org.uk.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of systems of governance operated by Aberdeen City Council and the North East Scotland Pension Funds. The annual review demonstrates that the governance and internal control environment operated effectively during the 2019/20 financial year. On a quarterly basis, written updates regarding the Pension Funds' adherence to Investment Strategies and Performance are provided to the Pensions Committee.

Angela Scott
Chief Executive

Jonathan Belford, CPFA
Chief Officer – Finance

Councillor M. Tauqeer Malik
Pensions Committee Convener

On behalf of Aberdeen City Council

30 June 2020

Governance Compliance Statement

Principle	Compliance
1. Structure	
a) That representatives of participating LGPS employers, admitted bodies and Scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Partially compliant as per the Scheme Governance Compliance Statement
b) The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council.	Fully compliant as per the Scheme Governance Compliance Statement
c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	
d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	
2. Committee Membership and Representation	
a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:- i) employing authorities (including non-Scheme employers, e.g. admitted bodies), ii) Scheme members (including deferred and pensioner Scheme members), iii) where appropriate, independent professional observers, and iv) expert advisors (on an ad-hoc basis).	Partially compliant as per the Scheme Governance Compliance Statement
b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers, meetings and training and are given full opportunity to contribute to the decision making process, with or without voting rights.	Fully compliant as per the Scheme Governance Compliance Statement
3. Voting	
a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Fully compliant as per the Scheme Governance Compliance Statement

4.) Training/Facility time/Expenses	
a) That in relation to the way in which statutory and related decisions are taken by the Administering Authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision making process.	Fully compliant as per the Scheme Governance Compliance Statement
b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	
c) That the Administering Authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	
5.) Meetings (frequency /quorum)	
a) That an Administering Authority's main committee or committees meet at least quarterly.	Fully compliant as per the Scheme Governance Compliance Statement
b) That an Administering Authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	
c) That an Administering Authority who does not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	
6. Access	
a) That subject to any rules in the Council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Fully compliant as per the Scheme Governance Compliance Statement
7. Scope	
a) That Administering Authorities have taken steps to bring wider Scheme issues within the scope of their governance arrangements.	Fully compliant as per the Scheme Governance Compliance Statement
8. Publicity	
a) That Administering Authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the Scheme is governed, can express an interest in wanting to be part of those arrangements.	Fully compliant as per the Scheme Governance Compliance Statement

Accounting Policies

The North East Scotland Pension Funds' Accounts have been prepared in accordance with the Code of Practice on local authority accounting in the UK (the Code).

The Annual Accounts summarise the Funds' transactions for the 2019/20 financial year and its position at year end as at 31 March 2020.

The Annual Accounts do not take account of the obligation to pay pensions and benefits which fall due after the end of the year.

The Funds' Annual Accounts are generally prepared on an accruals basis.

Contribution Income

Normal contributions, from both members and employers, are accounted for on an accruals basis. Employers' deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the Scheme Actuary or on receipt (if earlier than the due date).

Employers' pension strain contributions are accounted for in the period in which the liability arises. Any amounts due in year but unpaid will be classed as a current financial asset.

Transfers to and from other Schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme (Scotland) Regulations.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Investment Income

Interest income is recognised in the Fund accounts as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

Property related income consists primarily of rental income. Rental income is demanded in accordance with the terms of the lease, generally being quarterly in advance.

The property portfolio accounts are prepared on an accruals basis.

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account - Expenses

Benefits Payable

Pensions and lump sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

Taxation

The Funds are a registered public service Scheme under section 1 (1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

Management Expenses

The Code does not require any breakdown of Pension Fund management expenses. However, in the interests of greater transparency, the Pension Fund discloses its management expenses in accordance with CIPFA guidance on Accounting for Local Government Pension Scheme Management Costs.

a.) Administrative Expenses and Oversight and Governance Costs

All administrative expenses and oversight and governance costs are accounted for on an accruals basis. All staff costs are charged direct to the Fund. Accommodation and other overheads are apportioned to the Fund in accordance with Aberdeen City Council's policy.

b.) Investment Management Expenses

All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

In addition, the Fund has negotiated performance related fees with several of its investment managers. Performance related fees were £6,047,983 in 2019/20 (2018/19 £6,146,372).

Where an investment manager's fee note has not been received by the balance sheet date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the Fund Account.

Financial Assets

Financial assets are included in the Net Assets Statement on a fair value basis at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

Valuation of Investments

All investments are valued at their market value at 31 March 2020 and are determined as follows:

All stocks within the FTSE 100 are valued on the basis of the last traded price recorded on SETS (the Stock Exchange Electronic Trading Service), while all other listed securities are valued on the basis of the market conventions where primarily traded, which is either last traded or bid market price.

Investments held in foreign currency have been valued on the above basis and translated into sterling at the rate ruling at the balance sheet date.

Managed funds including unit trusts are stated at the bid price of the latest prices quoted or the latest valuation by the Funds' custodian.

Private equity/debt and infrastructure assets are independently valued by the appointed Fund Manager and General Partners. Fair value is calculated by applying Private Equity and Venture Capital Valuation Guidelines.

Unlisted investments are valued using one of the following methodologies:

- Multiple (based on comparable quoted multiples and significant third-party transactions)
- Price of Recent Investment
- Net Assets
- Discounted Cash Flows or Earnings from Underlying Business

When applying an Earning Multiple, the Fund Manager/General Partner will use the best estimate of maintainable earnings. In accordance with guidelines, discounts have been applied for size, quality of earnings, gearing and dependency on one customer where appropriate. A Marketability Discount will also have been applied to reflect liquidity.

Direct property investments are valued by an external valuer (Savills UK Ltd), in accordance with the Valuation Standards issued by The Royal Institute of Chartered Surveyors.

The valuer's opinion of Market Value was primarily derived using:

- Comparable recent market transactions on arm's length terms.

A full copy of the valuer's report including all general assumptions and definitions is available on request from the Director of Resources, Aberdeen City Council, Resources, Level 1 West, Business Hub 7, Marischal College, Broad Street, Aberdeen, AB10 1AB.

Derivatives

Derivative contract assets are valued at bid price and liabilities are fair valued at offer price. Changes in the fair value of derivative contracts are included in the change in market value.

The value of future contracts is determined using exchange prices at the reporting date. Amounts due from or owed to the broker are the amounts outstanding in respect of the initial margin and variation margin.

The future value of forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract were matched at the year end with an equal and opposite contract.

Cash

Cash comprises of cash in hand and demand deposits.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

Financial Liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the fund becomes party to the liability. From this date any gains or losses arising from the change in the fair value of the liability are recognised.

Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits of each of the Funds is assessed on a quarterly basis by the Scheme Actuary and is in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the Funds have opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement, (Note 1) together with the full Statement by the Consulting Actuary found on Appendix 1.

Orphan liabilities are liabilities in the North East Scotland Pension Fund for which there is no sponsoring employer within the Fund. Ultimately, orphan liabilities must be underwritten by all other employers of the Fund.

Under the termination policy of the Funds, as set out by the Scheme Actuary, a termination assessment will be made on a least risk funding basis, unless the Admission Body has a guarantor within the Fund or a successor body exists to take over the liabilities. This is to protect the other employers in the Fund as, at termination, the admitted body's liabilities will become "orphan liabilities" within the Fund.

Additional Voluntary Contributions

North East Scotland Pension Funds provides an additional voluntary contributions (AVC) Scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider together with Standard Life. AVCs are paid to the AVC provider by the employers and are specifically for providing additional benefits for the individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year, from each service provider. AVCs are not included within the Annual Accounts however they are detailed in a Note to the Accounts.

Critical Judgments in applying Accounting Policies

Unquoted Private Equity/Debt and Infrastructure Investments

It is important to recognise the highly subjective nature of determining the fair value of unquoted private equity/debt and infrastructure investments. They are inherently based on forward looking estimates and judgments involving many factors. These investments are valued by the investment managers.

The valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS.

The value of unquoted investments at 31 March 2020 was £501,227,186 (31 March 2019 £323,345,002).

Actuarial Present Value of Promised Retirement Benefits

Each fund is required to disclose the estimated actuarial present value of promised retirement benefits as at the end of the financial year. These estimates are prepared by the Fund Actuary. These values are calculated in line with International Accounting Standard 19 (IAS 19) assumptions and comply with requirements of IAS 26. However, the results are subject to significant variances based on changes to the underlying assumptions.

The figures are only prepared for the purposes of IAS 26 and have no validity in other circumstances. It is not relevant for calculations undertaken for funding purposes and setting contributions payable to the Fund.

Events after the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Changes in Accounting Policies

Changes in accounting policies are only made when required by proper accounting practices or the changes provide more reliable or relevant information. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Accounting Standards That Have Been Issued but Not Yet Adopted

When a new or amended accounting standard has been issued but not yet adopted, the Code requires the disclosure of information relating to its impact. The following new or amended standards have been published but not yet adopted:

- **IFRS 16 Leases** – will affect new lease classifications for directly held investment properties. Implementation of this standard has been deferred to 1 April 2021. Therefore, the impact of this standard is not considered for 2019/20.

- **Amendments to IAS 28 Investments in Associates and Joint Ventures: Long Term Interests in Associates and Joint Ventures.** This amendment clarifies that a company applies IFRS9 Financial Instruments to long term interests in an associate or joint venture that form part of the net investment in the associate or joint venture. This will have no impact as the Fund already complies.
- **Amendments to IAS 28 Employee Benefits: Plan Amendment, Curtailment or Settlement.** This amendment specifies how organisations determine pension expenses when changes to a defined benefit pension plan occur.

NORTH EAST SCOTLAND PENSION FUND ACCOUNTS

Fund Account for the year ended 31 March 2020

This statement shows a summary of the income and expenditure that the Pension Fund has generated and consumed in delivering the Local Government Pension Scheme. Included is the income generated from employers' and employees' contributions and investment income, as well as the cost of providing benefits and administration of the Fund.

	Notes	2018/19 £'000	2019/20 £'000
Contributions Receivable			
Employees' Contributions	2	30,242	30,857
Employers' Contributions	2	108,618	110,335
Transfer Values	3	2,905	2,811
Other Income		6	4
		<u>141,771</u>	<u>144,007</u>
Benefits Payable			
Retirement Pensions	4	106,572	114,657
Retirement Allowances	4	25,574	30,298
Death Gratuities	4	4,061	4,189
Contributions Refunded	5	598	571
Transfer Values	5	3,890	5,072
		<u>140,695</u>	<u>154,787</u>
Management Expenses	6	20,773	20,197
Return on Investment			
Investment Income	7	54,805	56,316
Profits and (Losses) on Disposal of Investments and Changes in Market Value of Investments	8	308,495	(111,822)
Net Return on Investments		<u>363,300</u>	<u>(55,506)</u>
Net Increase/(Decrease) in the Net Assets available for Benefits during the year		343,603	(86,483)
Opening Net Assets of the Fund		4,125,564	4,469,167
Net Assets of the Fund at the end of the year		<u>4,469,167</u>	<u>4,382,684</u>

NORTH EAST SCOTLAND PENSION FUND ACCOUNTS

Net Assets Statement as at 31 March 2020

This statement provides a breakdown of type and value of all net assets at the year end.

	Notes	2018/19	2019/20
		£'000	£'000
Investment Assets			
UK Equities		766,975	561,127
Overseas Equities		921,354	811,137
Pooled Vehicles - Other		1,849,246	1,947,975
Pooled Infrastructure		130,600	174,427
Direct Property	13	328,025	348,750
Private Equity – Other		280,903	339,784
Private Debt		18,428	85,111
Funds held by Investment Managers		71,971	60,266
ACC Loans Fund Deposit	19	106,700	67,480
Investment Income Due		5,799	3,685
Investment Sales Amount Receivable		664	0
Total Investment Assets		<u>4,480,665</u>	<u>4,399,742</u>
Investment Liabilities			
Investment Purchases Amount Payable		(890)	(1,711)
Net Investment Assets		<u>4,479,775</u>	<u>4,398,031</u>
Long Term Assets	18a	0	81
Current Assets	18b	16,026	15,106
Current Liabilities	18c	(26,634)	(30,534)
Net Current Assets/(Liabilities)		<u>(10,608)</u>	<u>(15,428)</u>
Net Assets of the Fund at the end of the year		<u>4,469,167</u>	<u>4,382,684</u>

Jonathan Belford, CPFA
Aberdeen City Council, Chief Officer – Finance
Date: 30 June 2020

ABERDEEN CITY COUNCIL TRANSPORT FUND ACCOUNTS

Fund Account for the year ended 31 March 2020

This statement shows a summary of the income and expenditure that the Pension Fund has generated and consumed in delivering the Local Government Pension Scheme. Included is the income generated from employers' and employees' contributions and investment income, as well as the cost of providing benefits and administration of the Fund.

	Notes	2018/19 £'000	2019/20 £'000
Contributions Receivable			
Employees' Contributions	2	72	129
Employers' Contributions	2	1,943	1,908
Other Income		305	348
		2,320	2,385
Benefits Payable			
Retirement Pensions	3	3,243	7,061
Retirement Allowances	3	337	1,734
Death Gratuities	3	328	324
		3,908	9,119
Management Expenses	5	312	290
Return on Investment			
Investment Income	6	104	224
Profits and (Losses) on Disposal of Investments and Changes in Market Value of Investments	7a	7,025	(6,060)
Net Return on Investments		7,129	(5,836)
Net Increase/ (Decrease) in the Net Assets available for Benefits during the year		5,229	(12,860)
Transfer of Strathclyde Transport Fund Assets (Cash & Stock)	7b	0	216,388
Opening Net Assets of the Fund		100,071	105,300
Net Assets of the Fund at the end of the year		105,300	308,828

ABERDEEN CITY COUNCIL TRANSPORT FUND ACCOUNTS

Net Assets Statement as at 31 March 2020

This statement provides a breakdown of type and value of all net assets at the year end.

	Notes	2018/19 £'000	2019/20 £'000
Investment Assets			
Index Linked Securities		27,793	164,934
Pooled Vehicle		76,192	135,282
Funds held by Investment Managers		4,093	8,304
ACC Loans Fund Deposit	16	228	429
Investment Income Due		3	148
Investment Sales Amount Receivable		918	0
Total Investment Assets		<u>109,227</u>	<u>309,097</u>
Investment Liabilities			
Investment Purchases Amount Payable		(3,999)	(675)
Net Investment Assets		<u>105,228</u>	<u>308,422</u>
Long Term Assets	15a	296	269
Current Assets	15b	192	909
Current Liabilities	15c	(416)	(772)
Net Current Assets/ (Liabilities)		(224)	137
Net Assets of the Fund at the end of the year		<u>105,300</u>	<u>308,828</u>

Jonathan Belford, CPFA
Aberdeen City Council, Chief Officer – Finance
Date: 30 June 2020

NOTES TO THE NORTH EAST SCOTLAND PENSION FUND ACCOUNTS

Note 1: Actuarial Valuation Report

An Actuarial Report for the North East Scotland Pension Fund (NESPF) was provided as at 31 March 2017.

Information from the 2017 Actuarial Valuation is detailed below:

Market Value of Assets at Valuation	£3,815,000,000
Liabilities	£3,576,000,000
Surplus	£ 239,000,000

Funding Level

The Level of Funding in Terms of the Percentage of Assets available to meet Liabilities	107%
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Achieving the Solvency Funding Target

The funding objective as set out in the Funding Strategy Statement (FSS) is to achieve and maintain a solvency funding level of 100% of liabilities (**the solvency funding target**). In line with the FSS, the Fund has determined a contribution requirement for each employer taking into account the offset of any surplus held or the recovery of any deficit due. The average spread/recovery period adopted by the Fund is 24 years.

The valuation determined that the average employer cost of providing members benefits across the Fund was 22.0% (the Primary contribution rate.) By spreading the surplus over 24 years the Secondary contribution rate for the whole Fund is -2.6% meaning that the average employer contribution rate is 19.4% of pensionable pay.

In practice, each employer's position is assessed separately, details of which can be found in the 2017 Actuarial Valuation. This sets out the contributions for each employer over the 3 year period to 31 March 2021.

Schedule to the Rates and Adjustments Certificate

The Schedule to the Rates and Adjustments Certificate for the Fund sets out the contributions for the employer over the 3 year period to 31 March 2021. The rates have been determined in accordance with the FSS. Any adjustments made to the rates proposed by the Scheme Actuary were made as a result of the consultation carried out by the Fund and were made in line with the approaches agreed with the Scheme Actuary. Contribution requirements for the period from 1 April 2021 onwards will be revised as part of the next actuarial valuation as at 31 March 2020 and will be confirmed in the Rates and Adjustments Certificate and Schedule accompanying that valuation report.

Assumptions used to Calculate Funding Target

Discount Rate	4.15% p.a.
Assumed Long Term Price Inflation (CPI)	2.40% p.a.
Salary Increases – Long term	3.90% p.a.
Salary Increases – Short term	Varied by employer*
Pension Increases in Payment	2.40% p.a.

*Where an allowance for short term pay restraint was determined appropriate either 1% or 2.4% (CPI) was applied.

The full Actuarial Report and the Funding Strategy Statement are available from the office of the Director of Resources, Aberdeen City Council, Resources, Level 1 West, Business Hub 7, Marischal College, Broad Street, Aberdeen, AB10 1AB.

Actuarial Statement

The Scheme Actuary has provided a statement describing the funding arrangements of the Fund.

The actuarial value of promised retirement benefits at the accounting date, calculated in line with International Accounting Standards 26 (IAS 26) assumptions, is estimated to be £5,252m (2019 £5,422m). Included within the calculation for 2020 is an amount of less than £100,000 by way of an estimate of the effect of the McCloud judgement. These figures are used for the statutory accounting purposes by North East Scotland Pension Fund and complies with the requirements of IAS 26.

These calculations are only prepared for the purposes of IAS 26 and have no validity in other circumstances. It is not relevant for calculations undertaken for funding purposes and setting contributions payable to the Fund.

The full statement by the Scheme Actuary, including notes on the McCloud judgement, can be found in Appendix 1.

Note 2: Contributions Receivable

By Category	2018/19	2019/20
	£'000	£'000
Employees' Normal Contributions	30,242	30,857
Employers' Normal Contributions	106,088	107,777
Employers' Deficit Recovery Contributions	2,530	2,558
Total Employers' Contributions	108,618	110,335
Total	138,860	141,192

By Authority	2018/19	2019/20
	£'000	£'000
Administering Authority	42,486	40,926
Scheduled Bodies	82,470	86,618
Admitted Bodies	9,087	8,727
Transferee Admission Bodies	4,817	4,921
Total	138,860	141,192

Note 3: Transfers in from other Pension Funds

	2018/19	2019/20
	£'000	£'000
Individual Transfers	2,905	2,811
Total	2,905	2,811

Note 4: Benefits Payable

By Category	2018/19	2019/20
	£'000	£'000
Pensions	106,572	114,657
Commutation and Lump Sum Retirement Benefits	25,574	30,298
Lump Sum Death Benefits	4,061	4,189
Total	136,207	149,144

By Authority	2018/19	2019/20
	£'000	£'000
Administering Authority	36,309	41,103
Scheduled Bodies	88,538	94,819
Admitted Bodies	9,934	11,408
Transferee Admission Bodies	1,426	1,814
Total	136,207	149,144

Note 5: Payment to and on Account of Leavers

	2018/19	2019/20
	£'000	£'000
Refunds to Members Leaving Service	599	565
Payments for Members Joining State Scheme	(1)	6
Individual Transfers	3,890	5,072
Total	4,488	5,643

Note 6: Management Expenses

	2018/19	2019/20
	£'000	£'000
Pension Fund Staffing Costs – Administration	1,084	1,203
Information Technology	366	400
Supplies & Services	83	115
Accommodation	79	84
Printing and Publications	22	20
Administration Expenses Total	1,634	1,822
Pension Fund Staffing Costs – Investment	159	168
Pension Fund Committee	12	16
Pension Board	1	8
External Audit Fee	39	40
Internal Audit Fee	8	7
Actuarial Fees	113	49
General Expenses	142	134
Oversight and Governance Expenses Total	474	422
Investment Management	10,721	10,293
Performance Fees	6,146	6,048
Direct Operating Property Expenses	186	664
Transaction Costs	1,477	823
Custody Fees	135	125
Investment Management Expenses Total	18,665	17,953
Management Expenses Grand Total	20,773	20,197

Analysis of Transaction Costs:

Commission £'000	Fees/ Tax £'000	2018/19 Total £'000	Asset Type	Commission £'000	Fees/ Tax £'000	2019/20 Total £'000
0	0	0	Fixed Income	0	0	0
319	747	1,066	Equities	192	397	589
0	267	267	Pooled Infrastructure	0	234	234
0	144	144	Private Equity	0	0	0
319	1,158	1,477	Total	192	631	823

Note 7: Investment Income

	2018/19	2019/20
	£'000	£'000
Equity Dividends	27,079	25,573
Property Rental Income	15,690	17,442
Interest on Cash Deposit	689	1,395
Pooled Infrastructure*	6,734	7,506
Private Equity*	485	670
Private Debt*	0	1,946
Other (including P/L from Currency & Derivatives)	4,897	1,962
Total	55,574	56,494
Tax		
Withholding Tax – Fixed Interest Securities	0	0
Withholding Tax – Equities	(769)	(178)
Withholding Tax – Pooled	0	0
Total Tax	(769)	(178)
Net Total	54,805	56,316

***Note: Previously included within 'Other' Income**

Note 8: Investment Assets

Reconciliation of Movements in Investments and Derivatives

	Market Value 31 March 2019	Purchases	Sales	Change in Market Value	Market Value 31 March 2020
	£'000	£'000	£'000	£'000	£'000
UK Equities	766,975	83,732	(182,766)	(106,814)	561,127
Overseas Equities	921,354	62,690	(291,957)	119,050	811,137
Pooled Other	1,849,246	383,504	(131,066)	(153,709)	1,947,975
Pooled Infrastructure	130,600	58,489	(4,109)	(10,553)	174,427
Property	328,025	28,849	0	(8,124)	348,750
Private Equity	280,903	51,997	(42,637)	49,521	339,784
Private Debt	18,428	73,883	(6,007)	(1,193)	85,111
	4,295,531	743,144	(658,542)	(111,822)	4,268,311
Derivative Contracts					
FX Contracts	0	0	0	0	0
	4,295,531	743,144	(658,542)	(111,822)	4,268,311
Other					
Cash	178,671				127,746
Investment Income Due	5,799				3,685
Investment Sales Amount Receivable	664				0
Investment Purchases Amounts Payable	(890)				(1,711)
Net Investment Assets	4,479,775				4,398,031

Reconciliation of Movements in Investment and Derivatives (continued)

	Market Value 31 March 2018	Purchases	Sales	Change in Market Value	Market Value 31 March 2019
	£'000	£'000	£'000	£'000	£'000
UK Equities	734,875	170,380	(157,517)	19,237	766,975
Overseas Equities	819,078	105,501	(157,630)	154,405	921,354
Pooled Other	1,855,823	9,918	(96,768)	80,273	1,849,246
Pooled Infrastructure	88,899	39,576	(1,662)	3,787	130,600
Property	293,045	35,652	(4,323)	3,651	328,025
Private Equity	232,461	59,967	(58,780)	47,255	280,903
Private Debt	0	17,549	(94)	973	18,428
	4,024,181	438,543	(476,774)	309,581	4,295,531
Derivative Contracts					
FX Contracts	0	33,374	(32,288)	(1,086)	0
	4,024,181	471,917	(509,062)	308,495	4,295,531
Other					
Cash	113,484				178,671
Investment Income Due	0				5,799
Investment Sales Amount Receivable	0				664
Investment Purchases Amounts Payable	0				(890)
Net Investment Assets	4,137,665				4,479,775

Note 9: Analysis of Investments

	2018/19	2019/20
	£'000	£'000
Equities		
UK		
Quoted	766,975	561,127
Overseas		
Quoted	921,354	811,137
Subtotal Equities	1,688,329	1,372,264
Pooled Funds (Other) – Additional Analysis		
UK		
Unit Trusts	872,300	741,632
Pooled Indexed Linked	202,644	206,888
Overseas		
Unit Trusts	652,004	791,417
Global Pooled Bonds	122,298	208,038
Subtotal Pooled Funds (Other)	1,849,246	1,947,975
Pooled Infrastructure - Quoted	106,586	98,094
Pooled Infrastructure - Unquoted	24,014	76,333
Subtotal Pooled Infrastructure	130,600	174,427
Property, Direct	328,025	348,750
Private Equity	280,903	339,784
Private Debt	18,428	85,111
Funds held by Investment Managers	71,971	60,266
ACC Loans Fund Deposit	106,700	67,480
Investment Income Due	5,799	3,685
Investment Sales Amount Receivable	664	0
Investment Assets Total	4,480,665	4,399,742
Investment Liabilities		
Investment Purchases Amounts Payable	(890)	(1,711)
Investment Liabilities Total	(890)	(1,711)
Net Investment Assets	4,479,775	4,398,031

Note 10: Analysis of Derivatives

Futures

There were no outstanding exchange traded future contracts as at 31 March 2020.

Forward Foreign Currency

There were no outstanding forward foreign currency contracts as at 31 March 2020.

Note 11: Investments Analysed by Fund Manager

	31 March 2019		31 March 2020	
	£'000	%	£'000	%
Investment Assets				
State Street Global Advisors	1,403,222	31.3	1,234,017	28.1
Baillie Gifford	1,237,351	27.7	1,022,435	23.3
BlackRock Asset Management	500,158	11.2	388,970	8.9
BlackRock Diversified Growth Fund	162,322	3.6	158,096	3.6
Baring Asset Managers	(3)	0.0	(3)	0.0
AAM Property (API)	364,367	8.1	370,869	8.5
AAM Property Residential	7,963	0.2	9,138	0.2
HarbourVest	113,833	2.5	139,992	3.2
Standard Life	29,677	0.7	26,333	0.6
ACC Loans Fund Deposit	106,700	2.4	67,480	1.5
Global Custodian	18,818	0.4	15,409	0.4
Partners Group	57,569	1.3	63,218	1.4
Maven Capital	2,043	0.1	1,474	0.0
Capital Dynamics	26,118	0.6	36,798	0.8
RCP Advisors	16,078	0.4	25,455	0.6
Unigestion	30,495	0.7	50,473	1.2
Invesco Diversified Growth Fund	150,707	3.4	152,724	3.5
Russell Overlay	0	0.0	0	0.0
Russell Multi Asset Credit	103,035	2.3	91,021	2.1
Russell Transition	294	0.0	312	0.0
Aviva Infrastructure	106,586	2.4	98,094	2.2
Hermes Infrastructure	24,014	0.5	76,440	1.7
Alcentra	18,428	0.4	54,126	1.2
Hayfin Direct Lending	0	0.0	30,985	0.7
Insight Credit	0	0.0	284,175	6.5
	4,479,775	100.2	4,398,031	100.2
Net Long and Current Assets				
Bank Account	19	0.0	27	0.0
Long Term and Current Debtors Less Creditors	(10,627)	(0.2)	(15,374)	(0.2)
Net Assets	4,469,167	100.0	4,382,684	100.0

The following investments represent more than 5% of the Net Investment Assets:

Security	Market Value 31 March 2019 £'000	% of Net Investment Assets	Market Value 31 March 2020 £'000	% of Net Investment Assets
MPF International Equity Index Pooled Fund	548,970	12.3	416,221	9.46
MPF UK Equity Pooled Fund	529,305	11.9	402,869	9.16
Insight Investment Mgt Global Funds	0	0.0	284,175	6.46

The investments listed above are Pooled Investments, i.e. where two or more parties 'pool' or combine their investments. This type of investment allows the Fund to gain from economies of scale, i.e. lower transaction costs and diversification that can help reduce risk.

Note 12: Stock Lending

	31 March 2019 £'000	Collateral Percentage	31 March 2020 £'000	Collateral Percentage
Stock on Loan				
Equities	398,546		305,518	
Fixed Interest	0		0	
Total Exposure	398,546		305,518	
Total Collateral	425,845	107%	329,942	108%

Stock Lending is the lending of stock from one investor to another that entitles the lender to continue to receive income generated by the stock plus an additional payment by the borrower.

Collateral is held at 108% in respect of each borrower, consisting of Government Debt, UK and Overseas Equities.

Note 13: Property Holdings

	2018/19	2019/20
	£'000	£'000
Opening Balance	293,045	328,025
Purchases	26,440	27,671
Construction	9,227	676
Subsequent Expenditure	(15)	502
Disposals	(4,323)	0
Net Increase in Market Value	3,651	(8,124)
Closing Balance	328,025	348,750

The property holdings note shows those UK properties directly held by the Fund and as such the Fund is responsible for all the repairs, maintenance or enhancements. There are no restrictions on the reliability of the property or the remittance of income or proceeds on disposal and the Fund is not under any contractual obligations to purchase, construct or develop any of these properties, as all are addressed within the Fund's Property Investment Strategy.

The future minimum lease payments receivable by the Fund are as follows:

	2018/19	2019/20
	£'000	£'000
Within One Year	17,049	17,266
Between One Year and Five Years	59,748	62,912
Later than Five Years	100,571	98,659
Total	177,368	178,837

In accordance with IAS17, the above table has been presented using the 'break date' of the lease agreements.

Based upon the Fund's own historic experience but also on similar properties received from the Fund's property letting agents, the above disclosure has been reduced by a credit loss allowance for one property, but not thought to be material.

During the year 2019/20, one tenant went into administration and a new turnover based lease was agreed with no base rent.

Note 14: Financial and Non-Financial Instruments

Accounting policies describe how different asset classes of financial and non-financial instruments are measured. Also, how income and expenses, including fair value gains and losses, are recognised. The following table analyses the fair value of financial assets and liabilities (excluding cash) by category and Net Assets Statement heading. No financial assets were reclassified during the accounting period.

Non-financial instruments have been added to the table for reconciliation to the Net Assets of the Fund.

31 March 2019				31 March 2020		
Designated as Fair Value through Profit & Loss	Assets at Amortised Cost	Financial Liabilities at Amortised Cost		Designated as Fair Value through Profit & Loss	Assets at Amortised Cost	Financial Liabilities at Amortised Cost
£'000	£'000	£'000		£'000	£'000	£'000
			Financial Assets			
1,688,329			Equities	1,372,264		
1,849,246			Pooled Other	1,947,975		
130,600			Pooled Infrastructure	174,427		
280,903			Private Equity	339,784		
18,428			Private Debt	85,111		
	178,671		Cash		127,746	
	6,463		Other Investment Balances		3,685	
	16,026		Debtors		15,187	
3,967,506	201,160		Subtotal	3,919,561	146,618	
			Financial Liabilities			
		(890)	Other Investment Balances			(1,711)
		(26,634)	Creditors			(30,534)
		(27,524)				(32,245)
3,967,506	201,160	(27,524)	Financial Instruments Total	3,919,561	146,618	(32,245)
			Non-Financial Instruments			
328,025			Property	348,750		
4,295,531	201,160	(27,524)		4,268,311	146,618	(32,245)
		4,469,167	Net Assets of the Fund	4,382,684		

Note 15: Net Gains and Losses on Financial and Non-Financial Instruments

31 March 2019		31 March 2020
£'000	Financial Assets	£'000
304,844	Fair Value through Profit and Loss	(103,698)
	Financial Liabilities	
0	Fair Value through Profit and Loss	0
304,844	Net Gains and Losses on Financial Instruments	(103,698)
	Non-Financial Instruments	
3,651	Fair Value through Profit and Loss	(8,124)
308,495	Net Gains and Losses of the Fund	(111,822)

Note 16: Valuation of Financial and Non-Financial Instruments carried at Fair Value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair value.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets and liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available. For example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use input that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted private equity/debt and infrastructure investments and hedge fund of funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investments in unquoted private equity/debt and infrastructure are based on valuations provided by the general partners to the funds in which North East Scotland Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

The following table provides an analysis of the financial assets and liabilities of the Pension Fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Non-Financial instruments have been added to the table for reconciliation to the Net Assets of the Fund.

Note 16a: Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There have been no changes in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities Affecting the Valuations Provided
Market Quoted Investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted Bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Exchange Traded Pooled Investments	Level 1	Closing bid value on published exchanges	Not required	Not required
Forward Foreign Exchange Derivatives	Level 2	Market forward exchange rates at the year-end	Exchange rate risk	Not required
Pooled Investments – Overseas Unit Trusts and Property Funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Freehold and Leasehold Properties	Level 2	Valued at fair value at the year-end using the investment method of valuation by Claire Magowan MRICS under the supervision of Tim Ainsley MRICS of Savills	Existing lease terms and rentals Independent market research Nature of Tendencies Covenant Strength for	

		in accordance with the <i>RICS Valuation Professional Standard</i>	existing tenants Assumed vacancy levels Estimated rental growth Discount rate	
Unquoted Equity/Debt & Infrastructure	Level 3	Comparable valuation of similar companies in accordance with <i>International Private Equity and Venture Capital Valuation Guidelines (2018)</i>	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cashflows and by any differences between (un)audited accounts

	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs	
Values at 31 March 2020	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets at Fair Value through Profit and Loss	3,418,333		501,228	3,919,561
Non-Financial Assets at Fair Value through Profit and Loss		348,750		348,750
Financial Liabilities at Fair Value through Profit and Loss	0			0
Net Investment Assets (Fair Value)	3,418,333	348,750	501,228	4,268,311

	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs	
Values at 31 March 2019	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets at Fair Value through Profit and Loss	3,644,161		323,345	3,967,506
Non-Financial Assets at Fair Value through Profit and Loss		328,025		328,025
Financial Liabilities at Fair Value through Profit and Loss	0			0
Net Investment Assets (Fair Value)	3,644,161	328,025	323,345	4,295,531

Note 16b: Transfers between Levels 1 and 2

There were no transfers between levels 1 and 2.

Note 16c: Reconciliation of Fair Value Measurements within Level 3

	Market Value 1 April 2019	Purchases during the year & Derivative Payments	Sales during the year & Derivative Receipts	Realised Gains & Losses	Unrealised Gains & Losses (a)	Market Value 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Pooled Infrastructure	24,014	50,205	(3,096)	518	4,692	76,333
Private Equity	280,903	51,997	(42,637)	25,332	24,189	339,784
Private Debt	18,428	73,883	(6,007)	976	(2,169)	85,111
Total	323,345					501,228

(a) Unrealised and realised gains and losses are recognised in the profit and losses on disposal and changes in the market value of investments line of the Fund Account.

Note 16d: Sensitivity of Assets Valued at Level 3

Having analysed historical data, current market trends and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2020.

	Assessed Valuation Range (+/-)	Value at 31 March 2020	Value on Increase	Value on Decrease
		£'000	£'000	£'000
Pooled Infrastructure	13%	76,333	86,256	66,410
Private Equity	30%	339,784	441,719	237,849
Private Debt	30%	85,111	110,644	59,578
Total		501,228	638,619	363,837

Note 17: Risk arising from Financial and Non-Financial Instruments

The Fund's primary long term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio.

The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk, ensuring there is liquidity to meet the Fund's forecast cash flows.

The Fund manages these investment risks as part of its overall Pension Fund Risk Management Strategy.

Responsibility for the Fund's Risk Management Strategy rests with the Pensions Committee. Risk management policies are established to identify and analyse the risks faced by the Fund. Policies are reviewed regularly to reflect changes in activity and in market conditions.

Market Risk

Market risk is the risk of loss from fluctuations in equity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's Risk Management Strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical location, industry sectors and individual securities.

Specific risk exposure is limited by applying risk weighted maximum exposures to individual investments.

Other Price Risk – Sensitivity Analysis

Following analysis of historical data and expected investment return movement during the financial year and in consultation with the Fund's Investment Advisor, the Fund has determined that the following movements in market price risk are reasonably possible for the 2019/20 reporting period.

Asset Type	Potential Market Movements (+/-)
UK Bonds	7.5%
Overseas Bonds	7.5%
UK Equities	16.5%
Overseas Equities	20.5%
Pooled – Diversified Growth Fund	12.5%
Pooled Infrastructure	13.0%
Private Equity	30.0%
Private Debt	30.0%
Property	13.0%
Cash	1.0%

The potential price changes disclosed above are broadly consistent with a one standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the Investment Advisor's most recent review. This analysis assumes that all other variables, particularly foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund's investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown overleaf).

Asset Type	Value as at 31 March 2020 £'000	% Change	Value on Increase £'000	Value on Decrease £'000
UK Bonds	206,888	7.5	222,405	191,371
Overseas Bonds	583,234	7.5	626,977	539,491
UK Equities	991,938	16.5	1,155,608	828,268
Overseas Equities	1,227,358	20.5	1,478,966	975,750
Pooled – Diversified Growth Funds	310,821	12.5	349,674	271,968
Pooled – Infrastructure	174,427	13.0	197,103	151,751
Private Equity	339,784	30.0	441,719	237,849
Private Debt	85,111	30.0	110,644	59,578
Total	3,919,561		4,583,096	3,256,026

Asset Type	Value as at 31 March 2019	% Change	Value on Increase	Value on Decrease
	£'000		£'000	£'000
UK Bonds	202,644	7.5	217,842	187,446
Overseas Bonds	225,333	7.5	242,233	208,433
UK Equities	1,326,246	16.0	1,538,445	1,114,047
Overseas Equities	1,470,324	20.5	1,771,740	1,168,908
Pooled – Diversified Growth Funds	313,028	12.5	352,157	273,899
Pooled – Infrastructure	130,600	13.0	147,578	113,622
Private Equity	280,903	30.0	365,174	196,632
Private Debt	18,428	30.0	23,956	12,900
Total	3,967,506		4,659,125	3,275,887

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks which represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Fund in accordance with the Fund's Risk Management Strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2019 and 31 March 2020 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

Asset Type	As at 31 March 2019	As at 31 March 2020
	£'000	£'000
Cash and Cash Equivalents	178,671	127,746
Cash Balances	19	27
Fixed Interest Securities	427,977	790,122
Total	606,667	917,895

Interest Rate Risk Sensitivity Analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. A 100-basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's Risk Management Strategy. The Fund's long term average rates are expected to move less than 100 basis points from one year to the next and experience suggests that such movements are likely.

The analysis that follows assumes that all other variables, particularly exchange rates, remain constant and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates:

Exposure to Interest Rate Risk	Asset Values as at 31 March 2020	Impact	
		+ 1%	- 1%
	£'000	£'000	£'000
Cash and Cash Equivalents	127,746	129,023	126,469
Cash Balances	27	27	27
Fixed Interest Securities	790,122	798,023	782,221
Total	917,895	927,073	908,717

Exposure to Interest Rate Risk	Asset Values as at 31 March 2019	Impact	
		+ 1%	- 1%
	£'000	£'000	£'000
Cash and Cash Equivalents	178,671	180,458	176,884
Cash Balances	19	19	19
Fixed Interest Securities	427,977	432,257	423,697
Total	606,667	612,734	600,600

Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored in accordance with the Fund's Risk Management Strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2020 and as at the previous year end:

Assets Exposed to Currency Risk	Asset Value as at 31 March 2019	Asset Value as at 31 March 2020
	£'000	£'000
Overseas Quoted Securities	921,354	811,137
Overseas Unquoted Securities	263,207	377,484
Overseas Unit Trusts	652,004	791,417
Overseas Global Pooled Bonds	122,298	208,038
Total Overseas Assets	1,958,863	2,188,076

Currency Risk – Sensitivity Analysis

Following analysis of historical data in consultation with the Fund's investment advisors, the Fund considers the likely volatility associated with foreign exchange rate movements to be 10.0%.

This analysis assumes that all other variables, particularly interest rates, remain constant.

A 10.0% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets to pay benefits as shown below:

Assets Exposed to Currency Risk	Asset Value as at 31 March 2020 £'000	Potential Market Movement	
		+10.0% £'000	-10.0% £'000
Overseas Quoted Securities	811,137	892,251	730,023
Overseas Unquoted Securities	377,484	415,232	339,736
Overseas Unit Trust	791,417	870,559	712,275
Overseas Global Pooled Bonds	208,038	228,842	187,234
Total	2,188,076	2,406,884	1,969,268

Assets Exposed to Currency Risk	Asset Value as at 31 March 2019 £'000	Potential Market Movement	
		+10.2% £'000	-10.2% £'000
Overseas Quoted Securities	921,354	1,015,332	827,376
Overseas Unquoted Securities	263,207	290,054	236,360
Overseas Unit Trust	652,004	718,508	585,500
Overseas Global Pooled Bonds	122,298	134,772	109,824
Total	1,958,863	2,158,666	1,759,060

Credit Risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the Fund's credit criteria. The Local Government Pension Scheme Investment Regulations have limits as to the maximum percentage of the deposits placed with any one class of financial institution. Money market fund deposits are made through the Funds' Global Custodian and are evaluated according to their internal criteria.

Deposits made to the Aberdeen City Council (ACC) loans fund are administered within the City Council treasury policy.

The Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits. The Fund's cash holding at 31 March 2020 was £127,773,000 (31 March 2019 £178,690,000). This was held with the following institutions as shown below:

Summary	Rating	Balance as at 31 March 2019 £'000	Balance as at 31 March 2020 £'000
Liquidity Funds			
HSBC Liquidity Funds	A+	31,856	34,412
Bank Deposit Accounts			
ACC Loans Fund Deposit	N/A	106,700	67,480
HSBC	A+	40,115	25,854
Subtotal		178,671	127,746
Bank Current Accounts			
Clydesdale Bank	A-	19	27
Total		178,690	127,773

Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund ensures that it has adequate cash resources to meet its commitments. The Fund has immediate access to its cash holdings.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. As at 31 March 2020 the value of illiquid assets was £849,977,186 which represented 19.3% of the total net assets of the Fund (31 March 2019 £651,370,002 which represented 14.5% of the total net assets).

Note 18a: Long Term Assets

	31 March 2019	31 March 2020
	£'000	£'000
Merger – Transport Funds	0	81
Total Long Term Assets	0	81

Note 18b: Current Assets

	31 March 2019	31 March 2020
	£'000	£'000
Employees' Contributions due	3,259	2,498
Employers' Contributions due	9,674	7,513
Sundry Debtors	3,074	5,068
Subtotal	16,007	15,079
Bank	19	27
Total Current Assets	16,026	15,106

Note 18c: Current Liabilities

	31 March 2019	31 March 2020
	£'000	£'000
Sundry Creditors	18,002	19,744
Benefits Payable	8,632	10,790
Total Current Liabilities	26,634	30,534

Note 19: Related Party Transactions

Aberdeen City Council provides administration services for the Pension Fund, the costs of which are reimbursed by the Fund.

The costs of these services for the North East Scotland Pension Fund amounted to £1,534,042 (2018/19 £1,354,549).

Prior to the remittance of excess cash to the investment fund managers, surplus cash is invested as a temporary loan with the Council. At the year end this amounted to £67,480,000 (2018/19 £106,700,000) for the North East Scotland Pension Fund.

Interest was received from the Council of £870,248 (2018/19 £345,451) for the North East Scotland Pension Fund.

Note 20: Key Management Personnel

Certain employees of Aberdeen City Council hold key positions in the financial management of the North East Scotland Pension Fund. Two employees were identified and their financial relationship with the Fund (expressed as an accrued pension) is set out below:

		Accrued Pension 2018/19	Accrued Pension 2019/20
		£'000	£'000
Steven Whyte	Director of Resources	39	42
Jonathan Belford	Chief Officer - Finance	1	36

Governance

As at 31 March 2020, 9 members of the Pensions Committee and 7 members of the Pension Board were active members or pensioners of the North East Scotland Pension Fund.

Each member of the Pensions Committee and Pension Board is required to declare any financial and non-financial interest they have in the items of business for consideration at each meeting, identifying the relevant agenda items and the nature of their interest.

In 2019/20, Elected Members' had interests in Sport Aberdeen and Aberdeen International Youth Festival.

Note 21: Contractual Commitments as at 31 March 2020

As at 31 March 2020 the NESPF had contractual commitment in respect of Private Equity/Debt and Global Real Estate portfolios:

	Contractual Commitments	Undrawn Commitments
	£'000	£'000
HarbourVest	205,653	43,631
Standard Life	47,629	15,640
Partners Group	89,376	22,253
Maven (SLF)	6,308	44
Capital Dynamics	60,000	24,760
RCP Advisors	36,292	11,673
Unigestion	57,519	16,175
AAM Residential Property	30,000	21,232
Hermes Infrastructure	100,000	27,670
Alcentra EDL	88,492	55,492
Hayfin DLF	88,492	57,585
Total	809,761	296,155

Note 22: Additional Voluntary Contributions (AVC)

Additional Voluntary Contributions are not included in the Pension Funds' Accounts.

Members of the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund are included in the following tables. Standard Life and the Prudential do not provide this information by Fund.

The amount of additional voluntary contributions paid by members during the year is shown as income in the table below:

2018/19	Income (AVCs Paid by Members)	2019/20
£'000		£'000
29	Standard Life	33
2,730	Prudential	2,428

The closing net assets values represent the value of the separately invested additional voluntary contributions. These closing values are subject to revaluation.

Market Value	Additional Voluntary Contributions	Market Value
31 March 2019		31 March 2020
£'000		£'000
1,473	Standard Life	1,135
24,313	Prudential	23,480

Note 23: Contingent Assets/Liabilities

Following a bond review in 2018 the North East Scotland Pension Fund hold two insurance bonds and one cash bond. These bonds guard against the possibility of being unable to recover pension liabilities from these Admission Bodies should they terminate their participation in the Scheme. These bonds are drawn up in favour of the Pension Fund and payment will only be triggered in the event of an employer default. The next bond review will be carried out by the Scheme Actuary following the completion of the 2020 valuation process.

The pension liabilities for all Transferee Admission Bodies are guaranteed by the originating employer as per Regulation 61(5)(a) of the Local Government Pension Scheme (Scotland) Regulations 2018. In total the Fund has secured guarantees for 24 Community Admission Bodies and Transferee Admission Bodies currently participating in the Scheme.

UK and European law require pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990. This includes providing equal benefits accrued from that date to reflect the differences in Guaranteed Minimum Pensions (GMPs). To allow the government to continue to meet these requirements an interim solution was introduced which means that public sector pension schemes are required to provide full Consumer Price Index (CPI) pension increases on GMP benefits for members who reach State Pension Age between 6 April 2016 and 5 April 2021. The UK

Government may extend this for members reaching State Pension Age from 6 April 2021 onwards or will adopt a long-term methodology known as conversion. Currently, the additional cost of extending GMP cannot be quantified.

Note 24: Impairment for Bad and Doubtful Debts

The risk of employers being unable to meet their pensions obligations is managed through the NESPF Termination Policy and the NESPF Employer Covenant Assessment Policy which are imbedded within the Funding Strategy Statement. For 2019/20 one employer terminated from the Fund. The assets and liabilities held for this employer were subsumed by the scheme guarantor with a calculated termination fee of zero due upon exit from the Fund. As at 31 March 2020 there are no participating employers in the process of terminating from the Fund.

Note 25: Investment Principles

A summary of the Statement of Investment Principles is available on our website www.nespf.org.uk. A full version of the Statement of Investment Principles is available on request from Director of Resources, Aberdeen City Council, Resources, Level 1 West, Business Hub 7, Marischal College, Broad Street, Aberdeen, AB10 1AB.

The Statement of Investment Principles is reviewed on an annual basis by the Pensions Committee and following any change to the investment strategies of the Pension Funds.

Note 26: Critical Judgements in applying Accounting Policies

Assumptions made about the future and other major sources of estimation uncertainty.

The items in the Net Assets Statement as at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumption
Actuarial present value of promised retirement benefits.	Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets.	The methodology used by the Scheme Actuary is in line with accepted guidelines. Further to the Fund's liability being calculated every three years, an update of the funding position is calculated by the Scheme Actuary every 3 months. Further information can be found in Note 1.
Private Equity Private Debt & Pooled Infrastructure (Unquoted)	Private equity/debt and unquoted pooled infrastructure investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	Private equity £340 million. Private Debt £85 million. Pooled Infrastructure (Unquoted) £76 million. There is a risk that these investments may be under or overstated in the accounts.

Note 27: Events after the Balance Sheet Date

The draft Statement of Accounts was authorised for issue by the Chief Officer - Finance on 30 June 2020. Events taking place after this date are not reflected in the Annual Accounts or Notes. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the Annual Accounts and Notes have been adjusted in all material respects to reflect the impact of this information. No such adjustments have been required.

Along with the rest of the world, the Pension Fund has felt the force of the COVID-19 pandemic, not only in asset value and returns but also in the way we go about our daily business. While asset values and returns have retracted as a result of market volatility, the Fund remains above benchmark, however, there remains uncertainty and potential volatility yet to be experienced.

The Pension Fund has shown its resilience by adapting to alternative working environments to ensure service delivery and most importantly to continue the payment of pensions.

Note 28: Agency Arrangement for Administering Compensatory ‘Added’ Years

The North East Scotland Pension Fund administers compensatory ‘added’ years payments for those awarded up to 2011. The Fund acts as an agent of employing bodies, in respect of staff that have had their pension augmented under The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998.

The cash flows in respect of the relevant employing bodies and associated payroll cost for those compensatory ‘added’ years payments are:

	2018/19	2019/20
	£’000	£’000
Cost incurred/recovered on behalf of:		
Aberdeen City Council	2,360	2,386
Aberdeenshire Council	1,364	1,380
Moray Council	714	720
Scottish Water	1,276	1,286
Other	307	310
Total	6,021	6,082
Associated Payroll Cost	4	4

NOTES TO THE ABERDEEN CITY COUNCIL TRANSPORT FUND ACCOUNTS

Note 1: Actuarial Valuation Report

An Actuarial Report for the Aberdeen City Council Transport Fund was provided as at 31 March 2017. Information from the 2017 Actuarial Valuation is detailed below:

Market Value of Assets at Valuation	£100,000,000
Liabilities	£106,500,000
Deficit	£ 6,500,000

Funding Level

The Level of Funding in terms of the Percentage of Assets available to meet Liabilities	94%
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In the year 2019/20 the assets and liabilities held with the LGPS (Scotland) for First Glasgow were transferred from the Strathclyde No. 3 Fund to the Aberdeen City Council Transport Fund for administrative purposes under a Scottish Government direction.

Following the completion of the transfer, the scheme actuary completed an evaluation of the total liabilities held for both First Aberdeen and First Glasgow based on the 2017 assumptions for the ACCTF

Market Value of Assets at Valuation	£325,000,000
Liabilities	£308,000,000
Surplus	£ 17,000,000

Funding Level

The Level of Funding in terms of the Percentage of Assets available to meet Liabilities	106%
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The figures above are an approximation based on a roll forward of the data held for First Aberdeen as at 31 March 2017 and based on an extract of data held for First Glasgow as at 31 March 2019.

A full valuation of the liabilities will take place in line with regulation as at 31 March 2020.

For the interim period, the contribution requirements for each employer will remain in line with the 2017 valuation carried out by the respective scheme actuaries at the time.

Contribution Requirement

	2018/19	2019/20	2020/21
First Aberdeen (as a percentage of payroll)	33% plus £1,500,000	33% plus £1,500,000	33% plus £1,500,000
First Glasgow	0%	0%	0%

Due to the surplus determined as at 31 March 2017

Contribution requirements for the period from 1 April 2021 onwards will be revised as part of the next actuarial valuation as at 31 March 2020 and will be confirmed in the Rates and Adjustments Certificate and Schedule accompanying that valuation report.

Assumptions Used to Calculate Funding Target

Pre-retirement	1.6% p.a.
Assumed Long Term Price Inflation (CPI)	2.9% p.a.
Salary Increases – Long Term	3.4% p.a.
Salary Increases – Short Term	2.9% p.a. (to 31 March 2018)
Pension Increases in Payment	2.9% p.a.

Actuarial Statement

The Scheme Actuary has provided a statement describing the funding arrangements of the Fund.

The actuarial value of promised retirement benefits at the accounting date, calculated in line with International Accounting Standards 26 (IAS 26) assumptions, is estimated to be £217.3m (2019 £80.9m). Included within the calculation for 2020 is an amount of £1.7million by way of an estimate of the effect of the McCloud judgement. These figures are used for the statutory accounting purposes by Aberdeen City Council Transport Fund and complies with the requirements of IAS 26.

These calculations are only prepared for the purposes of IAS 26 and have no validity in other circumstances. It is not relevant for calculations undertaken for funding purposes and setting contributions payable to the Fund.

The full statement by the Scheme Actuary, including notes on the McCloud judgement, can be found in Appendix 1.

Note 2: Contributions Receivable

	2018/19	2019/20
	£'000	£'000
Employees' Normal Contributions	72	129
Employers' Normal Contributions	385	408
Employers' Deficit Recovery Contributions	1,558	1,500
Total Employers' Contributions	1,943	1,908
Total	2,015	2,037

	2018/19	2019/20
	£'000	£'000
Scheduled Bodies	2,015	2,037
Total	2,015	2,037

Note 3: Benefits Payable

	2018/19	2019/20
	£'000	£'000
Pensions	3,243	7,061
Commutation and Lump Sum Retirement Benefits	337	1,734
Lump Sum Death Benefits	328	324
Total	3,908	9,119

	2018/19	2019/20
	£'000	£'000
Scheduled Bodies	3,908	9,119
Total	3,908	9,119

Note 4: Payment to and on Account of Leavers

There were no payments to and on Account of Leavers.

Note 5: Management Expenses

	2018/19	2019/20
	£'000	£'000
Pension Fund Staffing Costs – Administration	33	40
Information Technology	11	12
Supplies and Services	3	4
Accommodation	2	3
Printing and Publications	1	1
Administration Expenses Total	50	60
Pension Fund Staffing Costs – Investment	5	8
Pension Fund Committee	0	1
External Audit Fee	1	1
Actuarial Fees	20	34
General Expenses	5	5
Oversight and Governance Expenses Total	31	49
Investment Management	212	163
Custody Fees	19	18
Investment Management Expenses Total	231	181
Management Expenses Grand Total	312	290

Note 6: Investment Income

	2018/19	2019/20
	£'000	£'000
Fixed Interest Securities	7	113
Pooled Investments	108	44
Interest on Cash Deposits	14	40
Other (including P/L from Currency & Derivatives)	(25)	27
Total	104	224
Tax -		
Withholding Tax – Fixed Interest Securities	0	0
Withholding Tax – Pooled	0	0
Total Tax	0	0
Net Total	104	224

Note 7a: Investment Assets

Reconciliation of Movements in Investments and Derivatives:

	Market Value 31 March 2019	Purchases	Sales	Change in Market Value	Market Value 31 March 2020
	£'000	£'000	£'000	£'000	£'000
Fixed Interest	27,793	145,755	(8,310)	(304)	164,934
Pooled Investments	76,192	223,147	(158,301)	(5,756)	135,282
	103,985	368,902	(166,611)	(6,060)	300,216
Other					
Cash	4,321				8,733
Investment Income Due	3				148
Investment Sales Amount Receivable	918				0
Investment Purchases Amount Payable	(3,999)				(675)
Net Investment Assets	105,228				308,422

	Market Value 31 March 2018	Purchases	Sales	Change in Market Value	Market Value 31 March 2019
	£'000	£'000	£'000	£'000	£'000
Fixed Interest	1,117	25,095	0	1,581	27,793
Pooled Investments	97,060	26,402	(52,714)	5,444	76,192
	98,177	51,497	(52,714)	7,025	103,985
Other					
Cash	1,621				4,321
Investment Income Due	0				3
Investment Sales Amount Receivable	0				918
Investment Purchases Amount Payable	0				(3,999)
Net Investment Assets	99,798				105,228

Note 7b: Transfer of Strathclyde Transport Fund Assets

	2018/19	2019/20
	£'000	£'000
Cash	0	180,500
Pooled Investment – Unit Trust	0	35,888
Total	0	216,388

Note 8: Analysis of Investments

	2018/19	2019/20
	£'000	£'000
Fixed Interest Securities		
UK		
Public Sector Quoted	27,793	164,934
Pooled Funds – Additional Analysis		
UK		
Fixed Income	28,569	66,554
Unit Trusts	25,750	49,292
Overseas		
Unit Trusts	21,873	19,436
Subtotal Pooled Funds	76,192	135,282
Cash Deposits	4,321	8,733
Investment Income Due	3	148
Investment Sales Amount Receivable	918	0
Investment Assets Total	109,227	309,097
Investment Liabilities		
Investment Purchases Amount Payable	(3,999)	(675)
Investment Liabilities Total	(3,999)	(675)
Net Investment Assets	105,228	308,422

Note 9: Investments Analysed by Fund Manager

Investment Assets	31 March 2019		31 March 2020	
	£'000	%	£'000	%
Schroders	105,000	99.8	103,888	33.7
Transition	0	0.0	204,105	66.2
ACC Loans Fund Deposit	228	0.2	429	0.1
Net Investment Assets	105,228	100.0	308,422	100.0

The following investments represent more than 5% of the Net Investment Assets:

Security	Market Value 31 March 2019 £'000	% of Net Investment Assets	Market Value 31 March 2020 £'000	% of Net Investment Assets
LGIM Active Corporate Bond	0	0.0	33,830	11.0
Schroder Pension Mgt Life DGF Series 8	0	0.0	21,703	7.0
Vanguard Investment Series US Investment Grade Cred Index ACC NAV	15,194	14.4	15,924	5.2
Blackrock Asset Management UK Aquila Life Currency Work Ex UK Equity	6,286	6.0	5,031	1.6
SIF Diversified Completion CLS P Accumulation	10,556	10.0	11,665	3.8
SSGA Lux MG GL Treasury Bond Index GBP	11,984	11.4	12,884	4.2
Vanguard Investment series Global Stock Index FD-INST USD SHS	5,660	5.4	4,925	1.6
Schroder Pension Management Life Risk	8,393	8.0	8,419	2.7
Schroder Matching Plus Synthetic Index Linked Gilt FDI ACC	7,116	6.8	6,320	2.0
UK Gilt 0.125% IL 10/8/2048	10,149	9.6	10,414	3.4
UK Treasury 0.125% IL 22/3/2044	8,802	8.4	1,478	0.5
UK Treasury 0.125% IL 22/3/2058	6,175	5.9	6,232	2.0

Note 10: Stock Lending

Stock Lending is the lending of stock from one investor to another that entitles the lender to continue to receive income generated by the stock plus an additional payment by the borrower.

Collateral is held at a minimum of 108% in respect of each borrower, consisting of Government Debt, UK and Overseas Equities.

There was no stock lending in operation as at 31 March 2020.

Note 11: Financial and Non-Financial Instruments

Accounting policies describe how different asset classes of financial and non-financial instruments are measured. Also, how income and expenses, including fair value gains and losses, are recognised. The following table analyses the fair value of financial assets and liabilities (excluding cash) by category and net assets statement heading. No financial assets were reclassified during the accounting period.

31 March 2019				31 March 2020		
Designated as Fair Value through Profit & Loss	Assets at Amortised Cost	Financial Liabilities at Amortised Cost		Designated as Fair Value through Profit & Loss	Assets at Amortised Cost	Financial Liabilities at Amortised Cost
£'000	£'000	£'000		£'000	£'000	£'000
			Financial Assets			
27,793			Fixed Interest	164,934		
76,192			Pooled	135,282		
	4,321		Cash		8,733	
	921		Other Investment Balances		148	
	488		Debtors		1,178	
103,985	5,730	0	Subtotal	300,216	10,059	0
			Financial Liabilities			
		(3,999)	Other Investment Balances			(675)
		(416)	Creditors			(772)
103,985	5,730	(4,415)		300,216	10,059	(1,447)
		105,300	Financial Instruments Total			308,828
0			Non - Financial Instruments	0		
103,985	5,730	(4,415)		300,216	10,059	(1,447)
		105,300	Net Assets of the Fund			308,828

Note 12: Net Gains and Losses on Financial and Non-Financial Instruments

31 March 2019		31 March 2020
£'000		£'000
	Financial Assets	
7,025	Fair Value through Profit and Loss	(6,060)
	Financial Liabilities	
0	Fair Value through Profit and Loss	0
	Net Gains and Losses on Financial Instruments	(6,060)
	Non-Financial Instruments	
0	Fair Value through Profit and Loss	0
7,025	Net Gains and Losses of the Fund	(6,060)

Note 13: Valuation of Financial and Non-Financial Instruments carried at Fair Value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair value.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets and liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use input that is based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted private equity/debt and infrastructure investments and hedge fund of funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investments in unquoted private equity/debt and infrastructure are based on valuations provided by the general partners to the funds in which Aberdeen City Council Transport Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

The following table provides an analysis of the financial assets and liabilities of the Pension Fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Non-Financial instruments have been added to the table for reconciliation to the Net Assets of the Fund.

Note 13a: Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There have been no changes in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities affecting the Valuations Provided
Market Quoted Investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted Bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Exchange Traded Pooled Investments	Level 1	Closing bid value on published exchanges	Not required	Not required
Pooled Investments – Overseas Unit Trusts and Property Funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required

	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs	
Values at 31 March 2020	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets at Fair Value through Profit and Loss	300,216	0	0	300,216
Non-Financial Assets at Fair Value through Profit and Loss	0	0	0	0
Financial Liabilities at Fair Value through Profit and Loss	0	0	0	0
Net Investment Assets (Fair Value)	300,216	0	0	300,216

	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs	
Values at 31 March 2019	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets at Fair Value through Profit and Loss	103,985	0	0	103,985
Non-Financial Assets at Fair Value through Profit and Loss	0	0	0	0
Financial Liabilities at Fair Value through Profit and Loss	0	0	0	0
Net Investment Assets (Fair Value)	103,985	0	0	103,985

Note 13b: Transfers between Levels 1 and 2

There were no transfers between Level 1 and 2.

Note 13c: Reconciliation of Fair Value Measurements within Level 3

There are no Fair Value Measurements at Level 3 within the ACC Transport Fund. Therefore, no reconciliation is required.

Note 13d: Sensitivity of Assets Valued at Level 3

There are no assets valued at Level 3 within the ACC Transport Fund. Therefore, no sensitivity analysis is required.

Note 14: Risk arising from Financial and Non-Financial Instruments

The Fund's primary long term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio.

The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk, ensuring there is liquidity to meet the Fund's forecast cash flows.

The Fund manages these investment risks as part of its overall Pension Fund Risk Management Strategy.

Responsibility for the Fund's Risk Management Strategy rests with the Pensions Committee. Risk management policies are established to identify and analyse the risks faced by the Fund. Policies are reviewed regularly to reflect changes in activity and in market conditions.

Market Risk

Market risk is the risk of loss from fluctuations in equity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future prices and yield movements and the asset mix.

The objective of the Fund's Risk Management Strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical location, industry sectors and individual securities.

Specific risk exposure is limited by applying risk weighted maximum exposures to individual investments.

Other Price Risk – Sensitivity Analysis

Following analysis of historical data and expected investment return movement during the financial year and in consultation with the Fund's Investment Advisor, the Fund has determined that the following movements in market price risk are reasonably possible for the 2019/20 reporting period.

Asset Type	Potential Market Movements (+/-)
Cash	1.0%
UK Bonds	7.5%
Overseas Bonds	7.5%
UK Equities	16.5%
Overseas Equities	20.5%
Pooled – Diversified Growth Funds	12.5%

The potential price changes disclosed above are broadly consistent with a one standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the Scheme Actuary's most recent review. This analysis assumes that all other variables, particularly foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund's investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown below).

Asset Type	Value as at 31 March 2020	% Change	Value on Increase	Value on Decrease
	£'000		£'000	£'000
UK Bonds	231,488	7.5	235,124	227,852
UK Equities	15,924	16.5	18,778	13,070
Overseas Equities	19,436	20.5	24,378	14,494
Pooled – Diversified Growth Funds	33,368	12.5	34,918	31,818
Total	300,216		313,198	287,234

Asset Type	Value as at 31 March 2019	% Change	Value on Increase	Value on Decrease
	£'000		£'000	£'000
UK Bonds	56,362	7.5	60,589	52,135
UK Equities	15,194	16.0	17,625	12,763
Overseas Equities	21,873	20.5	26,357	17,389
Pooled – Diversified Growth Funds	10,556	12.5	11,876	9,236
Total	103,985		116,447	91,523

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks which represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Fund in accordance with the Fund's Risk Management Strategy, including monitoring the exposure to interest rates and assessments of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2019 and 31 March 2020 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

Asset type	As at 31 March 2019	As at 31 March 2020
	£'000	£'000
Cash and Cash Equivalents	4,321	8,733
Cash Balances	1	733
Fixed Interest Securities	56,362	231,488
Total	60,684	240,954

Interest Rate Risk Sensitivity Analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. A 100-basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's Risk Management Strategy. The Fund's long term average rates are expected to move less than 100 basis points from one year to the next and experience suggests that such movements are likely.

The analysis that follows assumes that all other variables, particularly exchange rates, remain constant and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates:

Exposure to Interest Rate Risk	Asset Values as at 31 March 2020	Impact	
		+1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	8,733	8,820	8,646
Cash Balances	733	740	726
Fixed Interest Securities	231,488	233,803	229,173
Total	240,954	243,363	238,545

Exposure to Interest Rate Risk	Asset Values as at 31 March 2019	Impact	
		+1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	4,321	4,364	4,278
Cash Balances	1	1	1
Fixed Interest Securities	56,362	56,926	55,798
Total	60,684	61,291	60,077

Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored by the Fund in accordance with the Fund's Risk Management Strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2020 and as at the previous year end:

Currency Exposure – Asset Type	Asset Value as at 31 March 2019	Asset Value as at 31 March 2020
	£'000	£'000
Overseas Unit Trusts	21,873	19,436
Total Overseas Assets	21,873	19,436

Currency Risk – Sensitivity Analysis

Following analysis of historical data in consultation with the Fund's investment advisors, the Fund considers the likely volatility associated with foreign exchange rate movements to be 10.0%.

This analysis assumes that all other variables, particularly interest rates, remain constant.

A 10.0% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets to pay benefits as follows:

Assets Exposed to Currency Risk	Asset Value as at 31 March 2020	Potential Market Movement	
		+10.0%	-10.0%
	£'000	£'000	£'000
Overseas Unit Trust	19,436	21,380	17,492
Total	19,436	21,380	17,492

Assets Exposed to Currency Risk	Asset Value as at 31 March 2019	Potential Market Movement	
		+10.2%	-10.2%
	£'000	£'000	£'000
Overseas Unit Trust	21,873	24,104	19,642
Total	21,873	24,104	19,642

Credit Risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the Fund's credit criteria. The Local Government Pension Scheme Investment Regulations have limits as to the maximum percentage of the

deposits placed with any one class of financial institution. Money market fund deposits are made through the Funds' Global Custodian and are evaluated according to their internal criteria.

Deposits made to the Aberdeen City Council (ACC) Loans Fund are administered within the Aberdeen City Council treasury policy.

The Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits. The Fund's cash holding at 31 March 2020 was £9,466,000 and at 31 March 2019 £4,322,000. This was held with the following institutions:

Summary	Rating	Balance as at 31 March 2019	Balance as at 31 March 2020
		£'000	£'000
Bank Deposit Accounts			
ACC Loans Fund Deposit	N/A	228	429
HSBC	A+	4,093	8,304
Subtotal		4,321	8,733
Bank Current Accounts			
HSBC	A+	0	731
Clydesdale Bank	A-	1	2
Total		4,322	9,466

Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund ensures that it has adequate cash resources to meet its commitments. The Fund has immediate access to its cash holdings.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. There were no illiquid assets as at 31 March 2020 and 31 March 2019.

Note 15a: Long Term Assets

	31 March 2019	31 March 2020
	£'000	£'000
Lifetime Tax Allowance	296	269
Total Long Term Assets	296	269

Note 15b: Current Assets

	31 March 2019	31 March 2020
	£'000	£'000
Employees' Contributions due	1	3
Employers' Contributions due	5	132
Sundry Debtors	185	41
Subtotal	191	176
Bank	1	733
Total Current Assets	192	909

Note 15c: Current Liabilities

	31 March 2019	31 March 2020
	£'000	£'000
Sundry Creditors	132	285
Benefits Payable	284	487
Total Current Liabilities	416	772

Note 16: Related Party Transactions

Aberdeen City Council provides administration services for the Pension Funds, the costs of which are reimbursed by the Funds.

The cost of these services for the Aberdeen City Council Transport Fund was £53,751 (2018/19 - £41,893).

Prior to the remittance of excess cash to the investment fund managers, surplus cash is invested as a temporary loan with the Council. At the year end this amounted to £429,000 (2018/19 - £228,000) for the Aberdeen City Council Transport Fund.

Interest was received from the Council of £2,590 (2018/19 - £1,584) for the Aberdeen City Council Transport Fund.

Note 17: Contingent Assets/Liabilities

UK and European law require pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990. This includes providing equal benefits accrued from that date to reflect the differences in Guaranteed Minimum Pensions (GMPs). To allow the government to continue to meet these requirements an interim solution was introduced which means that public sector pension schemes are required to provide full Consumer Price Index (CPI) pension increases on GMP benefits for members who reach State Pension Age between 6 April 2016 and 5 April 2021. The UK Government may extend this for members reaching State Pension Age from 6 April 2021 onwards or will adopt a long-term methodology known as conversion. Currently, the additional cost of extending GMP cannot be quantified.

Note 18: Key Management Personnel

Certain employees of Aberdeen City Council hold key positions in the financial management of the Aberdeen City Council Transport Fund. However, they are not members of the Aberdeen City Council Transport Fund.

Note 19: Investment Principles

A summary of the Statement of Investment Principles is available on the Pension Fund's website www.nespf.org.uk. A full version of the Statement of Investment Principles is available on request from Director of Resources, Aberdeen City Council, Resources, Level 1 West, Business Hub 7, Marischal College, Broad Street, Aberdeen, AB10 1AB.

The Statement of Investment Principles is reviewed on an annual basis by the Pensions Committee and in the light of any change to the investment strategy of the Pension Fund.

Note 20: Critical Judgements in applying Accounting Policies

Assumptions made about the future and other major sources of estimation uncertainty.

The items in the Net Assets Statement at 31 March 2020 for which there is a significant risk of material adjustments in the forthcoming financial year are shown below:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Actuarial present value of promised retirement benefits	Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets.	The methodology used by the Scheme Actuary is in line with accepted guidelines. Further to the Fund's liability being calculated every three years, an update of the funding position is calculated by the Scheme Actuary every 3 months. Further information can be found in Note 1.

Note 21: Events after the Balance Sheet Date

The Unaudited Statement of Accounts was authorised for issue by the Chief Officer - Finance on 30 June 2020. Events taking place after this date are not reflected in the Annual Accounts or Notes. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the Annual Accounts and Notes have been adjusted in all material respects to reflect the impact of this information. No such adjustments have been required.

Along with the rest of the world, the Pension Fund has felt the force of the COVID-19 pandemic, not only in asset value and returns but also in the way we go about our daily business. While asset values and returns have retracted as a result of market volatility, the Fund remains above benchmark, however, there remains uncertainty and potential volatility yet to be experienced.

The Pension Fund has shown its resilience by adapting to alternative working environments to ensure service delivery and most importantly to continue the payment of pensions.

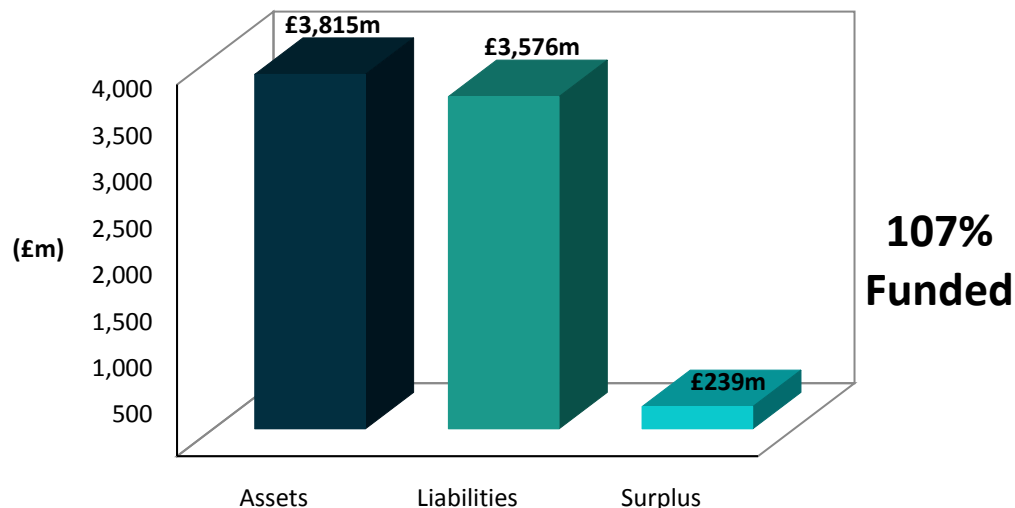
Appendix 1 – Statement by the Consulting Actuary

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 - STATEMENT BY THE CONSULTING ACTUARY

This statement has been provided to meet the requirements under Regulation 55 (1)(d) of The Local Government Pension Scheme (Scotland) Regulations 2018.

North East Scotland Pension Fund

An actuarial valuation of the North East Scotland Pension Fund was carried out as at 31 March 2017 to determine the contribution rates with effect from 1 April 2018 to 31 March 2021.



On the basis of the assumptions adopted, the Fund's assets of £3,815 million represented 107% of the Fund's past service liabilities of £3,576 million (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £239 million.

The valuation also showed that a Primary contribution rate of 22.0% of pensionable pay per annum was required from employers. The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the Funding Strategy Statement (FSS) is to achieve and then maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a surplus exists at the effective date of the valuation a plan will be put in place which allows contribution offsets to refund any surplus.

The FSS sets out the process for determining the spread period in respect of each employer (or the recovery period for those employers with a deficit in the Fund). At the last actuarial valuation, the average spread/recovery period adopted was approximately 24 years, and the total initial surplus reclaimed on a whole fund level (the “Secondary rate” for 2019/20) was approximately £12.8 million per annum.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated 28 March 2018.

In practice, each individual employer’s position is assessed separately and the contributions required are set out in the report. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the FSS. Any different approaches adopted, e.g. with regard to the implementation of contribution increases and surplus offset periods, are as determined through the FSS consultation process.

The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary rate of contribution were as follows:

	For both past and future service liabilities (Funding Target and Primary rate of contribution)
Rate of return on investments (discount rate)	4.15% per annum
Rate of pay increases (long term)*	3.9% per annum
Rate of increases in pensions in payment (in excess of GMP)/deferment	2.4% per annum
Rate of CPI Inflation/CARE benefit revaluation	2.4% per annum

* allowance was also made for short-term public sector pay restraint over a 3-year period.

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2020. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2021.

The McCloud Judgment

The “McCloud judgment” refers to a legal challenge in relation to historic benefit changes for all public sector schemes being age discriminatory. The Government announced in 2019 that this needs to be remedied for all schemes including the LGPS. This is likely to result in increased costs for some employers. This remedy is not yet agreed but guidance issued requires that each Fund sets out its policy on addressing the implications.

As they were calculated in 2017, the above funding level and Primary contribution rate do not include an allowance for the estimated cost of the McCloud judgment. However,

at the overall Fund level we estimate that the cost of the judgment could be an increase in past service liabilities of broadly £24 million and an increase in the Primary Contribution rate of 1.0% of Pensionable Pay per annum.

Impact of COVID-19

The valuation results and employer contributions above were assessed as at 31 March 2017. In 2020 we have so far seen significant volatility and uncertainty in markets around the world in relation to the COVID-19 pandemic. This potentially has far-reaching consequences in terms of funding and risk, and these will be considered as part of the 2020 valuation process, including considering what changes (if any) should be made to contributions.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes.

To assess the value of the benefits on this basis, we have used the following financial assumptions as at 31 March 2020 (the 31 March 2019 assumptions are included for comparison):

	31 March 2019	31 March 2020
Rate of return on investments (discount rate)	2.6% per annum	2.4% per annum
Rate of pay increases*	3.7% per annum	3.6% per annum
Rate of increases in pensions in payment (in excess of GMP)/deferment	2.3% per annum	2.2% per annum
Rate of CPI Inflation/CARE benefit revaluation	2.2% per annum	2.1% per annum

* includes a corresponding allowance to that made in the latest formal actuarial valuation for short-term public sector pay restraint

The demographic assumptions are the same as those used in the 2017 valuation, except the post retirement mortality assumptions, which have been updated to reflect analysis carried out in 2019 (set out below). Full details of the valuation assumptions are set out in the formal report on the actuarial valuation dated 28 March 2018.

Corporate bond yields were similar at the start and end of year resulting in the same discount rate of 2.4% p.a. being used for IAS 26 purposes at the year-end as for last year. The expected long-term rate of CPI inflation decreased during the year, from 2.2% p.a. to 2.1%, which served to decrease the liabilities slightly over the year.

The value of the Fund's promised retirement benefits for the purposes of IAS 26 as at 31 March 2019 was estimated as £5,422 million, including an estimate of the potential impact of the McCloud judgment.

Interest over the year increased the liabilities by c£131 million. Allowing for net benefits accrued/paid over the period then increased the liabilities by c£87 million (this includes the impact of early retirements/augmentations, a revised estimate of the potential impact of the McCloud judgment and the impact of GMP Indexation (see comments elsewhere in this statement)). There was a decrease in liabilities of £388 million made up of “actuarial gains” (£101 million relating to changes in financial assumptions, and £287 million relating to changes in the post retirement mortality assumptions).

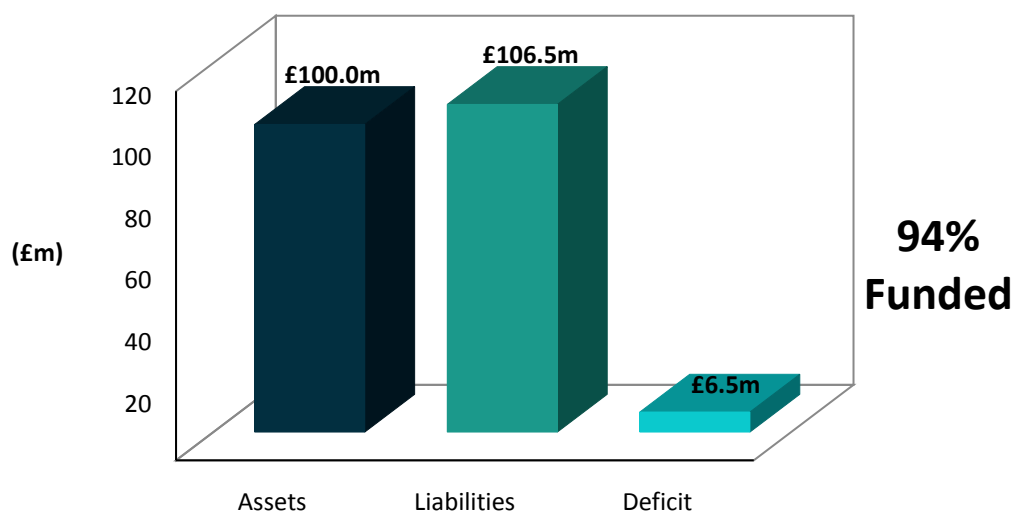
The net effect of all the above is that the estimated total value of the Fund’s promised retirement benefits as at 31 March 2020 is therefore £5,252 million.

GMP Indexation

At present, the public service schemes are required to provide full CPI pension increases on GMP benefits for members who reach State Pension Age between 6 April 2016 and 5 April 2021. The UK Government may well extend this at some point in the future to include members reaching State Pension Age from 6 April 2021 onwards, which would give rise to a further cost to the LGPS and its employers. If the Fund were required to index-link GMP benefits in respect of those members who reach their State Pension Age after April 2021, then this would increase the Fund liabilities by about £16 million on IAS26 assumptions, and we have included this amount within the final IAS26 liability figure above.

Aberdeen City Council Transport Fund

An actuarial valuation of the Aberdeen City Council Transport Fund was carried out as at 31 March 2017 to determine the contribution rates with effect from 1 April 2018 to 31 March 2021.



On the basis of the assumptions adopted, the Fund's assets of £100 million represented 94% of the Fund's past service liabilities of £106.5 million (the "Solvency Funding Target") at the valuation date. The deficit at the valuation was therefore £6.5 million. The valuation also showed that a Primary contribution rate of 58.5% of pensionable pay per annum was required from the employer. The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the Funding Strategy Statement (FSS) is to achieve a solvency funding level of 100% of liabilities (the solvency funding target) over a reasonable time period and then maintain sufficient assets in order for it to pay all benefits arising as they fall due. In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall.

The FSS sets out the process for determining the recovery plan. At the last actuarial valuation, the Administering Authority and First Aberdeen Limited agreed that First Aberdeen Limited will maintain the same level of current contributions as those agreed at the 2014 valuation, which is 33% of pensionable pay plus £1.5m p.a. At present, therefore, part of the £1.5m annual payment is being used to finance the costs in relation to future service. This means that the amount to recover the shortfall is approximately £1.2m p.a. On this basis the deficit would be expected to be removed in about 5 years from 31 March 2018.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated 28 March 2018.

The valuation was carried out using the attained age actuarial method and the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary rate of contribution were as follows:

	For both past and future service liabilities (Funding Target and Primary rate of contribution)
Rate of return on investments (discount rate)	1.6% per annum
Rate of pay increases (short term)	2.9% per annum to 31 March 2018
Rate of pay increases (long term)	3.4% per annum
Rate of increases in pensions in payment (in excess of GMP)/deferment	2.9% per annum
Rate of CPI Inflation/CARE benefit revaluation	2.9% per annum

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2020. Based on the results of this valuation, the contribution rate payable will be revised with effect from 1 April 2021.

The McCloud Judgment

The “McCloud judgment” refers to a legal challenge in relation to historic benefit changes for all public sector schemes being age discriminatory. The Government announced in 2019 that this needs to be remedied for all schemes including the LGPS. This is likely to result in increased costs for some employers. This remedy is not yet agreed but guidance issued requires that each Fund sets out its policy on addressing the implications.

As they were calculated in 2017, the above funding level and Primary contribution rate do not include an allowance for the estimated cost of the McCloud judgment. However, at the overall Fund level we estimate that the cost of the judgment could be an increase in past service liabilities of less than £100,000 and a negligible increase in the Primary Contribution rate.

Impact of COVID-19

The valuation results and employer contributions above were assessed as at 31 March 2017. In 2020 we have so far seen significant volatility and uncertainty in markets around the world in relation to the COVID-19 pandemic. This potentially has far-reaching consequences in terms of funding and risk, and these will be considered as part of the 2020 valuation process, including considering what changes (if any) should be made to contributions.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund’s promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes.

To assess the value of the benefits on this basis, we have used the following financial assumptions as at 31 March 2020 (the 31 March 2019 assumptions are included for comparison):

	31 March 2019	31 March 2020
Rate of return on investments (discount rate)	2.4% per annum	2.4% per annum
Rate of pay increases	2.7% per annum	2.6% per annum
Rate of increases in pensions in payment (in excess of GMP)/deferment	2.3% per annum	2.2% per annum
Rate of CPI Inflation/CARE benefit revaluation	2.2% per annum	2.1% per annum

The demographic assumptions are the same as those used in the 2017 valuation for the Aberdeen City Council Transport Fund, except the post retirement mortality assumptions, which have been updated to reflect analysis carried out in 2019 (set out below). Full details of the valuation assumptions are set out in the formal report on the

actuarial valuation dated 28 March 2018 (and the equivalent report for the Strathclyde No. 3 Fund).

Corporate bond yields were similar at the start and end of year resulting in the same discount rate of 2.4% p.a. being used for IAS 26 purposes at the year-end as for last year. The expected long-term rate of CPI inflation decreased during the year, from 2.2% p.a. to 2.1%, which served to decrease the liabilities slightly over the year.

The value of the Fund's promised retirement benefits for the purposes of IAS 26 as at 31 March 2019 was estimated as £80.9 million.

Interest over the year increased the liabilities by c£1.9 million. Allowing for net benefits accrued/paid over the period then decreased the liabilities by c£2.1 million (this includes the impact of early retirements/augmentations, a revised estimate of the potential impact of the McCloud judgment and the impact of GMP Indexation (see comments elsewhere in this statement)). There was a decrease in liabilities of £7.4 million made up of "actuarial gains" (£1.4 million relating to changes in financial assumptions, and £6.0 million relating to changes in the post retirement mortality assumptions).

Over the year, the Strathclyde Pension No. 3 Fund merged with the Aberdeen City Council Transport Fund. The impact at 31 March 2020 of this merger is an increase in liabilities of £144.0 million.

The net effect of all the above is that the estimated total value of the Fund's promised retirement benefits as at 31 March 2020 is therefore £217.3 million.

GMP Indexation

At present, the public service schemes are required to provide full CPI pension increases on GMP benefits for members who reach State Pension Age between 6 April 2016 and 5 April 2021. The UK Government may well extend this at some point in the future to include members reaching State Pension Age from 6 April 2021 onwards, which would give rise to a further cost to the LGPS and its employers. If the Fund were required to index-link GMP benefits in respect of those members who reach their State Pension Age after April 2021, then this would increase the Fund liabilities (including the liabilities that were formerly part of the Strathclyde No. 3 Fund) by about £1.7 million on IAS26 assumptions, and we have included this amount within the final IAS26 liability figure above.

Post retirement mortality assumptions applied at 31 March 2020

The post retirement assumptions adopted use S3PA tables ("middle" tables for females), other than for female dependants, where the S3DA tables have been used and for members retiring in ill-health, where the S3IA tables have been used. The future improvements assumptions adopted are in line with the CMI 2019 model with $Sk=7.5$, long term rate of 1.75% and weightings as set out below:

North East Scotland Pension Fund

Current Status	Retirement Type	Weighting
Annuitant	Normal Health	114% males 101% females
	Dependant	150% males 104% females
	Ill Health	136% males 144% females
	Future Dependant	146% males 121% females
Active	Normal Health	121% males 101% females
	Ill Health	134% males 151% females
Deferred	All	144% males 116% females
Active/deferred	Future Dependant	153% males 128% females

Aberdeen City Council Transport Fund

Current Status	Retirement Type	Weighting – former ACCTF members	Weighting – former Strathclyde members
Annuitant	Normal Health	108% males 88% females	117% males 94% females
	Dependant	100% males 104% females	145% males 111% females
	Ill Health	132% males 149% females	137% males 150% females
	Future Dependant	128% males 112% females	139% males 119% females
Active	Normal Health	112% males 115% females	112% males 86% females
	Ill Health	128% males 169% females	128% males 131% females
Deferred	All	143% males 102% females	136% males 110% females
Active/deferred	Future	137% males	140% males
	Dependant	121% females	120% females

Paul Middleman
 Fellow of the Institute and Faculty of Actuaries
 Mercer Limited
May 2020

Appendix 2 – Schedule of Employers

North East Scotland Pension Fund

	Employers as at 31 March 2019	New Admissions	Ceased	Employers as at 31 March 2020
Scheduled Bodies	11	0	0	11
Transferee Bodies	14	1	0	15
Admission Bodies	25	0	1	24
Total	50	1	1	50

Participating Employers as at 31 March 2020:

1.	Aberdeen City Council (Administering Authority)	Scheduled
2.	Aberdeenshire Council	Scheduled
3.	The Moray Council	Scheduled
4.	Scottish Water	Scheduled
5.	Grampian Valuation Joint Board	Scheduled
6.	Scottish Fire and Rescue Service	Scheduled
7.	Scottish Police Authority	Scheduled
8.	North East Scotland College	Scheduled
9.	Moray College	Scheduled
10.	Visit Scotland	Scheduled
11.	NESTRANS	Scheduled
12.	Robertson Facilities Management (Shire)	Transferee
13.	Bon Accord Care Ltd	Transferee
14.	Bon Accord Support Services Ltd	Transferee
15.	Aberdeen Heat & Power Ltd	Transferee
16.	Station House Media Unit	Transferee
17.	Aberdeen Sports Village	Transferee
18.	Sport Aberdeen	Transferee
19.	Robertson Facilities Management (City)	Transferee
20.	Forth & Oban Ltd	Transferee
21.	Alcohol and Drugs Action	Transferee
22.	Idverde UK	Transferee
23.	Citymoves Dance Agency	Transferee
24.	Xerox (UK) Ltd	Transferee
25.	Forth and Oban Ltd (Shire)	Transferee
26.	Inspire Catering Scotland LLP	Transferee
27.	Aberdeen Endowments Trust	Admitted
28.	North East Sensory Services	Admitted
29.	Aberlour Child Care Trust	Admitted
30.	Fraserburgh Harbour Commissioners	Admitted
31.	Peterhead Port Authority	Admitted
32.	Robert Gordon University	Admitted
33.	Robert Gordon's College	Admitted

34.	Aberdeen Cyrenians	Admitted
35.	Mental Health Aberdeen	Admitted
36.	Fersands & Fountain Community Project	Admitted
37.	SCARF	Admitted
38.	Inspire (Partnership Through Life) Ltd	Admitted
39.	Archway	Admitted
40.	St Machar Parent Support Project	Admitted
41.	Printfield Community Project	Admitted
42.	HomeStart Aberdeen	Admitted
43.	Aberdeen Foyer	Admitted
44.	HomeStart NEA	Admitted
45.	Pathways	Admitted
46.	Outdoor Access Trust for Scotland	Admitted
47.	Osprey Housing	Admitted
48.	Aberdeen Performing Arts	Admitted
49.	Sanctuary Scotland Housing Association Ltd	Admitted
50.	Scottish Lighthouse Museum	Admitted

Aberdeen City Council Transport Fund

1.	First Aberdeen	Scheduled
2.	First Glasgow	Scheduled

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ABERDEEN CITY COUNCIL

COMMITTEE	UBC
DATE	30 June 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Financial Resilience Recovery Plan
REPORT NUMBER	RES/20/101
DIRECTOR	Steve Whyte
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Steve Whyte & Jonathan Belford
TERMS OF REFERENCE	UBC 1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the Committee with a proposed recovery plan to the current financial challenges the Council faces in maintaining a balanced budget position for the financial year 2020/21 and the actions that will be required to achieve this position.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Notes the Updated financial position contained within the report;
- 2.2 Notes the requirement of the Council to make arrangements for the proper administration of its financial affairs, including the maintenance of a balanced budget;
- 2.3 Agrees that using uncommitted usable General Fund reserves is not an appropriate solution to the immediate costs highlighted in the report, and that the Council must maintain its uncommitted reserves to meet future costs that are unknown, the likes of which have been highlighted by the World Health Organisations, detailed in Appendix 9;
- 2.4 Agrees that Capital Receipts receivable continue to be set aside to fund Voluntary Severance / Early Retirement costs in line with the permissions granted by Scottish Government that end on 31 March 2021;
- 2.5 Agrees that the initial estimate for the impact of the Covid-19 pandemic on the Council's capital financing requirement offers no opportunity to borrow for revenue purposes, even where permission has been granted by the Scottish Government;
- 2.6 Agrees, in light of the removal of the statutory obligation to deliver 1,140 hours of early learning and childcare from August 2020, the Council takes steps to

offset Covid-19 related costs to the value of £8m to support children and families by using the flexibility in the ELC Expansion specific grant funding;

- 2.7 Having regard to the equality and human rights impact assessments, incorporating the Fairer Scotland Duty, as set out in background papers, approves the revised commissioning intentions and service standards as described in Appendix 6, the related proposals at Appendix 7 and the revision to fees and charges set out in Appendix 8, to address the financial outturn position for 2020/21 and maintain a balanced budget, as summarised in paragraph 3.53;
- 2.8 Agrees to the balance (£6.6m) of uncommitted ELC Expansion specific grant being held as a contingency against further Covid-19 related costs the Council is financially exposed to during the remainder of the financial year, and that the use of this contingency is delegated to the Chief Officer – Finance, following consultation with the Chief Executive and Convener of City Growth and Resources Committee;
- 2.9 Agree that in the event of future costs exceeding £6.6m and no further funding being receivable by the Council to cover those costs then instruct the Chief Officer – Finance to report the situation to the City Growth & Resources Committee or an Urgent Business Committee if required;
- 2.10 Notes the current position of the IJB and instructs the Chief Officer - Finance to report the details of the IJB recovery plan to the City Growth & Resources Committee on 28 October 2020;
- 2.11 Notes the financial risk at Section 6 and acknowledges that the decision on 20 March 2020 to defer and limit collection and recovery action by the Council for Council debts cannot continue indefinitely, and agrees to recommence collection and recovery processes for all debts, with effect from 1 July 2020, and to continue to consider situations of hardship on a case by case basis;
- 2.12 Agrees, in light of the financial situations presented by the Covid-19 pandemic described in the report, that in line with terms and conditions, the Council will not make any refunds for services altered as a result of its response to the pandemic;
- 2.13 Notes the initial financial impact assessment on the General Fund Capital Programme for financial years 2020/21 to 2024/25, as set out in paragraph 3.115 and agrees to receive the reprofiled capital programmes as part of the Quarter 2 financial reporting;
- 2.14 Agrees that the next scheduled report on financial performance will be the Quarter 2 report to City Growth & Resources Committee on 28 October 2020, with an earlier meeting of the Committee being requested by the Chief Officer – Finance, to present an interim report, if the circumstances require it;
- 2.15 Notes the forecast outturn for the 2020/21 Housing Revenue Account as set out in Appendix 10; and

2.16 Notes the forecast outturn for the 2020/21 Common Good as set out in Appendix 11.

3. BACKGROUND

3.1 On 20 March 2020, the Urgent Business Committee had before it a financial resilience plan, prepared in light of the emerging magnitude of the response to the global Covid-19 pandemic. That report highlighted the steps the Council had put in place to maintain financial resilience and this included the early identification of financial impact for 2020/21.

3.2 The Urgent Business Committee, on 6 May 2020, considered a further report on a fuller assessment of the financial impact of the pandemic on the Council and the financial position for 2020/21. The report provided the potential scenarios arising from the pandemic that the Council could face based on the position at that time. It should be noted that there was a great deal of uncertainty at that point in terms of how long the “lockdown” would remain in force and how long it may take to return to a “new norm”.

3.3 This report builds on that fuller assessment to provide the Committee with the latest estimated position for the financial year 2020/21 and the actions that are recommended to ensure the Council continues to maintain a balanced budget.

3.4 Through the powers delegated to the Chief Executive and the Duty Emergency Response Coordinator, the Council has made decisions to secure the safety and wellbeing of staff and customers in accordance with government guidance and legislation. At the same time as incurring additional costs, the anticipated levels of income across the Council and its group of ALEO's has reduced.

3.5 The Local Government Finance Act 1992 provides that the Council must set its Council Tax amount by 11 March each year for the next financial year. The amount set must be sufficient to meet total estimated expenditures. This means that having taken account of expenditure, agreed savings and income from other sources, the level of Council Tax must ensure that a balanced budget is set by the Council. Aberdeen City Council set the Council Tax for 2020/21 on 3 March 2020 to ensure a balanced budget for year ahead, in accordance with its statutory duty. As a result of the Covid-19 pandemic, the council is no longer in financial balance.

3.6 In order to control expenditure in line with the organisation's approved budget, the Council's Financial Regulations states that no expenditure is permitted unless it can be met from an approved budget. However, as outlined at the meeting of the Urgent Business Committee meetings on 20 March 2020 and 6 May 2020, the impact of the coronavirus pandemic on local government in Scotland is significant with the Council incurring unprecedented financial pressure. The impact on the Council at its budget setting meeting on 3 March 2020 prior to the declaration of a pandemic was unforeseen.

3.7 Under section 95 of the Local Government (Scotland) Act 1973, each local authority must continue to make arrangements for the proper administration of its financial affairs. The Council has appointed the Chief Officer – Finance to

oversee these arrangements. In accordance with CIPFA guidance, the Council's Chief Officer – Finance must exercise a professional responsibility to intervene in spending plans in order to maintain the balance of resources so that the authority remains in sound financial health.

- 3.8 On 6 May 2020 the Urgent Business Committee, in accordance with the Council's duties under section 95, instructed the Chief Officer – Finance to report back again to the meeting of this Urgent Business Committee with proposals to ensure the Council maintained a balanced budget position in line with its statutory duty. This report addresses the Committee's instruction and contains proposals that, if taken, will help ensure the Council maintains a balanced budget for 2020/21 based on the information known at this time.
- 3.9 We continue to oscillate between the stages of rescue, transition and recovery as the Council continues to respond to the impact of the Covid-19 pandemic. Much remains uncertain and ambiguous. However, in light of the duties facing the Council, this report attempts to set out the financial position across a spectrum of certainty to complete uncertainty. This is an exceptional position for local government to be in and it is clear from the emerging position of Councils across Scotland, Aberdeen City is not alone in having to address it. As the council's Chief Financial Officer, I have attempted to ensure as much reliability and rigour to the financial data presented but I must caveat the presentation of these numbers given the huge uncertainty that remains.
- 3.10 Should the Council fail to take steps to ensure a balanced budget for 2020/21 based on the information available at this time, the Chief Officer – Finance may report the matter to the Monitoring Officer. The Monitoring Officer under section 5 of the Local Government and Housing Act 1989 must prepare a report to the Council if it appears to them that any decision by the authority would give rise to a breach of a statutory duty. Any decision which is subject to such a report is suspended until the Council has considered the report. The authority is under a duty to take no steps to implement any such decision whilst it is suspended.

Government Phasing Plan

- 3.11 On 21 May 2020 Scottish Government's Covid-19 Framework for Decision Making was published. This Framework indicates that the response to the pandemic nationally is beginning to move from the 'rescue' stage to the 'transition' stage; that is the stage bridging 'rescue' with 'recovery'. The Framework sets out a route map against four phases through which the Scottish Government will aim to ease existing restrictions. The four phases are gradual and incremental, and each phase will be triggered following careful monitoring of the virus. The route map provides an indication of the order in which the government will seek to lift current restrictions but at this point does not specify dates for all of the different phases. Instead, every three weeks the government will review and report on whether, and to what extent, it can move from one phase to another. It may be that not everything currently listed in a single phase will happen at the same time. The First Minister confirmed on 28 May 2020 that the country was moving to Phase 1 with the easing of restrictions taking place with effect from 29 May 2020. At the second review on 18 June 2020, the First Minister announced that the country was moving to Phase 2. At the second

review, the First Minister indicated that not all measures set out in Phase 2 of the Scottish Government’s Route Map would come into effect immediately. This demonstrates that a flexible approach will be taken to the easing of restrictions against the Route Map and that there is no absolute certainty on when specific restrictions will be lifted. The next review date will be on 9 July 2020 (when the country may move to Phase 3) followed by another review on 30 July (when the country may move to Phase 4).

- 3.12 As part of the Council’s Covid19 response during the ‘rescue’ stage, work was already underway to plan for a range of foreseeable scenarios, across a number of workstreams, as set out below.

Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 4
Virus Contained		Virus Re-occurs	Pandemic Escalation	
Lockdown relaxed / ends May 2020	Lockdown relaxed / ends June to September 2020	Lockdown ends, but is recommenced following one or more waves	Lockdown persists beyond September 2020	Lockdown persists beyond March 2021

- 3.13 At the time of writing this report, Scenario 2 has been activated and Council services have been reinstated, or are being prepared for reinstatement, within a new operating environment, and in line with the Scottish Government’s 4 Phase Route Map.

- 3.14 By definition, Scenario 3 remains possible (i.e. a recurrence of the virus and a return to lockdown restrictions). This brings unavoidable uncertainty, however plans are in place in the event of this becoming a reality. Assuming Scenario 2 remains current, whilst the application of the 4 Phase Route Map brings clarity to the sequencing and nature of restrictions being lifted, uncertainty remains in terms of the timing of the phases, which has not been defined and is subject to set criteria being met, and the conditions under which services may be reinstated.

- 3.15 The 4 Phase Route Map gives details of proposed lifting of restrictions under 9 themes, these are set out below alongside a high level analysis of their impact for local authorities. *Note: even when in phase 4 and beyond the end of the route map, some public health precautions and adjustments are likely to remain in place, with implications for local authorities.*

Scottish Government Route Map Theme	Impact on Councils	Detail
Seeing family and friends	Low	Maintenance of parks and other public spaces
Getting around	Low	Supporting remote working for the workforce and enabling traffic flow
Schools, childcare and other educational settings	High	Education to be delivered in a blended model and following public health guidelines.

		Childcare increasingly available, subject to public health measures, prioritised to support key worker childcare, early learning and childcare entitlement and children in need.
Working or running a business	High	Outdoor and, subsequently, indoor workplaces, including local authority workplaces, will be subject to physical distancing and other public health restrictions, with implications for construction, asset management and remote working.
Shopping, eating and drinking out	Medium	Retail and catering facilities can be opened in Phase 3, but will be subject to physical distancing until Phase 4, with implications for income.
Sport, culture and leisure activities	High	Live events are permitted and museums, galleries, libraries and indoor sports facilities can be opened in Phase 3, but will be subject to physical distancing until Phase 4, with implications for income.
Community and public services	High	The reinstatement of specific public services has not yet been specified (beyond a very small number e.g. household waste recycling services), but will be scaled up over all phases in line with public health advice, with modifications and changes to service design, the costs of which are difficult to quantify.
Gatherings and occasions	High	All mass gatherings will be subject to public health advice. Over Phases 2 to 4, restrictions on ceremonies (marriages, civil ceremonies, funerals) will be eased, subject to social distancing.
Health and social care	High	Easing measures include increased home visits to shielded people; managed visits to care homes; greater use of technology.

3.16 Specific government guidance has been provided, or is anticipated, for a number of key areas which will assist detailed planning and anticipation of further costs and / or loss of income. In addition to the service specific implications, across each Route Map Theme local authorities will require to support the transition through all 4 phases with:

- Enforcement of some restrictions, and customer advice and communications;

- Adjustments to service designs and working practices to allow for social distancing and other public health measures to be applied; and
- Supporting vulnerable people, including those subject to track and trace measures.

Section 1 – Covid-19 Response Cost (Our Known Financial Position)

3.17 The first stage in trying to establish our known financial position, as reported to May UBC, was to assess the financial impact through a systematic review of the Council's budget from:

1. Reviewing the deliverability of budget decisions made in March;
2. Understanding cost pressures being experienced due to Covid; and
3. Estimating the likely impact on income streams.

3.18 Based on the planning assumptions and the financial estimates prepared, the forecast of the financial pressure that the Council faced as at May 2020 was summarised as follows:

May 2020	General Fund	HRA	External Financial Risk
Estimated Impact of:	£'000	£'000	£'000
Mobilisation	5,629	5,714	0
Lost Income	30,152	0	8,000
Cost Reduction	(8,375)	(4,500)	(4,000)
Net	27,406	1,214	4,000

Note:

Figures included in the table above EXCLUDE the additional funding for local government announced by the Scottish Government specifically for Covid-19 response. More detail on these is provided below at paragraph 3.20.

3.19 Since that report, at the start of May 2020, the position and impact has continually been updated and refined. The figures for the General Fund have been detailed in the appendices as noted in the table below.

June 2020	General Fund	HRA	External Financial Risk
Estimated Impact of:	£'000	£'000	£'000
Mobilisation (Appendix 1)	4,237	0	-
Lost Income (Appendix 2 & 10)	22,082	1,309	3,750
Savings at Risk (Appendix 3)	4,679	0	-
Gross	30,998	1,309	-
Cost Reduction (Appendix 7 & 10)	(5,179)	(1,309)	-
Net	25,819	0	3,750

Note:

Figures included in the table above for the General Fund EXCLUDE the additional funding for local government announced by the Scottish Government specifically for Covid-19 response. More detail on these is provided below at paragraphs 3.20

The Housing Revenue Account (HRA) is referred to in more detail in paragraphs 3.98 to 3.101.

External Financial Risk refers to the potential exposure the Council has to the IJB and Tier 1 Arm's Length External Organisations if government funding and cost mitigation by the organisations does not enable them to balance their budgets for this financial year.

Section 2 – Confirmed Funding for the Covid-19 Response

3.20 The second phase of the review of the financial position is to look at the income streams that the Council has been awarded through the Grant Aided Expenditure distribution mechanism from Government.

Scottish Government Funding:	£m
Hardship Fund	(1.758)
Food Fund	(0.802)
£155m Consequentials	(5.448)
Free School Meals (Estimated)	(0.275)
Total Funding Awarded	(8.283)

3.21 On 16 June 2020, the Scottish Government announced funding for free school meals during the summer holidays. Maintaining free school meals provision had been planned by the Council and is included in the cost pressures described in section 1, above. The award of funding to the Council, at time of writing, is not yet known so the estimated distribution of grant has now been included in the table above.

3.22 On top of the funding above directly awarded to mitigate against the impact on the Council's financial position each local authority has been asked to administer a number of "grants" on behalf of the Scottish Government. These are summarised in Appendix 4. The Scottish Government has provided the funding to support the actual payments to businesses and newly self-employed individuals, however no additional funding has been provided to cover the cost of administering them. There has, however, been a cost to the Council as a range of staff have been diverted from their normal roles to support the payment processes. This has meant that other work has not progressed, such as the billing of non-domestic rates in the city – now planned for early July. Recently CoSLA has agreed to seek removal of conditions on all specific grants and this is referred to in paragraph 3.84.

3.23 In addition to the grant funding allocated to the Council the Scottish Government has advised that it will allow Councils a degree of flexibility on ring fenced grants, namely:

- Pupil Equity Funding and Challenge Authority and Schools' Programme funding (all part of the Scottish Attainment Challenge);
- Early Learning and Childcare Expansion multi-year funding agreement; and
- Funding for Regional Improvement Collaboratives.

3.24 For Aberdeen City Council the value of funding that this provides flexibility to is:

Funding Stream	Flexibility	Funding
Pupil Equity Fund	Guidance provided 15 May 2020.	Uncommitted sums 2020/21 £0.3m
Early Learning & Childcare Expansion	Guidance provided 15 May 2020.	Uncommitted sums: 2019/20 £8.1m 2020/21 £6.5m

3.25 Further details on the flexibility being offered is included in Appendix 5. Having reviewed the details of the flexibility, based on the known position described in paragraphs above, it is reasonable to assume that £8 million could be used to offset the forecast impact.

Section 3 – Consolidated Position

3.26 Taking the position from Sections 1 and 2 above we can see that the current unabridged position on those elements of income and expenditure that we currently know (and understand) can be summarised below:

Consolidated Position:	£m
Section 1 – Net Cost	25.819
Section 2 – Grant Funding	(8.283)
Section 2 – Grant Flexibility	(8.000)
Known Net Deficit	9.536

Section 4 – Intentions and Service Standards

3.27 When the Council approved its budget for the financial year 2020/21, it also approved a set of commissioning intentions and service standards. The presentation of our stated outcomes and service standards along with the proposed budget, enabled the Council to take a more strategic approach to its resource allocation. To present a revised budget, based on the amending those outcomes, commissioning intentions and services standard, enables the Council to describe the impact of shifting resources to deliver services within a reduced budget limit.

3.28 At its meeting on 3 March 2020 the Council approved the Delivery Plan to set the Council's commitments for the year through:-

- Implementation of the Council's Policy Statement;
- Commissioning intentions which support the delivery of the Local Outcome Improvement Plan; and
- A transformation portfolio to develop the organisational capabilities envisaged by the Target Operating Model.

3.29 In addition, in agreeing the 2020/21 budget, the Council also approved:

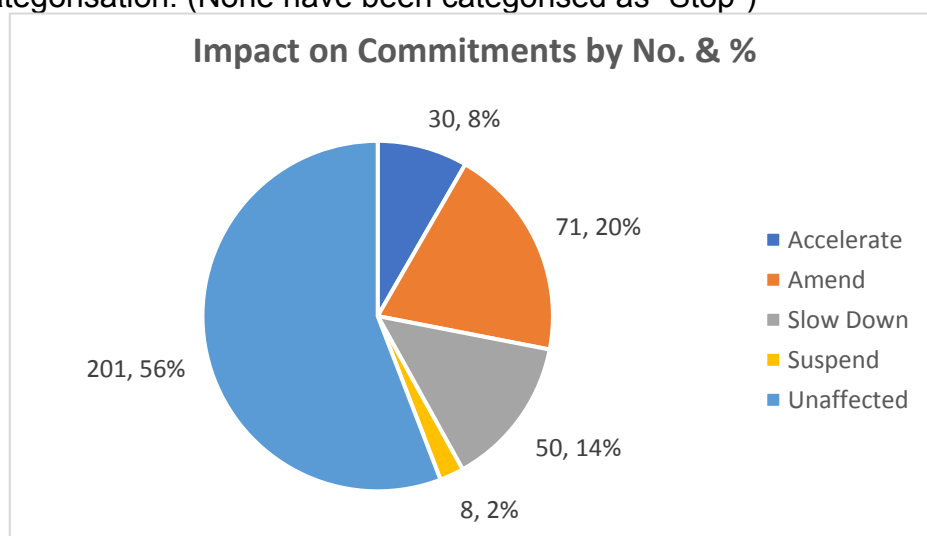
- a suite of service standards, specifying the level of service to be delivered; and
- a number of specific instructions to officers relating to both the Council Delivery Plan and the 2020/21 budget.

3.30 When the scale of the Covid19 crisis, and its impact on the Council, became apparent and it was clear that there was going to be material impact on the Council finances, officers completed an assessment of how the unfolding situation was likely to affect the organisation’s listed commitments. This assessment categorised each commitment as either:

Unaffected	Accelerate	Amend	Slow Down	Suspend	Stop
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3.31 Appendix 6 shows this assessment, for those that do not contribute to financial savings, Appendix 7 shows those where there will be a financial impact. Where a commitment is proposed to be changed (whether accelerated, amended, slowed down, suspended or stopped) there may be different drivers in each case. These include changes to legislation or national policy and guidance; support for vulnerable groups; the restrictions of lockdown / social distancing; and affordability.

3.32 The figure below summarises the proportion of commitments in each categorisation. (None have been categorised as “Stop”)



3.33 Calculating the financial impact of making those changes for the financial year was then undertaken to capture the change that could be achieved to offset the impact of the pandemic. This means that officers have presented the financial consequence that if these commissioning intentions and service standards were adopted going forward then this will assist the Council to balance the budget. Added income options, along with savings achieved in the first quarter from a range of operational budgets and those efficiencies continuing, provide the means by which the Council can control future expenditure and bring the budget back into balance.

Section 5 – Local Options to Close Known Net Deficit Position

3.34 The third phase of reviewing the council’s financial position, required officers to identify a range of deliverable options in order to get council back in financial balance by the year end.

Revenue Budgets

3.35 Appendix 7 provides the detail of which commissioning intentions, services standards and other changes that will have the impact on financial year 2020/21. These are summarised in the table below.

	£'000	£'000
Revenue Budgets		
Commission Intentions	(40)	
Service Standards and Efficiencies	(5,955)	
2020/21 Budget Instruction	(100)	
Income	(1,175)	
Transformation	(20)	
Reduced corporate provision	(983)	
Total Revenue Budgets		(8,273)

Tax Raising Powers

3.36 As stated at paragraph 3.5 above the Council, in preparing its annual budget must set a Council Tax for the year ahead. This the Council did on 3 March 2020, being a 4% increase on the previous year.

3.37 Scottish Government conditions of grant funding include a limit on the value of any increase, 3% in real terms, and for 2020/21 this converted to 4.84% in cash terms.

3.38 Officers have considered the potential for increasing Council Tax during the year, particularly recognising the head-room between the approved increase of 4% and the cash maximum of 4.84%. A maximum sum of £1m could be potentially generated from this option.

3.39 Legal advice provided indicates that increasing Council Tax again, in year is not possible, the Council having already satisfied its s93 duty to set Council Tax for the financial year. Officers have therefore removed this as an option for balancing the budget.

Balance Sheet - Reserves

3.40 The requirement for financial reserves is acknowledged in statute. Section 93 of the Local Government Finance Act 1992 requires Scottish authorities, in calculating the council tax, to take into account 'any means by which those expenses may otherwise be met or provided for'. This includes reserves. The Council has an approved Reserves Policy, 3 March 2020, the purpose of which is to explain why reserves are retained and to quantify the value of reserves that the Council should retain. The objective of the policy is to provide a framework that the Council should measure itself against when setting the budget to satisfy itself that the retention and holding of reserves is appropriate to the operating environment and risks the Council faces.

3.41 The operating environment has changed significantly in the face of the global pandemic. The level of risk has increased with the level of uncertainty having increased. Reference to the Reserves Policy shows that the uncommitted sum that the Council should maintain is in the range of £12m to £28m. The value of uncommitted usable reserves in the draft Annual Accounts for 2019/20 is £12m,

the minimum, and amounts to c.1.5% of the Council's Gross General Fund Budget.

- 3.42 The change in the environment signals the need for greater reserves. To take on board that the immediate financial implications are not the only implications that the Council will face in the future and to avoid doubling the problem (by having to rebuild useable reserves) my advice is to address the budget gap by using the time that we have left in the financial year to make choices about the use of Council resources and not to rely on reserves at this time.
- 3.43 As highlighted in the report above there are still many unknown aspects of the pandemic and its impact on the Council and its finances. There remains nine months of the financial year, winter and the potential risk that this places on the city, to get to the fourth quarter and not having reserves available leaves no time to make adjustment to Council plans. With the draft 2019/20 annual accounts having been prepared a review of the General Fund usable reserves has been carried out and is included at Appendix 9.
- 3.44 The review indicates a high proportion of the value of reserves is for statutory and policy commitments. There is limited scope to release sums already earmarked (£119k), and as stated above, there should be no reduction in the value of uncommitted reserves – reference the ongoing scenario planning of the World Health Organisation shown in Appendix 9.

Capital Receipts

- 3.45 Capital receipts (money received from the sale of land / property) would not normally be a feature of the revenue budget however for the last 3 years, they have been extremely important income stream to cover the costs of the Voluntary Severance and Early Retirement (VSER) scheme. The use is permitted under guidance issued by Scottish Ministers. Last year the Council had VSER costs of over £4m.
- 3.46 The use of capital receipts has enabled the Council to set aside the costs, of the voluntary severance scheme, from the revenue budget and provide the assurance that provision does not need to be made as part of the annual Revenue Budget. This is particularly helpful as the costs are a one-off cost that delivers year on year savings. Similarly, expenditure to fund transformation is also permitted.
- 3.47 In 2020/21 the Council has already accepted applications with costs totalling approximately £1.5m, and this will have to be met by Provisions created at the end of 2019/20 (£1.1m) and Capital Receipts.
- 3.48 To date the Council has settled two transactions, with General Fund receipts amounting to approximately £2.5m. There is uncertainty over the completion of any other sales in 2020/21 and therefore at the time of writing the only funding steam to rely on to fund any other VSER applications this year is the balance of the remaining capital receipts that have settled. This provides scope for the Council to continue to offer the scheme, incentivise applications, to facilitate the ongoing need to reduce the workforce overall.

3.49 The calculations for the full year include an estimate of savings from posts where applications for the VSER scheme have not yet been received. The assumption is that £1.6m of the capital receipts will be needed this year to fund the further VSER applications, this provides the opportunity to use £0.5m for transformation expenditure. Any additional capital receipts should be retained to support the VSER scheme.

Common Good

3.50 The Common Good has provided funding to support the city and its citizens for centuries and continues annually to provide support of around £3m. The forecast for the year is included later in this report but provides opportunity for the Council to choose how some of its services are funded in the current year, on a one-off basis.

3.51 The outturn shows an underspend of £0.162m, not using it for one purpose can release it to be use for another, such as to fund an Aberdeen charity as it has done in the past or continues to.

3.52 The Common Good also holds cash balances and these are slightly ahead of the recommended levels (£0.397m), with a capital receipt of £4m received this year. The capital receipt needs to compensate for lost annual income therefore a proportion of the receipt needs to be set aside (£3.853m) as part of the recommended cash balances. Based on the positive cash position of the Common Good at the start of the year and improved by the capital receipt, the amount of available Common Good funding that could be used once is £0.544m.

Summary

3.53 The table below shows a summary of the local options available to the Council.

Local Options:		£'000
Known Net Deficit		9,536
Revenue Budget options	(8,273)	
Tax Raising options	0	
Balance Sheet options	(119)	
Capital Receipts options	(500)	
Common Good options	(706)	
		(9,598)
Projected Full Year Position		(62)

Section 6 – Further Unknown Costs Scottish Government Route Map (Phase 2-4)

3.54 The financial position set out in section 3 still contains a degree of uncertainty and ambiguity. However, as the council's Chief Financial Officer, I must accept a level of tolerance for error in the estimates. I recommend Council accepts this tolerance for error in order that it takes proactive steps to meet the Council's statutory duty to get the budget in balance.

3.55 Given we are now moving through the "transition" phase out of lockdown, in front of us are further unknown costs associated with the phases in the Scottish

Government Route Map (moving from phase 2 to 4) and there is no certainty that any further government funding will be forthcoming.

- 3.56 In the section that follows, I have attempted to provide an assessment of these unknown costs.

Within the Council Group structure

- 3.57 The aforementioned narrative focuses on the core impact on the Council itself. The Council has an extended group structure which includes the IJB and a number of Arm's Length External Organisations (ALEOs). We therefore have to consider the impact of Covid-19 on our group structure and we may need to make provision to support our group structure.

Aberdeen City Health and Social Care Partnership Integration Joint Board (IJB)

- 3.58 In the last report to the Committee, the planning assumption around the IJB was that the Scottish Government would fully fund the impact of Covid-19 on Health and Social Care systems. Following the meeting of the IJB on 9 June 2020, it is clear there remains a risk in terms of the financial contribution that the Council may have to make to balance their financial position. The controls and escalation of that risk are included in the Integration Scheme.
- 3.59 The report to the IJB recommends the Chief Officer and Chief Financial Officer report options to address any shortfall after the Quarter 1 figures are available and the Scottish Government has confirmed funding levels to be distributed.
- 3.60 The Integration Scheme for the IJB indicates that should the Chief Officer and Chief Finance Officer be unable to implement corrective actions to recover the financial position, that a recovery plan should be developed. Given the implications and timing the Board, on 9 June, agreed to have a recovery plan presented to them at a meeting the second week in August 2020.
- 3.61 If an overspend still remains at the end of the financial year, then once reserves have been used, the likelihood is that the overspend would be split between the NHS and the Council based on the amount of funding they initially transferred to the IJB. For indicative purposes, it is estimated that Aberdeen City Council would be required to fund approximately 35% of any overspend, with the remaining 65% being funded by NHS Grampian. For illustration purposes the table below estimates the level of financial exposure should, for example, the full value of IJB's indirect costs (budgeted savings not being achieved in-year as a result of response activity; as compared to direct costs, additional expenditure incurred in responding to the pandemic and continuing thereafter) not be recovered from the Scottish Government:

	Low Range Scenario	Medium Range Scenario	High Range Scenario
	Up to £m	Up to £m	Up to £m
Aberdeen City Council	0.7	1.75	3.5
NHS Grampian	1.3	3.25	6.5
Total Indirect Costs	2.0	5.0	10.0

3.62 At this point, it is recommended that the Council relies on the Cabinet Secretary commitment to fund the costs included in the IJB mobilisation plans which were approved – the Aberdeen City IJB plan was formally approved. In the event that this funding is not forthcoming and the IJB officers are unable to identify a recovery plan by August, this position will have to be revisited.

Arm's Length External Organisations (ALEO)

3.63 The Council has a number of Tier 1 ALEOs that it relies on to deliver services and activities to fulfil the ambition and objectives of the Council and the Community Planning Partnership. They are:

- Bon Accord Care / Support Services
- Sport Aberdeen
- Aberdeen Sports Village (ASV)
- Aberdeen Performing Arts (APA)

3.64 Their reliance to a greater or lesser extent on external income and on the lockdown measures has created an enormous adverse impact on them. Apart from Bon Accord Care / Support Services, all have taken advantage of the Government backed furlough scheme and have sought to reduce all non-essential expenditure.

3.65 The unknown aspects of the Route Map (Phases 2-4) present different risks to the Council in terms of the funding already committed to them but beyond this the 'sharing' of furlough funding with employers for example creates a material difference between cost and income when the venues and centres that generate the income may have to remain shut. The unknown impact of social distancing and capacity in venues, customer behaviour and overall demand for different types of culture and sport is yet to become clear. The timing for when facilities and venues can open makes this a complex and very uncertain position for the ALEOs.

3.66 The Council had originally estimated that the ALEOs presented a potential risk of approximately £4m if lockdown were to continue until June. Working to establish the impact on each of the organisations the table below records the Council's risk assessment of the potential for financial exposure based on information available at the end of May 2020.

Tier 1 ALEO	Accessed Government Funding Schemes	Operating within Current Council Grant	Level of Risk to Council	Value of Risk (Low – High)
Bon Accord	No	No	Low – through costs included as part of IJB mobilisation costs; total cost included in IJB budget, already assessed	Low risk £0m
Sport Aberdeen	Yes – Furlough funding	Yes, but relying on reserves	Medium – reserves limited, started	Medium risk £1m

			to open services (golf), unclear about customer behaviour and timing of centre based activities	
ASV	Yes – Furlough funding	Yes, but relying on reserves	Low – reserves resilience is strong; unclear about customer behaviour and timing of reopening	Low risk £0m
APA	Yes – Furlough funding; 3 rd Sector Resilience Grant; Pivotal Resilience funding.	No	High – very low reserves, venues are large and subject to phase 4 trigger, prolonged delay to opening	High risk £1m

- 3.67 The conclusion for the ALEOs described above is that they present a risk to the Council, but funding continues to be made available by the Council to support all of their activities, despite the extremely limited (excluding Bon Accord Care / Support Services) service delivery that has so far been possible. The Council continues to provide the funding and will look to reschedule payment to support cashflow requirements but is not in a position to increase funding levels beyond those already approved in March 2020.
- 3.68 The unknown nature of the final outturn and actions that each can continue to take to mitigate costs means the Council should continue to monitor the situation and work with each to secure appropriate external funding as appropriate.

Physical Distancing - Schools

- 3.69 The Scottish Governments Route Map for moving Scotland out of lockdown includes information on the approach to reopening schools on a phased basis as detailed in *A Strategic framework for reopening schools, early learning and childcare provision in Scotland*.
- 3.70 The framework and associated guidance documents trigger a need for Local Authorities to start considering the local arrangements required to implement Phase 1, 2 and 3 of the Route Map to support a safe, phased reopening of schools. The supporting documents promote broad national consistency by stipulating what ‘should’ be done whilst ensuring appropriate local flexibility for education authorities, schools and staff to adapt approaches that best suit their communities’ needs. Locally agreed approaches are to be detailed in a Local Delivery Phasing Plan. These Local Authority Plans inform the development of individual school plans.

- 3.71 The cost associated with the reopening of schools is assessed to be potentially significant, with costs likely in the areas of cleaning and protective equipment, transport as well as ongoing emergency childcare and increased services to support children’s mental health and wellbeing. Early indications of associated costs are in the region of £5m. This estimate will continue to be refined as officers complete the development of school and transport plans for every single establishment in the city.
- 3.72 Funding these additional costs will only be possible from the further flexibility to use the uncommitted Early Learning and Childcare expansion monies, referred to in paragraphs 3.23 to 3.25. This provides a degree of flexibility that significantly impacts on the delivery of the 1,140 hours expansion plans during 2020/21 but will maintain critical and core Council services to children and families and continue to meet our current legal requirements.
- 3.73 It is clear that the basis for these costs has been on current phasing plan (33% in-school contact) and the statement on 15 June 2020 that closer to 50% in-school contact is expected brings a significantly larger cost. The Council has already indicated to the Scottish Government that funding is needed – along with the availability of resources to deliver services - to implement plans at this level.
- 3.74 In conclusion the level of flexibility in the Early Learning and Childcare Expansion funding should be relied on to support the reopening of schools, acknowledging that there are limitations to this and to increase beyond the current LDPP will require further funding from Scottish Government.

Test and Protect

- 3.75 In stepping down the response structures and moving to a degree of normality, the Council will also have to account for the demands placed on the organisation to support the long-term recovery from the pandemic. For example, at the end of May, the Scottish Government published their Test and Protect process which is a key aspect of this next phase in Covid-19 testing.
- 3.76 This allows for the testing of people in the community who have symptoms consistent with Covid-19 and use contact tracing, a well-established public health intervention, to identify the close contacts of those cases, who may have had the disease transmitted to them. Test and Protect commenced on 28th May 2020.
- 3.77 Test and Protect is critical to the country’s ability to move through the four phases into long term recovery. CoSLA recently approved a role for local government to support the ‘isolate’ and ‘support’ aspects of the approach. At the time of writing, further guidance is anticipated from the government on the role of local government.
- 3.78 On 5 June 2020, the Director of Shielding – Clinically Highest Risk, at the Scottish Government wrote to CoSLA and said that in relation to resources and the impact on Councils “...I want to reassure you that Ministers are actively considering the resource implications of this decision both in terms of grocery packages through the national programme, but also the valuable role that local

authorities play in supplementing this support and ensuring that individuals can shield successfully.”

- 3.79 At this stage, no further clarity has been given on any financial support that may be available to support local government. However, it is anticipated that the ‘Test and Protect’ initiative will be in place for 24 months. This could significantly increase demand on the Council’s resources, including its finances and our staff, at a time when the organisation is managing the delicate task of recovery.
- 3.80 If additional funding to meet these additional costs was not forthcoming then the Council needs to consider the availability of resources at the time considering its duties to respond under Civil Contingencies legislation. If the financial pressure cannot be met within the resources and flexibility available to the Council at the time, an urgent business committee may be required.

Summary

- 3.81 It remains difficult to anticipate the full and precise impact on the Council of any of these unknown factors. For this reason, the need to maintain a strong level of reserves and financial resilience is essential to remain prepared to respond to what lies ahead.
- 3.82 By their very nature summarising the cost of the unknown factors is very difficult and the level of variability is far from certain, the information provided above however is clear the financial risk remains but the assumptions of how this can be managed by the Council are reasonable in my opinion.

Section 8 – Unknown Funding

- 3.83 In my report to UBC in May, I indicated that there were a range of fiscal options available to the Scottish Government to help alleviate the financial impact on councils as a result of Covid-19 and I committed to providing an update on whether these options were being progressed.
- 3.84 In addition to these updates it should be noted that CoSLA, on 12 June 2020, agreed to seek agreement from the Scottish Government that Local Authorities are given maximum flexibility in allocation of their resources by the removal of all ring-fencing restrictions, potentially opening up the possibility of funding from emerging underspends on those restrictions to be used. As at the date of writing this report, no indication has been received from Scottish Government in terms of removal of restrictions.

Financial Injection

- 3.85 The provision of grant funding to support anticipated funding / cost shortfalls has changed since the last meeting of the Committee and specifically concern the distribution of the £155m of Barnett consequentials arising from additional funding from the UK Government to English local authorities.
- 3.86 The funding distribution was confirmed by the Cabinet Secretary, Kate Forbes, in a letter to CoSLA dated 26 May 2020. She stated that “Now that the [CoSLA’s] cost collection exercise has concluded, I am therefore pleased to confirm that, in

line with Leaders' views, the allocation of the remaining local government consequentials will be based on the normal distribution formula Grant Aided Expenditure (GAE) plus Special Islands Needs Allowance (SINA). Details of the allocations, which will be added to the General Revenue Grants payments to local authorities as soon as possible, are set out in the Annex to this letter."

- 3.87 The value of funding for Aberdeen City Council is £5.448m and this is being paid to Councils during June in 4 weekly instalments.
- 3.88 Any funding beyond this sum is extremely uncertain as the Cabinet Secretary continued in her letter "I note that COSLA view the cost collection exercise as an ongoing process. While having a full picture of the overall costs to local government will undoubtedly be helpful, I would stress again the points I made to Cllr Macgregor in our meeting on 7th May, that, we have now allocated all the additional consequentials at our disposal and more."
- 3.89 The "points" referred to, include the additional flexibility that has been offered in relation to the early learning and childcare expansion and attainment funding, which has been described earlier in the report.
- 3.90 The expectation of increased funding from Scottish Government is therefore low and the Council should be prepared to address costs it faces.

Borrowing for Revenue Purposes

- 3.91 As strongly advised in the 6 May 2020 report this is not a desirable approach to resolving a revenue shortfall. That said, there is precedent where the scale of a financial challenge presents a fundamental threat to the financial viability of councils, for example equal pay. In the Cabinet Secretary's letter to CoSLA President there was no indication on whether the government is actively considering this option.
- 3.92 Analysis on capital borrowing limits, described in paragraph 3.115 below, indicate that there is an increased borrowing requirement because of the impact of Covid-19, through delays, additional costs expected from social distancing and other changes required during and after the Route Map easing of restrictions. This means there is no head-room for revenue borrowing to be funded, or to be affordable within the financial constraints the Council has.
- 3.93 The additional borrowing requirement from the current General Fund Capital Programme over the next 5 years is estimated at approximately £24m, the annual cost of this, once drawn down is approximately £1.2m per annum and will add to the forecast revenue gap in future years. Providing the flexibility to borrow for revenue purposes is neither an appropriate financial solution nor a sustainable solution for the Council.

Conclusion – Unknown Costs and Funding Uncertainty

- 3.94 The previous two sections present the Council with a significant potential for costs that are not yet known or have not yet crystallised, and a funding situation where the prospect of additional funding coming to the Council is very low.
- 3.95 The Council has one immediate potential mechanism to address the unknown:

- a. Further flexibility in the Early Learning and Childcare funding that is uncommitted. This amounts to approximately £6.6m and this would be available to cover the further costs of supporting children and families, as described earlier in the report.
- 3.96 It should be noted for completeness, that there are many other unknown events and costs that may be faced, and the revenue budget maintains a corporate contingency that amounts to £3m that acts as the Council's in-year financial resilience fund. This is vital to provide the assurance that general cost pressures particularly in the event of adverse winter weather and to support emergency funding prior to accessing the Bellwin Scheme has to be met.
- 3.97 Through the quarterly financial performance reports, starting Quarter 2, I will provide the Council with the regular updates required to maintain the financial management arrangements in the Council.

Section 9 – Housing Revenue Account

- 3.98 In the report to the Committee on 6 May 2020, the estimated impact of the pandemic on the HRA was described as £1.214m, this being the potential loss of income from increased non-collection of rent and the higher level of arrears experienced from universal credit claimants. This was mitigated by reduced costs and in particular the management of the cost of capital and repair and maintenance works.
- 3.99 An area where guidance has been sought from Audit Scotland is the continued charging for works by building services, for staff who have been unable to carry out work during the lockdown. This is in line with other government guidance on supporting businesses through the pandemic. Audit Scotland has expressed a need to be reasonable and proportionate and to respond to local conditions. The work that has continued in Aberdeen has been of an emergency nature and as such is being charged at higher rates than normal maintenance works. The Council intends to review the recovery rates for work during the year, and as restriction ease in line with the Route Map, will ensure that a fair and proportionate charging regime in place for the year.
- 3.100 Taking all of the latest analysis together it shows that the Council should expect a number of variances but that due to the overall impact on the capital programme for the year the level of funding required from revenue to support this will be much lower.
- 3.101 The overall impact is that a balanced budget for the HRA is expected over the course of the year. The financial position for this financial year is shown in detail in Appendix 10

Section 10 – Capital

- 3.102 Given the current requirement to temporarily stop capital projects a review of both capital programmes (Housing and Non-Housing) has been undertaken with a refresh of the overall programmes.

- 3.103 The Housing capital programme primarily addresses the capital upgrading of properties through a series of rolling programmes (for areas such as bathroom, kitchen, window and roof replacement) which have all been suspended. This will lead to a reduction in the overall spend for the year and officers are currently working through a revised future years programme to take account of the level of slippage which is likely to have occurred during the lockdown.
- 3.104 The Non-Housing programme has been broken down into different elements to review the programme

Initial Closure of Sites

- 3.105 Following Scottish Government guidance effectively ceasing construction work through the publication of the Coronavirus (Covid-19): Construction Sector Guidance note issued on 6 April 2020 all council construction projects were closed once they were made safe and secure.
- 3.106 During this period representatives from both the contractor and the council have carried out regular site visits and inspections to ensure they remain safe and secure throughout the closure period.
- 3.107 Taking cognisance of the wider view across all parameters resulting from the period of shutdown it is inevitable this has introduced time and cost pressures on all parties. In accordance with the contract requirements the majority of contractors have notified the Council of their irrecoverable costs for the period of the shutdown.
- 3.108 It should be noted that contractors have worked with the Council on an open book basis to transparently demonstrate the costs they have continued to incur and also where they have mitigated some costs (for example, through such methods as applying the furlough scheme).
- 3.109 Following the announcement on 28 May 2020 by the Scottish Government that, among other things, there would be a phased return to construction works a phased approach would be adopted to begin re-opening site in line with the government guidance (developed in conjunction with the industry) as follows:
- Phase 1: Covid-19 Pre-start preparation;
 - Phase 2: "Soft start" to site works (only where physical distancing can be maintained);
 - Phase 3: Steady State Operation (only where physical distancing can be maintained);
 - Phase 4: Steady State Operation (only where physical distancing can be maintained and/or with PPE use);
 - Phase 5: Increasing density/productivity with experience.
- 3.110 The above phases will not necessarily correlate with the governments national "Phased" approach to coming out of lockdown (so for example several of the above phases may well occur during, say Phase 2, of the Scottish Government's Route Map). The above relates to the sectoral guidance which the government is providing.

3.111 In discussing the above approach with contractors, it is evident that new working practices are likely to result in longer delivery times and anticipated additional costs for each of the projects. This is extremely difficult to quantify at this time but clearly will need to be factored in as and when contractors are able to begin work back on-site and will therefore mean during the next financial quarter costs will be further refined.

3.112 In summary:

- Most projects will be delayed;
- It is difficult to predict when each project will be delivered;
- The contracting parties continue to discuss how to apportion additional costs incurred during the shutdown period with contractors; and
- Project costs are likely to increase following construction re-start (for example, demobilisation, remobilisation, security, PPE, etc.).

3.113 The work to reprofile the figures is indicative and therefore for the reasons explained above these will likely have to be updated. There are no immediate or direct material implications to the revenue account because of this.

3.114 The approach was to review the programme based on the categories which elected members will be familiar with:

- Rolling Programmes: these will experience a significant reduction in spend this financial year because of works being ceased, delays within the supply chain (for example, vehicle replacement) and seasonal works being unable to progress (for example roads works);
- Legally Committed Projects: this has been covered above and re-profiling is ongoing at present but indicative budgets are shown. Consideration was given to stopping these projects but the revenue implications would prove to be inhibitive with large costs being incurred and no asset at the end;
- Partially Legally Committed Projects: These are projects that have some level of commitment against them but still have significant scope to not be progressed;
- Projects with indicative budgets: These are projects that are currently in their infancy in terms of total spend and the level of commitment for the Council to progress.

3.115 The initial assessment of the impact of the Covid-19 pandemic on the existing General Fund Capital Programme has been estimated to be approximately £24m and for the Housing Capital Programme has been estimated to reduce by approximately £20m. Until contractors have been able to determine their revised work programmes and working practices these movements in both programmes should be seen as indicative at the present time and will continue to be reported to the relevant committee as detailed information is received.

Section 11 – Common Good

3.116 In line with regular financial performance reporting the Council will consider all the budgets approved for the financial year. This report therefore has incorporated the initial forecasts in relation to the Common Good, given the first indication of any impact on the financial commitments funded by the Common Good.

3.117 In Appendix 11 the forecast outturn for the year shows that an underspend against budget is estimated. This is substantially driven by expenditure that will no longer arise, following the cancellation of events. The underspend that is forecast is £162,000.

3.118 As the country moves through the Route Map and timing of the easing of restrictions becomes clearer, the certainty around other events that have yet to take place will be monitored and incorporated into overall impact for the Common Good and will be reported as part of the quarterly reporting cycle, commencing Quarter 2.

Supporting the Economy

3.119 The Socio-Economic Rescue Plan report, also on the agenda, using data and analysis brings into sharp focus the impact being felt beyond the Council, and describes a range of actions that together with Partners the Council can facilitate. This stretches our activity further than the support we've been delivering through our response, and continue today, including the awarding grant funding to businesses and the self employed.

3.120 There are a range of financial implications from that report that will have to be managed in light of the resource constraints and funding will be drawn from existing resources in the Council budgets or from external funding.

4. FINANCIAL IMPLICATIONS

4.1 These have been included in section 3 of the report and support the recommendations to update and amend the 2020/21 budgets in light of the unprecedented financial impact of the Covid-19 pandemic.

5. LEGAL IMPLICATIONS

5.1 The Council is required to deliver a balanced budget. Given the potential impact of the Covid-19 pandemic, the Council will need to take action to ensure that it returns a balanced budget during the course of 2020/21. In developing proposals, consideration has been given to those services that the Council must provide by law, its duty to secure best value and its public sector equality and fairer Scotland duties. Account has also been given to the added flexibility provided by the coronavirus legislation passed through both the UK and Scottish Parliaments which have been designed to help public bodies, including local authorities, manage the response to the pandemic.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
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Financial	<p>Loss of income to support the Council budget position. Cashflow / liquidity position of the Council insufficient to meet obligations if additional burdens are placed on the Council or agreed by the Council. Adverse impact on Council credit rating of not managing liquidity and financial position.</p>	H	<p>Actions proposed and being taken contained in a Financial resilience plan.</p> <p>Recommendation in this report to reinstate collection arrangements across all Council accounts, including Council Tax, Housing Rent, Sundry debts. In addition, in light of the unprecedented financial circumstance, no refunds for services that were altered, in line with terms and conditions during the pandemic, will be offered.</p>
Legal	<p>Financial support conflicts with State Aid regulations.</p> <p>Non-compliance with the public sector equality and Fairer Scotland Duties</p>	<p>L</p> <p>L</p>	<p>European Commission has adopted temporary framework to enable further support to the economy to be possible during the Covid-19 pandemic. Scottish Government guidance on State Aid has and continues to be taken account of.</p> <p>Pre-screening forms have been completed for each cluster with Integrated Impact Assessments completed for those proposals having a medium or high impact. Members must have regard to this information when considering the recommendations.</p>
Employee	Not being responsive to the situation could lead to changes in availability of staff and delivery of services	H	Workstreams in place to monitor and business continuity arrangements activated appropriately
Customer	Service Standards change	H	Ongoing review of critical services by Council and Partners
Environment	No direct implications		

Technology	Failure to maintain the digital infrastructure could lead to service changes	M	Active management by Digital & Technology of the changing situation and work from home arrangements.
Reputational	Failure to make the necessary changes in the face of such a high profile situation could present a reputational risk to the Council.	M	The recommended proposals have been developed in accordance with UK and Scottish Government guidance.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	This is an unprecedented position and the Council continues to work within the policy statement wherever possible taking into account UK and Scottish Government guidance.
Commissioning Intentions	Officers have completed an assessment of how the unfolding situation has, and is likely to, affect the organisation's listed commissioning intentions and proposed amendments are set out in this report for consideration.

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	Report supports the economy by recommending actions that the Council can take in the current climate and will implement the government backed schemes as directed by legislation and guidance.
Prosperous People	Report supports our citizens by prioritising the services that are critical and continues to respond to the ongoing pandemic, making appropriate choices to focus on the most vulnerable in our society as services continue to change and are reinstated in line with the financial constraints and Scottish Government Route Map.
Prosperous Place	Report supports the place by deploying resources to support the public health of the City and use grant

	funding by making changes to support spaces for people.
Regional and City Strategies	Highly likely the financial position will impact on these strategies including the position of the overall economy.
UK and Scottish Legislative and Policy Programmes	Government guidance and policy is continually being updated and the Council continues to comply with these updates.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	The Council must have due regard to protected characteristics under the Equality Act 2010. Each cluster has completed pre-screening forms in respect of their proposals. Integrated Impact Assessments have been completed for those proposals having a medium or high impact. A link to the assessments is included in Section 9 of this report.
Data Protection Impact Assessment	Not required.
Fairer Scotland Duty	The Council must have due regard to the Fairer Scotland Duty. Proposals presented in this report have been subject to consideration against the Fairer Scotland Duty as part of the pre-screening process and integrated impact assessments set out above. A link to the assessments is included in Section 9 of this report.

9. BACKGROUND PAPERS

[Pre-Screening Assessments](#)

10. APPENDICES

- Appendix 1: ACC Covid-19 Mobilisation Impact
- Appendix 2: ACC Loss of Income assessment
- Appendix 3: ACC Assessment of savings in 2020/21 at risk
- Appendix 4: Scottish Government funding summary
- Appendix 5: Specific Grant flexibility information
- Appendix 6: All Council Commitments – updated position statement
- Appendix 7: Changes to Commitments – delivering savings for 2020/21
- Appendix 8: Revision to Fees and Charges 2020/21
- Appendix 9: General Fund Reserves review
- Appendix 10: Housing Revenue Account – forecast outturn 2020/21

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Aberdeen City Council

Estimated Covid-19 Mobilisation Cost impact – Full year, based on return to Cosla 15 May 2020.

Social Care Costs Outwith Remit of IJBs			
Issues and Risk Area	Description of Cost	Estimated Total Cost	
		£'000	
		Recurring	One-off
Children's Services (non delegated) and ELC			
Residential care (independent)	Requirement to find additional placements as units close/cannot support children due to sickness and self-isolating	60	
ELC provision to key workers	Potential additional cost of funding spaces for children of key workers	765	
Support to care leavers		5	
TOTAL		830	-
Housing and Support to Vulnerable Communities			
Issues and Risk Area	Description of Cost	Estimated Cost	
		£'000	
		Recurring	One-off
Provision of support to people with NRPF	Block booking hotel/other accommodation	168	-

Ongoing provision of Free School Meals	Delivery Contract for daily FSM to eligible pupils	1,585	-
Cost of provision of local food security initiatives	Operational and food supplies cost	45	40
TOTAL		1,798	40
Workforce Costs (excl IJB workforce)			
Issues and Risk Area	Description of Cost	Estimated Cost	
		£'000	
		Recurring	One-off
Staff Pay as a result of workforce changes	Overtime pay - immediate	143	-
	Additional Cost Payment to Supply Teachers as per cosla agreement	532	-
	Additional Cost Payment to Casual Staff as per cosla agreement	555	-
	Staff pay - additional agency use	17	-
Staff costs - excl PPE	Staff kit - WFH - licenses, network upgrade	9	128
	Increased demand for cleaning supplies	76	-
TOTAL		1,332	128
Non-Workforce Costs			
Issues and Risk Area	Description of Cost	Estimated Cost	

		£'000	
		Recurring	One-off
COVID-19 Business Grants	Additional staffing for processing apps and payment	51	-
Scottish Welfare Fund - additional money for COVID-19	Additional cost of administering and staffing fund	36	-
Contracts	Costs of maintaining transport business contracts and re-deploying drivers and resources elsewhere	20	-
LA COVID Contingency Planning Co-ord.	ACC share of cost	-	2
TOTAL		107	2
Total Covid-19 Cost Pressures			4,237

Aberdeen City Council

Estimated Covid-19 Lost income and other costs impact – Full year, based on Forecast Outturn and cost capture exercise carried out and reported to Cosla 15 May 2020 (adjusted to exclude financial risk around Arm's Length External Organisations).

Loss of Income, Closures, Unintended consequences			
Issues and Risk Area	Description of Cost	Estimated Cost	
		£'000	
		Recurring	One-off
<i>Closures</i>			
Closure of leisure and sport and other Council buildings and services, ALEOs	Loss of 'other' income due to Council closures, such as library fees, café purchases, etc.	34	-
	Loss of income due to cultural and conference centre closures (full year)	-	7,992
	Loss of income due to cancellation of school letting hire of facilities	187	-
School facilities and activities	Cost of underwriting existing loss if school trip not insured (particularly domestic trips)	-	139
Lost income relating to schools' closure	Lost income school food and drinks	1,280	-
	Lost income due to cancellation of breakfast and out-of-school clubs	438	-
Impact on the local tourism sector and a significant reduction in tourism numbers	Cost of major event cancellations	-	33
SUB-TOTAL		1,939	8,164
<i>Fees and Charges</i>			

Non-payment – lost income	Waste collection incl special uplift income	465	-
	Parking fines	1,167	164
Behaviour change – lost income	Parking fees – less traffic	3,645	-
	Blue Badge income	20	-
	Roads construction consent fees	460	-
	Licensing fees	72	-
	Planning fees	654	-
	Investment Properties	-	240
	Roads Services	-	642
	Capital Services	-	1,853
	Environmental Protection	444	-
	Environmental Services	133	-
	Music Service/School	270	-
SUB-TOTAL		7,330	2,899

Council Tax			
SUB-TOTAL	Increased bad debt	1,750	0
TOTAL		11,019	11,063
Total Lost Income / Other Costs			22,082

Review of 2020/21 Approved Budget Savings

List of Savings where there is a risk of savings not being delivered:

Function	Cluster	Activity	Option Reference	Action	£'000	Reason
Operations	Integrated Children's & Family Services	Early Years	ICFS02	Income generation - sell additional available hours of Early Learning and Childcare to families	300	Income not achievable
Operations	Integrated Children's & Family Services	Early Years	ICFS06	Align education and Children's Social Work early years services	500	Response activity prioritised
Operations	Integrated Children's & Family Services	Children's Social Work and education	ICFS07	Shared commissioning of services across Integrated Children's and Family Service	150	Response activity prioritised
Operations	Integrated Children's & Family Services	Children's Social Work and education	ICFS17	Reduce spend on out of authority placements	1,000	Response activity prioritised
Operations	Integrated Children's & Family Services	Children's Social Work and education	ICFS19	Integrate looked after children and mental health services across Integrated Children's and Family Service (including reducing the number of buildings and management)	200	Response activity prioritised
Operations	Integrated Children's & Family Services	Children's Social Work	ICFS20	Service re-design across Children's Social Work	600	Response activity prioritised
Operations	Integrated Children's & Family Services	Children's Social Work	ICFS23	Shared commissioning across Social Work	195	Response activity prioritised

Operations	Integrated Children's & Family Services	Children's Social Work and education	ICFS25	Shared commissioning	100	Response activity prioritised
Operations	Operations and Protective Services	Protective Services	OPPS06	Increase in fees for Theatre and Cinema Licences to cover the cost of inspections	8	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS07	Increase the fees for Public Entertainment Licences applications to cover the cost of inspections	7	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS08	Increase fees for Animal Health and Welfare Licences	1	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS09	Increase fees for Business advice provided by Environmental Health	1	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS10	New charge for Food Hygiene Information Scheme premises revisits	4	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS11	Increase commercial team fees and charges by 20% (exception - Export Health Certificates and Ship Sanitation Certificates)	4	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS12	Increase ASSL (Labs) charges by 3% (inflation)	33	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS13	Increase Environmental Protection charges by 3% (inflation)	8	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS14	Increase Fees for Ship Sanitation Certification	18	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS15	Reprofile current Laboratory income	25	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS17	Laboratory - sub-contracting low value work	16	Service suspended

Operations	Operations and Protective Services	Protective Services	OPPS20	Applicant charging on pre-planning (new charge)	2	Service suspended
Operations	Operations and Protective Services	Protective Services	OPPS21	New Charge - Charge for assessing noise management plans for Public Entertainment Licensing	3	Service suspended
Operations	Operations and Protective Services	Environmental Services	OPES01	Increase fees and charges - Allotments by 3%	1	Service suspended
Operations	Operations and Protective Services	Environmental Services	OPES10	Environment fees and charges	105	Service suspended
Operations	Operations and Protective Services	Roads Services	OPRS03	Business parking permits (£8k) *	-	Restriction of movement of people
Operations	Operations and Protective Services	Roads Services	OPRS04	Contractor parking permits (£4k) *	-	Restriction of movement of people
Operations	Operations and Protective Services	Roads Services	OPRS05	Off street parking charges - Short Stay (£170k) *	-	Restriction of movement of people
Operations	Operations and Protective Services	Roads Services	OPRS06	Off street parking charges - Long Stay (£170k) *	-	Restriction of movement of people
Operations	Operations and Protective Services	Roads Services	OPRS07	On street parking charge - across all zones (£200k) *	-	Restriction of movement of people
Operations	Operations and Protective Services	Roads Services	OPRS13	Street works charges (£19k) *	-	Restriction of movement of people
Operations	Operations and Protective Services	Roads Services	NEW	Income : Third Parking Permit for Outer Zones (£5k) *	-	Restriction of movement of people
Operations	Operations and Protective Services	Waste Services	OPWS02	Increase recycling rates from communal recycling	90	Restriction of movement of people

Operations	Operations and Protective Services	Waste Services	OPWS04	Fees and Charges - Trade Waste Service (£25k) *	-	Restriction of movement of people
Operations	Operations and Protective Services	Waste Services	OPWS05	Fees and Charges - Garden Waste Service -Permit for 3rd Bin	33	Service suspended
Operations	Operations and Protective Services	Waste Services	OPWS07	Fees and Charges - Special Uplifts Service (£10k) *	-	Service suspended
Customer	Customer Experience	Registrars	CUST02	Amendments to existing fees and charges schedule	6	Service suspended
Customer	Early Intervention & Community Empowerment	Library & Information Services	CUST05	Relocate libraries to within other community buildings	40	Service suspended
Customer	Early Intervention & Community Empowerment	Library & Information Services	CUST06	Reduce spend on hardcopy resources such as books, newspapers etc	100	Service suspended
Customer	Early Intervention & Community Empowerment	Housing Access and Support	CUST13	Bed and breakfast reduction from 30 places to 6	39	Service changed, part year saving
Customer	Early Intervention & Community Empowerment	Housing Access and Support	CUST14	Stop the use of Private Sector Leasing from 150 units to 0	385	Service changed, part year saving.
Resources	People & Organisation	Income	RESR02	Increase of income through employee benefits schemes	116	Service changed
Resources	Corporate Landlord	Income	RESR07	Increase in property rental income	204	Business lockdown, restrictions
Resources	Corporate Landlord	Depot	RESR12	Closure of front part of Kittybrewster Depot - part year saving only.	75	Service changed, prioritisation
Governance	Governance	Training and income	GOVR08	Increased Health & Safety income	55	Service changed

Place	Strategic Place Planning	Charging	PLAC04	Review and increase charges for copy documents and plans	30	Business lockdown, restrictions
Place	City Growth	BB & Townhouse services	PLAC07	Combined reducing costs and increasing income	100	Service suspended
Place	City Growth	Tour of Britain	NEW	Transfer to be funded by Common Good	125	Cancellation, no income will apply as no cost to be recovered
Total Savings at Risk 2020/21					4,679	

Scottish Government Funding Summary

What this means for Aberdeen City Council as at 16 June 2020

Title	Implemented?	Funding Pot	Funding for ACC	Progress
Business Grants	Yes, in progress. Announced that this scheme will close on 10 July 2020.	£1.2bn, only £0.95bn initially distributed	Est. £33.7m Allocated 80%; Rec'd £26.9m	As at 16/6/20 Paid out £22.3m to 1,792 businesses
Business Grants - Expansion	Announced 15/4, in progress	£110.8m	Not yet allocated, cashflow based on above grant funding.	As at 16/6/20 Paid out £0.9m to 86 businesses
Business Grants – Phase 3 – Non-NDR ratepaying tenants	Announced 1/6, in progress from 8/6	To be funded from Business Grants £1.2bn	n/a	As at 16/6/20 Paid out £0.2m to 22 businesses
Business Relief Scheme	No, legislation received, billing to be completed with reliefs applied.	£1.0bn	General Revenue Grant increased by £86m – paid through year.	Weekly grant payments increased. Estimate bills issued in July 2020.
Self-employed	Announced 15/4, draft guidance, received, implementation in progress.	£34m	Est. £1.9m Allocated 60%; Rec'd £1.1m	As at 16/6/20 Paid out £0.3m to 162 newly self employed people.
Hardship Fund	Supporting Covid-19 additional spend	£50m	Allocated £1.758m	Funding additional cost/lost income as a General Revenue Grant
Scottish Welfare Fund	Yes, in progress.	£45m, only £22m distributed	Allocated extra £0.6m bringing total for ACC in 2020/21 to £1.6m (ex admin)	13% increase in awards; 22% more spent between 1/4/20 and 31/5/20 than in 2019; spend to 31/5/20 £219k
Social Security Benefits / Council Tax Reduction	This will be used to fund the CTR scheme if demand exceeds the current £351 million provided, and to fund increased demand for Scottish social security benefits if needed.	£50m	Not yet announced	Increased number of applications and caseload of awards. April 2020, 42% increase in actioned cases compared to April 2019; 6% increase in the amount awarded for the year by May 2020, compared to May 2019.

Food Fund	Yes, in progress.	£70m, only £30m distributed	Allocated £0.802m	Spend to 31/5/20 £338k
£155m Consequentials	Supporting Covid-19 additional spend and lost income impact	£155m	Allocated £5.448m	Funding additional cost/lost income as a General Revenue Grant 4 x weekly instalments being paid during June, £2.7m received with General Revenue Grant, see below.
Sustrans Scotland– Spaces for People	Application made and awarded for changes needed to address the public health needs of easing of restrictions under the Route Map.		Allocated £1.8m	Implementation of roads and pavement infrastructure ongoing.
Crown Estate	Information received, assessing.	£7.2m	Uncommitted sums: 2019/20 £17k 2020/21 £30k	As at 16/6/20 £nil received for 2020/21.
Connecting Scotland	Chromebook / Ipad rollout Focus on people shielding and those on low incomes who are at greater risk of isolation due to coronavirus. The programme aims to provide: •Access to kit –an appropriate internet enabled device (Chromebook or iPad) •Access to connectivity –a mobile hotspot and 12 months of data •Support to develop skills and confidence online	Phase 1 9,000 Devices	Allocation of 240 devices	Working with SCVO, Aberdeen City Council are working with partners in the city to deliver the necessary support. A new Digital Group has been set up to jointly identify those in need, agree the distribution and deliver the digital support and learning.
General Cashflow	SG issued revised funding schedules with assumption of no NDR collection for first 3 months.		Agreement to frontload General Revenue Grant payments in May, June and July.	Payment received in line with Scottish Government profiles. As at 9/6/20

				Total grant received £79.0m
Free School Meals	Announcement about funding to support free school meals during the summer holidays	£12.6m	Estimated £0.3m	Working on options to support free school meal provision.

Scottish Government - Specific Grant Flexibility

In the report to the Urgent Business Committee on 20 March 2020 it was stated that:

“Further flexibility for the Local Authorities was announced yesterday by the Scottish Government in relation to schools and early learning and childcare providers, and includes:

- Relaxing current guidance on Pupil Equity Funding in order that headteachers and local authorities can support the most vulnerable children;
- Applying the same flexibility to school and local authorities in receipt of Challenge Authority and Schools’ Programme funding; and
- Relaxing grant conditions in respect of funding for Regional Improvement Collaboratives, allowing resource linked to this initiative to be diverted to the Covid-19 response.”

Guidance was provided on 15 May 2020 on what this means locally.

Principles supporting flexible use of education and early learning and childcare funding streams

In exercising the flexibility available from these funding streams, Local Authorities are asked to take into account the following overarching principles:

- i. That funding can be redeployed to best support the education and care of children and young people during the response to the coronavirus pandemic;
- ii. That Local Authorities must continue to provide targeted support for the most vulnerable children and families;
- iii. That Local Authorities must provide critical childcare and learning for the children of key workers;
- iv. That where Local Authorities make a critical childcare offer to key worker families and vulnerable families, this should be free at the point of access during the emergency response period;
- v. That Local Authorities should pay sustainable rates to funded providers in the private or voluntary sectors, including childminders, for the delivery of critical childcare on behalf of the authority, to ensure that these providers are able to deliver services that are free at the point of access during the emergency response period;
- vi. That the principle of equity in education must remain a key factor in Local Authorities’ responses to Covid-19;
- vii. That reporting requirements across the identified funding streams will be adjusted to reflect the exceptional circumstances, with specific arrangements for each agreed bilaterally between the Scottish Government and local government; these will be proportionate and placed within the context of the wider collection of data from local government;

- viii. That both the Scottish Government and Local Government recognise the pandemic response means that previous priorities and commitments made under these grants will need to be reviewed and reset once the immediate emergency response is complete, and commit to working collaboratively. The recently established Covid-19 Education Recovery Group and ELC Joint Delivery Board will be key to this.

In using these funding streams flexibly, Local Authorities should be able to act to set up (or further develop) alternative arrangements for the delivery of critical childcare, provision of food, digital access, connectivity or devices, education and support for the children and families of key workers and education and support for vulnerable children and families for the duration of early learning and childcare setting and school closures. This list of potential uses of the funding is not exhaustive and decision-making on need will be made at Local Authority/school level, taking account of current commitments across funding streams.

In addition to these high-level principles, there are a number of specific considerations that determine the flexibility that can be exercised for each of the specific funding streams.

Flexibility - Aberdeen City Council

The Council receives Early Learning and Childcare expansion funding, Pupil Equity funding and Challenge School funding. All these are included in the flexibility described above and all are subject to specific grant funding conditions.

The guidance on 15 May provided flexibility in the conditions of those grants and confirmed that allocated funding would continue to be paid to Councils.

Scottish Attainment Challenge Funding

Limited flexibility due to commitments already made, including supporting digital and technology needs for those most vulnerable.

Funding Stream	Flexibility	Funding
Pupil Equity Fund	Guidance provided 15 May 2020.	2019/20 £0.9m (c/f) 2020/21 £3.1m
Total funding of £4m available is substantially committed to the staff and supporting contracts that address assessed needs. To support the technology needs of pupils £900k has recently been committed to purchase additional computers to support the blended education provision that is planned going forward.		
Total uncommitted / unplanned funds available £0.3m and are subject to Head Teacher decisions through school planning & will support children's additional needs in line with guidance as needs emerges during academic year 2020/21.		

Funding Stream	Flexibility	Funding
Challenge Schools	Guidance provided 15 May 2020.	2020/21 £0.6m

Total funding of £0.6m available is fully committed to the staff and supporting contracts that address assessed needs.

Total uncommitted / unplanned funds available £nil

Early Learning and Childcare Expansion Funding

The Scottish Government has removed the duty on local authorities to make available 1,140 hours of ELC per annum to all eligible 2-year olds and all 3 and 4-year-old children from August 2020.

The planned work to deliver 1,140 hours has been disrupted due to the coronavirus (Covid-19) restrictions and the ongoing response to the pandemic.

The Scottish Government has indicated that legislation will be brought back to the Scottish Parliament to secure the 1,140 hour entitlement, but as yet they are unable to provide a revised timeline. Local authorities have been asked to review their own expansion plans in order to assess the impact of the current restrictions on the ELC expansion programme.

The delivery programme in Aberdeen recognises the funding that has been secured to deliver the introduction of the 1,140 hours but has also had to take account of the mainstreaming of this grant, due to take place from April 2022 (after the first full year of implementation), when the specific grant value will be incorporated into the General Revenue Grant that the Council receives. The impact of this change is that the annual funding that Aberdeen City will receive is estimated to reduce by c. £5m-6m from the full year value of £25m.

This estimated reduction has shaped the delivery of the programme and the Council has been aware of the need to work within the sustainable funding levels, while using the specific grant funding to deliver the programme and meet the original statutory requirements.

The removal of the duty on local authorities to make available 1,140 hours per annum from August 2020 enables it Council to redirect the uncommitted grant funding to support children and families as described in the Scottish Government guidance.

Early Learning & Childcare Expansion	Guidance provided 15 May 2020.	Uncommitted sums: 2019/20 £8.1m 2020/21 £6.5m
<p>Total funding of £14.6m available following deduction of programme costs for 2020/21 and decisions by the Early Learning and Childcare Expansion Board to slow decision making on significant contracts in order to offer as much flexibility as possible to support children and families more widely through the response and recovery.</p> <p>Based on the known costs described in the report a sum of £8m is initially allocated to support emergency childcare provision, vulnerable hubs that have been set up and to support partner providers.</p>		

Total uncommitted / unplanned funds available £6.6m to potentially support the unknown costs described in the report.

Council Commitments, excluding those driving savings that are included in Appendix 7

Cluster	Strategic Area	Commitment	Option	Commentary
Data & Insights	Service Standard	Access to advice for data protection issues will be available 09:00 to 17:00 during weekdays.	Unaffected	
Data & Insights	Service Standard	Requests for advice for reported data breaches and other serious data protection risks will receive an initial response within 24 hours (weekdays)	Unaffected	
Data & Insights	Service Standard	We will make relevant and up to date data, information and insights permanently available to stakeholders through our online Aberdeen Outcomes Framework, Aberdeen City Data Observatory; Aberdeen City Council's Public Performance Reporting arrangements; and internal performance portals and dashboards.	Unaffected	
Data & Insights	Transformation	Integration of prevention; return on investment; demand management; and resource allocation within annual planning and budgeting cycle	Accelerate	Whilst the overall critical path is unaffected, some elements have been accelerated to inform 2020/21 in year review report for UBC June 2020.
Data & Insights	Transformation	Information and data	Unaffected	
Capital	Policy Statement	2000 houses	Amend	The overall strategy would be to continue to deliver this capital financed programme of projects for new council housing on both Council and Developer led sites. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.

Cluster	Strategic Area	Commitment	Option	Commentary
Capital	Policy Statement	AECC, including digestion plant	Amend	The overall strategy would be to continue to deliver this capital financed project to support the viability of the larger AECC project. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Capital	Policy Statement	Delivery of 4 new primary schools: Tillydrone; Torry; Countesswells Primary School; and Milltimber	Amend	The overall strategy would be to continue to deliver the 4 No. capital financed projects. One tender is undergoing assessment, two others planning to reach financial close in late May /early June 2020, remaining one to go out to tender in lat May 2020. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Capital	Policy Statement	Provost Skene House	Amend	The overall strategy would be to continue to deliver this capital financed project to support the wider CCMP. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Capital	Policy Statement	TECA site	Amend	The overall strategy would be to continue to deliver this capital financed project. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Capital	Policy Statement	Union Terrace Gardens	Amend	The overall strategy would be to continue to deliver this capital financed project to support the wider CCMP. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.

Cluster	Strategic Area	Commitment	Option	Commentary
Capital	Commissioning Intention	Deliver South College Street and Berryden corridor capital projects	Amend	The overall strategy would be to continue to deliver this capital financed project. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Capital	Policy Statement	Energy From Waste & ESCO & Torry Heat Network	Amend	The overall strategy would be to continue to deliver this capital financed project which is support funded by two other Councils (Aberdeenshire & Moray) to support the wider waste strategy (no more waste disposal by landfill). In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Capital	Policy Statement	Queen Street	Amend	The overall strategy would be to continue to deliver this capital financed project to support the wider development strategy (includes the need for a new mortuary). In lieu of the COVID-19 impact there is a timeline delay risk when specific projects will be completed.
Capital	Commissioning Intention	Construct the new Ness Energy facility (energy from waste) for north east Scotland	Amend	The overall strategy would be to continue to deliver this capital financed project which is support funded by two other Councils (Aberdeenshire & Moray) to support the wider waste strategy (no more waste disposal by landfill). In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Capital	Commissioning Intention	Commissioning construction of Torry Heat network	Amend	The overall strategy would be to continue to deliver this capital financed project. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.

Cluster	Strategic Area	Commitment	Option	Commentary
Commercial & Procurement	2020/21 Budget Instruction	Instructs the Chief Officer Commercial and Procurement to notify Sport Aberdeen that their funding is contingent to them providing their staff with the same pay award as Council staff, as per SJC negotiated pay awards	Unaffected	Complete
Commercial & Procurement	2020/21 Budget Instruction	Instructs the Head of Commercial and Procurement, following consultation with the Chief Officer Health and Social Care, to report back to the Strategic Commissioning Committee on 11 June 2020 on future operational delivery models for Bon Accord Care and Sport Aberdeen	Amend	Proposed this be submitted to Strategic Commissioning Committee in August 2020.
Commercial & Procurement	2020/21 Budget Instruction	Instructs the Head of Commercial and Procurement Services to incorporate community benefit clauses into new contracts let during 2020/21 that increase the contribution of the Council to the Local Outcomes Improvement Plan (LOIP) outcomes, and submit a year-end report to Strategic Commissioning Committee	Unaffected	On track for current timescale.
Commercial & Procurement	2020/21 Budget Instruction	Introduce a climate friendly weighting for contracts the Council will procure and report back to the Strategic Commissioning Committee on the outcomes achieved annually	Unaffected	On track for current timescale.
Commercial & Procurement	Policy Statement	Maximise community benefit from major developments	Unaffected	Has been built into current documentation.
Commercial & Procurement	Service Standard	The annual Audits on internal control systems for procurement processes and systems, including delegated procurement and financial authority do not identify major rated issues.	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Commercial & Procurement	Service Standard	Demand management is embedded for all contracts above £50K contracts at strategy stage and throughout life of contract to ensure that the quantity and specification of goods and services match, but do not exceed, the actual needs of the Council.	Unaffected	Has been built into current documentation and process.
Commercial & Procurement	Service Standard	We will enable access to all internal procedural procurement information online.	Slow Down	Other priorities due to Covid-19.
Commercial & Procurement	Service Standard	We will publish annual contract pipelines for each financial year online after the Council Budget is set.	Unaffected	
Commercial & Procurement	Service Standard	We will ensure that all contracts above £50K in value can be tracked to show community, local economic and environmental benefits.	Unaffected	
Commercial & Procurement	Service Standard	We will ensure that all contracts above £50K have standard clauses to require providers to demonstrate commitments towards carbon reduction and efficiency.	Unaffected	
Commercial & Procurement	Transformation	Social Enterprise Delivery Models	Accelerate	Some elements have been stepped up to contribute to the 2020/21 budget options.
Commercial & Procurement	Transformation	Corporate Marketing	Accelerate	Some elements have been stepped up to contribute to the 2020/21 budget options.
Commercial & Procurement	Transformation	Outcome Based Commissioning	Accelerate	Some elements have been stepped up to contribute to the 2020/21 budget options.
Corporate Landlord	2020/21 Budget Instruction	Instruct the Chief Officer Corporate Landlord to take forward the proposals for a campus model for future school provision to the Education Operational Delivery Committee on 26 November 2020	Amend	On track to provide updates within current timescale. Full feasibility will likely come later. Officers to consider full extent of budget required to deliver project.

Cluster	Strategic Area	Commitment	Option	Commentary
Corporate Landlord	2020/21 Budget Instruction	Instruct the Chief Officer Corporate Landlord to take forward the proposals for the future anticipated school roll increase at Bucksburn Academy to the Education Operational Delivery Committee on 26 November 2020	Unaffected	On track to provide updates within current timescale.
Corporate Landlord	2020/21 Budget Instruction	Instruct the Chief Officer Corporate Landlord to take forward the proposals for investment for works at Riverbank School to accommodate the relocation of St. Peter's School once Riverbank School relocates to the City Growth and Resources Committee on 28 October 2020 with an indicative programme	Unaffected	On track to provide update on proposals within the timescale.
Corporate Landlord	Policy Statement	Completion of School Estate Review (P1) And development of Estate Strategy for Next 5-10 years (P2)	Slow Down	Report available in draft but should be re-considered in light of impact of Covid-19 on learning.
Corporate Landlord	Policy Statement	Grenfell Tower recommendations	Unaffected	Formal guidance awaited - may now be delayed. No financial commitment at this stage.
Corporate Landlord	Commissioning Intention	Increase the energy efficiency of council housing stock	Unaffected	
Corporate Landlord	Service Standard	We will complete cyclical maintenance works on council houses in accordance with agreed programme	Unaffected	Works will require to continue. Funded by HRA.
Corporate Landlord	Service Standard	We will provide Asset Valuations within reported timescale	Amend	Valuation in 2020/21 is for HRA properties. This would normally start in June and is likely to be delayed due to access to properties requiring a higher resource input later in the year. Ongoing resource review from service re-design proposals.
Corporate Landlord	Transformation	Holistic Approach to Localities	Accelerate	Ongoing review to build on joint and partnership working during Covid19 and the impact on customers, costs and estate.

Cluster	Strategic Area	Commitment	Option	Commentary
Corporate Landlord	Transformation	Asset Acquisition and Development	Amend	There are risk issues to sales process driven by market uncertainty and resource which will require to be diverted to asset valuation later in 2020.
Customer Experience	Service Standard	We will respond to Stage 1 complaints to within 5 working days	Unaffected	
Customer Experience	Service Standard	We will respond to Stage 2 complaints within 20 working days	Unaffected	
Customer Experience	Service Standard	We will respond to escalated stage 2 complaints within 20 working days	Unaffected	
Customer Experience	Service Standard	We will respond to Freedom of Information requests within 20 working days	Unaffected	
Customer Experience	Service Standard	We will respond to Environmental Information Regulation Requests within 20 working days	Unaffected	
Customer Experience	Service Standard	We will respond to non complex Subject Access Requests within 1 month and complex Subject Access Requests within 3 months	Amend	We will respond to 80% of non complex Subject Access Requests within 1 month and 70% of complex Subject Access Requests within 3 months
Customer Experience	Service Standard	We will respond to Access to School Records requests within 15 school days	Unaffected	
Customer Experience	Service Standard	We will respond to Data Protection Right requests within 1 month	Unaffected	
Customer Experience	Service Standard	We will respond to Members/MP/MSP enquiries submitted via our online portal within 15 working days	Unaffected	
Customer Experience	Service Standard	We will process new benefit claims within 23 days	Unaffected	
Customer Experience	Service Standard	We will process benefit change of circumstances within 9 days	Unaffected	
Customer Experience	Service Standard	We will process Crisis Grant applications within 2 working days	Slow Down	Reduce to 90% within 2 days

Cluster	Strategic Area	Commitment	Option	Commentary
Customer Experience	Service Standard	We will pay the correct amount of benefit to customers	Unaffected	
Customer Experience	Service Standard	We will process Community Care Grant applications within 15 working days	Slow Down	Reduce to 50% within 15 days
Customer Experience	Service Standard	We will ensure accurate Registration of Births, Deaths and Marriages	Unaffected	
Customer Experience	Service Standard	We will answer Customer Contact Centre calls within 60 seconds	Unaffected	
Customer Experience	Service Standard	We will issue Child Protection Case Conference decisions to families within 24 hours	Unaffected	
Customer Experience	Service Standard	We will issue Child Protection Plans within 3 days	Unaffected	
Customer Experience	Service Standard	We will pay invoices within 30 days	Unaffected	
Digital & Technology	Service Standard	Calls to the IT Service Desk will be resolved as first time fixes whenever possible	Unaffected	
Digital & Technology	Service Standard	We will ensure critical systems are continuously available	Unaffected	
Digital & Technology	Service Standard	We will close Priority 1 incident calls within 4 working hours	Unaffected	
Digital & Technology	Service Standard	We will close Priority 2 incident calls within 8 working hours	Unaffected	
Digital & Technology	Service Standard	We will close Priority 3 incident calls within 3 working days	Unaffected	
Digital & Technology	Service Standard	We will close Priority 4 incident calls within 5 working days	Unaffected	
Digital & Technology	Service Standard	We will close Priority 5 Incident calls within 30 working days	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Early Intervention & Community Empowerment	2020/21 Budget Instruction	Instruct the Chief Officer - Early Intervention and Community Empowerment to review the Council Housing Allocation Policy and report back to the Operational Delivery Committee	Unaffected	On track and can be achieved within the current timescale.
Early Intervention & Community Empowerment	Commissioning Intention	<p>Review and refresh the whole system approach to Youth Justice to better ensure effective and early support.</p> <p>Identify and engage with young people at risk of involvement in offending behaviour to ensure that they do not enter the criminal justice system.</p>	Slow Down	Lockdown measures and return to 'normal' have / will affect face to face work with young people. Potential staffing redesign in Community Learning and Development could also affect this work. Timescales for refreshing the Whole System Approach will be reviewed. This will require reprioritisation of work post COVID19 and through the Transformation Programme to ensure that we are focussing on the right preventative measures.
Early Intervention & Community Empowerment	Commissioning Intention	Deliver relevant support to people who: i) receive a Fiscal Work Order and ii) are diverted from prosecution and referred to Criminal Justice Social Work Service for supervision	Unaffected	
Early Intervention & Community Empowerment	Commissioning Intention	Increase reporting of domestic abuse issues through frontline staff awareness training	Accelerate	Higher profile on this that will be maintained
Early Intervention & Community Empowerment	Commissioning Intention	Working with Police Scotland, increase the number of individuals who are involved in cuckooing* incidents who undertake effective interventions or who are referred to relevant support services in priority localities by 2021	Unaffected	
Early Intervention &	Commissioning Intention	People on community sentences and released from prison are supported to suitable accommodation	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Community Empowerment				
Early Intervention & Community Empowerment	Commissioning Intention	People on community sentences and released from prison are supported towards Employment	Unaffected	
Early Intervention & Community Empowerment	Commissioning Intention	Ensure that where individuals with mental health issues enter the Criminal Justice system they receive appropriate housing support.	Unaffected	
Early Intervention & Community Empowerment	Commissioning Intention	Increase number of homeless people receiving health and wellbeing support	Unaffected	
Early Intervention & Community Empowerment	Commissioning Intention	Continue with the Priority Family approach to improve outcomes for families and reduce demand on CPP partners	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Early Intervention & Community Empowerment	Commissioning Intention	Through Sport Aberdeen and Aberdeen Sports Village: - <ul style="list-style-type: none"> • identify and remove barriers to becoming and remaining active • provide appropriate opportunities to target the inactive and support lifelong engagement • promote and provide progressive opportunities to ensure continued activity • work with key groups & networks to ensure continuous and appropriate engagement • review current opportunities to ensure the diverse needs of the community are met • develop opportunities to reflect local need and are based on community engagement • further develop targeted programmes to positively impact in health inequalities 	Amend	Dependent on SA and ASV provision and resource allocation.
Early Intervention & Community Empowerment	Commissioning Intention	Increase use of the Making Every Opportunity Count (MEOC) approach in 2020/21	Unaffected	
Early Intervention & Community Empowerment	Commissioning Intention	Increase the number of individuals who are able to access support for substance misuse	Slow Down	This may be affected by the reduced potential for face to face support, although some is being provided by phone.
Early Intervention & Community Empowerment	Commissioning Intention	Recovery pathways are promoted and used	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Early Intervention & Community Empowerment	Commissioning Intention	Encourage community resilience and increase signposting to preferred partners	Accelerate	Co-ordinating community support across partners has been strengthened during lock down and opportunities exist to capture and embed this as restrictions ease.
Early Intervention & Community Empowerment	Commissioning Intention	Reduce food poverty and implement the provision of a Food Growing Strategy	Amend	Aim to capitalise on work done during COVID-19 pandemic response
Early Intervention & Community Empowerment	Commissioning Intention	Encourage people of all ages and abilities to get involved at their local allotment linking in all relevant policy such as the Community Empowerment Act, Part 9	Unaffected	
Early Intervention & Community Empowerment	Policy Statement	Approaches of the Sistema spread across the City	Accelerate	Digital transformation has been accelerated by SISTEMA with various online offerings now available. This has significantly accelerated their offer citywide.
Early Intervention & Community Empowerment	Policy Statement	Free School meals during school holidays	Accelerate	Delivered in partnership during Covid19 response.
Early Intervention & Community Empowerment	Policy Statement	Locality Plans	Accelerate	We currently have three priority locality plans and the LOIP, which provides citywide coverage. Work is proposed to build on local partnership working to further embed locality planning.
Early Intervention & Community Empowerment	Service Standard	We will ensure a decision is made on all Tenancy Management actions (specifically Abandonment, Assignment, Joint Tenancy, Lodger, Single Abandonment, Single Termination, Sublet, Succession) within 28 days	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Early Intervention & Community Empowerment	Service Standard	We will provide nutritious meals to children and young people in priority localities during school holiday periods	Accelerate	Delivered in partnership during Covid19 response.
Early Intervention & Community Empowerment	Service Standard	We will ensure that libraries are open during agreed opening hours	Amend	Phased reopening of libraries planned in conjunction with Route Map and availability of resources.
Operations & Protective Services	2020/21 Budget Instruction	Instructs the Chief Officer Operations and Protective Services to report back to the Operational Delivery Committee on 21 May 2020 with the Tree and Woodland Strategic Implementation Plan which will be incorporated into the Open Space Strategy to increase tree coverage within the City	Slow Down	Tree & Woodland Strategy Implementation Plan has been developed and will go to the next Operational Delivery Committee.
Operations & Protective Services	2020/21 Budget Instruction	Instructs the Chief Officer Operations and Protective Services to replace all fleet vehicles with alternative powered vehicles (where such vehicles are available in the open market) as part of the rolling programme and within the allocated budget for that programme	Unaffected	This is now part of the rolling programme for replacement vehicles and plant. Work has started and where possible a vehicle or plant item will be replaced with an alternative fuel type, if a straight replacement is not possible a conversion to dual fuel will be considered
Education	Policy Statement	Implementation of Developing the Young Workforce	Unaffected	
Education	Policy Statement	Increasing Free school meal take up	Accelerate	Huge increase at this time in light of changing financial circumstances and increased uptake as eligible parents are keen to access vouchers (and may not have wanted a meal). This is being reviewed on a weekly basis and is likely to be on-going for some time and linked to the economy.

Cluster	Strategic Area	Commitment	Option	Commentary
Education	Policy Statement	UNICEF Child Friendly accreditation	Unaffected	
Education	Service Standard	Early learning and childcare settings will meet the national standard	Unaffected	
Education	Service Standard	Primary, secondary and special schools will achieve an average evaluation of 'good' or better in core QIs	Unaffected	
Education	Service Standard	We will process requests for additional support to meet the wellbeing needs of children and young people within 40 days	Unaffected	
Education	Service Standard	We will meet all requests for early learning and childcare placements	Amend	Social distancing and Scottish Government expectations will have to be followed and all settings are currently closed. ELC expansion has been re-set by Scottish Government. When service resumes we would hope to fulfil all requests. We are supporting Funded providers to try and ensure that their business remains viable as they provide 25% of ACC's ELC offer.
Education	Service Standard	We will meet all requests for primary and secondary school place met	Amend	Many parents are moving from private to their local school and this is presenting some challenges in some schools. To be monitored.
Governance	2020/21 Budget Instruction	Instructs the Chief Officer Governance to report to the Licensing Committee on 1 September 2020 with proposals to consult with the taxi and private hire trade on options for transitioning to alternative powered vehicles	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Draft minutes published within 3 weeks (non statutory)	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Council and Committee meetings called 5 days in advance	Unaffected	On track and still achievable within current timescale.

Cluster	Strategic Area	Commitment	Option	Commentary
Governance	Service Standard	Agendas issued 5 days in advance	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Decision sheets published on website within 4 working days (non statutory)	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Local Review Body – number of requests for review acknowledged within 14 days	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	School Placing and Exclusion Appeals Committee– hearings heard within 28 days of request	Amend	New Act amended this to 3 months
Governance	Service Standard	School Placing and Exclusion Appeals Committee – hearing dates notified within 14 days of request	Amend	New Act removed this requirement
Governance	Service Standard	Civic licence applications determined within 6 months of a valid application	Unaffected	New Act now allows 9 months for this, however on track and still achievable within current timescale.
Governance	Service Standard	Hearing to determine a Premises Licence application or Variation application within 119 days of the last date for representations.	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Decision letters for alcohol applications issued within 7 days of Board meeting.	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Personal Licence issued within 28 days of date of grant	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Premises Licence issued within 28 days of date of grant	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Replacement licence issued within 14 days of notification of loss/theft etc.	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Updated licence issued within 14 days of notification of amendments.	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Civic licensing complaints acknowledged within 24 hours.	Unaffected	On track and still achievable within current timescale.

Cluster	Strategic Area	Commitment	Option	Commentary
Governance	Service Standard	Civic licensing complaints investigated within 14 days.	Unaffected	On track and still achievable within current timescale.
Governance	Service Standard	Competence – Compulsory CPD will be carried out by all professional staff in accordance with the Law Society requirements.	Slow Down	The Law Society have agreed to suspend the requirement for CPD for 19/20. So postpone this service standard for one year
Governance	Service Standard	Communication & Diligence – Each legal team will seek feedback every six months in relation to 5 customers, to monitor the quality of delivery of the service.	Unaffected	On track and still achievable within current timescale.
Operations & Protective Services	Policy Statement	Roads Investment	Unaffected	
Operations & Protective Services	Commissioning Intention	Manage and expand a safe, healthy tree stock	Unaffected	Lock down has impacted maintenance, but proposed to reinstate to previous service. Tree & Woodland Strategy Implementation Plan has been developed and will go to the next Operational Delivery Committee.
Operations & Protective Services	Commissioning Intention	Improve resilience to flooding and ensure the safety of the environment, including commissioning of capital works for a new defence scheme at Millside and Paddock Peterculter	Amend	The overall strategy would be to continue to deliver this capital financed project. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Operations & Protective Services	Commissioning Intention	Increase community participation in winter maintenance and other resilience issues	Unaffected	
Operations & Protective Services	Service Standard	Tree maintenance work, priority 1 (emergency work / dangerous trees) completed within 1 week.	Slow Down	Emergency works continue but a backlog is building due to the service being stood down. Resuming to normal service standard will depend on how long the current situation continues.

Cluster	Strategic Area	Commitment	Option	Commentary
Operations & Protective Services	Service Standard	Tree maintenance work, priority 2 (priority scheduled maintenance) completed within 1 month.	Slow Down	Emergency works continue but a backlog is building due to the service being stood down. Resuming to normal service standard will depend on how long the current situation continues.
Operations & Protective Services	Service Standard	Tree maintenance work, priority 3 (all other non priority works) completed within 1 year.	Suspend	Priority 3 works will almost certainly be suspended to allow team to focus on priority 1 and 2 works and get this work back on track.
Operations & Protective Services	Service Standard	Outdoor play areas visited on a fortnightly basis and inspected and maintained, for safety and cleanliness, to public outdoor play area national standards.	Unaffected	Play area visits and inspection continue.
Operations & Protective Services	Service Standard	Water safety equipment will be inspected on a weekly basis to ensure equipment is accessible, available and working.	Unaffected	Life belt inspections continue.
Operations & Protective Services	Service Standard	Between May and September equipment at the beach is inspected daily.	Unaffected	Life belt inspections continue.
Operations & Protective Services	Service Standard	Cremation Services receive positive evaluations with no requirements for improvement by the Inspector of Cremation.	Unaffected	Crematorium services continue.
Operations & Protective Services	Service Standard	Maintain number of partnerships / community groups with links to national campaigns - Green Thread.	Slow Down	Many national campaigns have been postponed or cancelled for 2020. Community groups are continuing to operate, but much of their progress has been slowed as it is more difficult for the groups to come together to enjoy their community space.
Operations & Protective Services	Service Standard	We will undertake statutory visits to registered tobacco and nicotine vapour products retailers to give business advice on compliance with legislation	Unaffected	Activity funded by Scottish Government

Cluster	Strategic Area	Commitment	Option	Commentary
Operations & Protective Services	Service Standard	We will undertake test purchasing of registered tobacco and nicotine vapour products retailers to test retailer compliance with age restrictions	Unaffected	Activity funded by Scottish Government
Operations & Protective Services	Service Standard	We will deal with requests for trading standards business advice within 14 days	Unaffected	
Operations & Protective Services	Service Standard	We will respond to non-domestic noise nuisance requests within 2 days and complete them within 30 days	Unaffected	
Operations & Protective Services	Service Standard	We will respond to pest control requests within 2 days for high priority infestations and 5 days for low priority infestations and complete them within 30 days	Unaffected	
Operations & Protective Services	Service Standard	We will respond to public health requests within 2 days for high priority and 5 days for low priority and complete them within 30 days.	Unaffected	
Operations & Protective Services	Service Standard	We will respond to dog fouling incident requests within 2 days and other dog incident requests within 5 days and complete them within 30 days	Unaffected	
Operations & Protective Services	Service Standard	We will undertake food safety inspections in accordance with the requirements set by Scottish Government.	Unaffected	
Operations & Protective Services	Service Standard	The Scientific Laboratories will examine /analyse and report food and environmental samples within specified turnaround times agreed with partners/customers	Unaffected	
Operations & Protective Services	Service Standard	HGVs ('O' Licence jurisdiction) to achieve first time MOT pass when presented for annual test.	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Operations & Protective Services	Service Standard	Light vehicles (non 'O' licence jurisdiction) to achieve first time MOT pass when presented for annual test.	Unaffected	
Operations & Protective Services	Service Standard	We will provide vehicles which comply with ECO Stars scheme ratings Euro iv, v or vi to reduce carbon emissions. All future purchases will be a minimum of Euro vi standard.	Unaffected	
Operations & Protective Services	Service Standard	We will make good or make safe emergency daytime housing repairs within 24 hrs.	Unaffected	
Operations & Protective Services	Service Standard	We will make good or make safe emergency out of hours housing repairs within 24 hrs.	Unaffected	
Operations & Protective Services	Service Standard	We will complete urgent housing repairs within 24 hours.	Unaffected	
Operations & Protective Services	Service Standard	We will complete high category housing repairs within 3 working days	Unaffected	
Operations & Protective Services	Service Standard	We will complete non-emergency housing repairs within 5 working days	Unaffected	
Operations & Protective Services	Service Standard	We will complete routine housing repairs within 10 working days	Unaffected	
Operations & Protective Services	Service Standard	We will provide and keep appropriate appointments for housing repairs within the agreed timescales for each category of repair (as above).	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Operations & Protective Services	Service Standard	We will aim to complete repairs first time where possible	Unaffected	
Operations & Protective Services	Service Standard	We will undertake required annual gas safety checks within twelve months of the previous safety check.	Unaffected	
Operations & Protective Services	Service Standard	We will complete housing repairs pre-inspections within 20 days.	Unaffected	
Operations & Protective Services	Service Standard	We will complete housing voids maintenance for each property within the timescales agreed within the HRA specification below for the type of works undertaken. - Routine void path within 10 working days - Death void path within 10 working days - Major Works void path within 15 working days	Unaffected	
Operations & Protective Services	Service Standard	(Catering) We will close Corrective Action Requests (CARs) within timescales to meet Quality Assurance ISO 9001-2015 requirements. - Where CARs impact on Health & Safety or is a Food Safety concern we will respond immediately; - Where CARs relate to a process or materials which are not a Health & Safety or Food Safety concern the response time will be determined by the auditor using SMART methodology	Unaffected	
Operations & Protective Services	Service Standard	(Catering) We will provide Free School Meals to Primary 1 to 3 children, which meet the Nutritional requirements for Food and Drink in Schools (Scotland) Regulations	Amend	Entitlements during lockdown being provided to parents/guardians of free school meal entitled young people by way of supermarket vouchers (£25 value per child, per fortnight).

Cluster	Strategic Area	Commitment	Option	Commentary
Operations & Protective Services	Service Standard	(Cleaning) We will complete Void Housing/Response cleaning alerts within Building Services priority timescales:- - Emergency (E4/E4OOH) cleans within 4 hours - Urgent (U24) cleans within 24 hours - High priority (H3) cleans within 3 days - Non-Emergency (NE5/58) cleans within 5 days - Routine priority (R10) cleans within 10 days - Planned (PL24) cleans within 24 days - Planned (PL90) cleans within 90 days	Unaffected	
Operations & Protective Services	Service Standard	(Cleaning) We will respond to flytipping alerts at housing multi-storey blocks (HRA) within 48 hours	Unaffected	
Operations & Protective Services	Service Standard	(Cleaning) We will deliver 39 weeks contracted school cleaning	Amend	Suspended during lockdown in schools which are closed, amended in schools which are open for provision of childcare for Keyworkers, as service has continued over school holiday periods which sit outside of the 39 contracted weeks.
Operations & Protective Services	Service Standard	We will collect refuse, recycling and food and chargeable garden waste bins on scheduled collection days. ·Fortnightly collection for all individual household bins. ·On demand/variable collections as required for communal bins.	Amend	Mixed recycling and brown bins currently being collected only every 4 weeks. Working to reinstate to usual frequency but expected to remain at 4 weekly at least until end of June.
Operations & Protective Services	Service Standard	We will respond to enquiries relating to overflowing communal bins within 48 hours	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Operations & Protective Services	Service Standard	We will respond to fly-tipping enquiries within 48 hours	Unaffected	
Operations & Protective Services	Service Standard	We will complete paid bulky uplift service requests within 10 working days	Unaffected	Proposed to fully reinstate following lockdown.
Operations & Protective Services	Service Standard	We will remove abandoned vehicles within 14 days	Unaffected	Proposed to fully reinstate following lockdown.
Operations & Protective Services	Service Standard	We will make category 1 (Imminent danger to users) carriageway / footway defects safe with immediate effect.	Unaffected	
Operations & Protective Services	Service Standard	We will repair category 2a (high probability of danger to users) carriageway / footway defects within 2 days	Unaffected	
Operations & Protective Services	Service Standard	We will repair category 2b (Medium probability of danger to users) carriageway / footway defects within 7 days	Unaffected	
Operations & Protective Services	Service Standard	We will repair category 3 (Low probability of danger to users) carriageway / footway defects within 28 days	Slow Down	The reduction of response to these would potentially generate extra capacity in the maintenance teams to be reallocated to capital works, however there may be a lag on that potential due to the backlog on defects upon returning to maintenance activities.
Operations & Protective Services	Service Standard	We will complete road safety inspections within the set timeframe as set out in the Roads Inspection Manual	Unaffected	
Operations & Protective Services	Service Standard	We will reply to driveway and H-marking applications within 6 weeks of receiving the application	Slow Down	These are non -critical items of work, and the time period for a response may have to be extended due

Cluster	Strategic Area	Commitment	Option	Commentary
				to officers being able to visit the site to carry out a survey.
Operations & Protective Services	Service Standard	We will identify a suitable location for a disabled parking bay within 4 weeks of receiving the application	Unaffected	
Operations & Protective Services	Service Standard	We will repair all emergency traffic signal faults within 48 hours	Unaffected	
Operations & Protective Services	Service Standard	We will respond to street lighting emergencies within 2 hours	Unaffected	
Operations & Protective Services	Service Standard	We will respond to general street lighting faults within 7 days	Slow Down	The reduction of response to these would potentially generate extra capacity in the maintenance teams to be reallocated to capital works, however there may be a lag on that potential due to the backlog on defects upon returning to maintenance activities
Operations & Protective Services	Service Standard	We will complete priority 1 winter maintenance, in line with the winter maintenance approved plan, routes within 2.5 hours of the start of operations	Unaffected	
Operations & Protective Services	Service Standard	Repairs to Roads with Granite Setts in line with approved procedure.	Unaffected	
Operations & Protective Services	Transformation	Expansion of Friends Groups	Unaffected	
People & Organisation	2020/21 Budget Instruction	Instructs the Chief Officer People and Organisation to report to the Staff Governance Committee on 9 June 2020 with a guaranteed interview scheme for	Slow Down	Service Update will be submitted in June. Anything requiring approval would be scheduled to a relevant committee thereafter.

Cluster	Strategic Area	Commitment	Option	Commentary
		any care experienced young person seeking to gain employment with this Council		
People & Organisation	Service Standard	RE.CR.UIT Scheme – We will hold vacancy requirement discussions, following request to recruit submission, within 10 working days.	Unaffected	
People & Organisation	Service Standard	VSER – We will provide personal estimated figures within 5 working days	Unaffected	
People & Organisation	Service Standard	Job Evaluation – We will provide existing documentation within 3 working days	Slow Down	This service standard relies on cross skilling in the team which has been delayed
People & Organisation	Service Standard	Job Evaluation – We will complete evaluation panels upon receipt of all completed and verified documentation – within 10 working days for each individual job	Unaffected	
People & Organisation	Service Standard	We will review and, where necessary, update all People Policies and Guidance on a bi-annual basis.	Unaffected	
People & Organisation	Service Standard	All People Policy and Guidance available to managers and staff within 8 weeks	Unaffected	
People & Organisation	Service Standard	We will allocate a P&O advisor to formal casework within 3 working days	Unaffected	
People & Organisation	Transformation	Building Capability through Development	Slow Down	Impact of Covid19 has meant that scheduled training has been cancelled or postponed and corporate and CPD resources are proposed to be reprioritised.
People & Organisation	Transformation	Employer Accreditation	Unaffected	
Strategic Place Planning	Commissioning Intention	Deliver Aberdeen Adapts - Adaptation Plan for climate change in Aberdeen.	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Strategic Place Planning	Commissioning Intention	Delivering the Council's Energy and Climate Plan Routemap	Accelerate	New commitment
Strategic Place Planning	Commissioning Intention	Supporting Delivery of the City Region Deal	Unaffected	
Strategic Place Planning	Commissioning Intention	Supporting Delivery of the Regional Transport Strategy	Slow Down	Delayed 3 months
Strategic Place Planning	Commissioning Intention	Implementation of the current Local Transport Strategy	Accelerate	Social distancing and public health priorities have driven the acceleration of this.
Strategic Place Planning	Commissioning Intention	Ensure compliance of Council strategies, policies and processes with environmental legislation through Strategic Environmental Assessment, Habitat Regulation Assessment etc.	Unaffected	Unaffected by Covid-19 but potential impact of Brexit and legislative delay to implementation plans at government level.
Strategic Place Planning	Commissioning Intention	Reduce road congestion to improve air quality and reduce emissions	Accelerate	Positively impacted during lock down. As part of our Covid19 response, ACC has made a successful bid to Sustrans for funds to support the reallocation of road space.
Strategic Place Planning	Commissioning Intention	Develop and encourage the community to get involved in improving and sustaining their local environment including the promotion of nature conservation, recreation and education in parks and greenspaces to tackle climate change	Amend	Public engagement has been impacted during lockdown, however there are opportunities as we ease out of lockdown to capture volunteerism ethos
Strategic Place Planning	Commissioning Intention	Improve the provision of open space and deliver appropriate access to open space through Core Path Plans, Open Space Audit and Strategy Review and Food Growing Strategy	Amend	Public engagement has been impacted during lockdown, however there are opportunities as we ease out of lockdown to capture volunteerism ethos
Strategic Place Planning	Commissioning Intention	Enable greater opportunities for engagement and participation in development planning placemaking	Amend	Public engagement has been impacted during lockdown, however there are opportunities as we ease out of lockdown to capture volunteerism ethos

Cluster	Strategic Area	Commitment	Option	Commentary
Strategic Place Planning	Commissioning Intention	Increase the amount of space for walking and cycling, through the Sustainable Urban Mobility Plan and Local and Regional Transport Strategy, developing safe routes that support and encourage active travel	Accelerate	Social distancing and public health priorities have driven the acceleration of this. As part of our Covid19 response, ACC has made a successful bid to Sustrans for funds to support the reallocation of road space.
Strategic Place Planning	Commissioning Intention	Implement the active travel action plan to encourage walking and cycling	Accelerate	Social distancing and public health priorities have driven the acceleration of this. As part of our Covid19 response, ACC has made a successful bid to Sustrans for funds to support the reallocation of road space.
Strategic Place Planning	Commissioning Intention	Deliver a cycle hire scheme	Unaffected	
Strategic Place Planning	Policy Statement	Cycle Hire Scheme	Unaffected	
Strategic Place Planning	Policy Statement	Energy Strategy	Unaffected	Delivered as part of the Net Zero work.
Strategic Place Planning	Policy Statement	Refresh the local transport strategy, ensuring it includes the results of a city centre parking review; promotes cycle and pedestrian routes; and considers support for public transport	Accelerate	Social distancing and public health priorities have driven the acceleration of this. As part of our Covid19 response, ACC has made a successful bid to Sustrans for funds to support the reallocation of road space.
Strategic Place Planning	Service Standard	We will ensure that the local authority area is covered by an up to date Local Development Plan	Unaffected	Consultation on Proposed Plan stage delayed but overall programme unaffected.
Strategic Place Planning	Service Standard	We will determine householder applications within 2 months	Unaffected	
Strategic Place Planning	Service Standard	We will determine local (non-householder) applications within 2 months	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Strategic Place Planning	Service Standard	We will determine major applications within 25 weeks	Unaffected	
Strategic Place Planning	Service Standard	We will respond to building warrant applications within 20 working days	Unaffected	
Strategic Place Planning	Service Standard	We will respond to building warrant approvals within 10 working days	Slow Down	Application numbers and income impacted by lockdown Covid-19 - running at about 60% of expected.
Strategic Place Planning	Transformation	Non-resident demand	Slow Down	Capacity to progress this has been affected during the Covid19 response.
Strategic Place Planning	Commissioning Intention	Service Level agreement with Aberdeenshire Council for delivery of Archaeology service	Unaffected	
City Growth	2020/21 Budget Instruction	Instructs the Chief Officer City Growth, following consultation with the Head of Commercial and Procurement Services, and in conjunction with Aberdeen Inspired to support the continued development of the Nuart Project with £125,000 per annum for the financial years 2021/22 to 2023/24	Suspend	The financial contribution has been made for this financial year even though the Nuart festival was cancelled due to Covid-19. Current plan is to hold event in August 2020
City Growth	2020/21 Budget Instruction	Instructs the Chief Executive to report back to the City Growth and Resources Committee on 18 June 2020 with a Corporate Business Charter	Amend	The Charter will be presented to the June 30, 2020 Urgent Business Committee, as part of the Socio-economic Rescue Plan.
City Growth	2020/21 Budget Instruction	Instructs the Chief Officer City Growth to provide a report on the Transient Visitor Levy to the City Growth and Resources Committee on 28 October 2020 on engagement and options	Suspend	Due to Covid-19 the Scottish Government have confirmed that it will not be progressing a bill for the Transient Levy therefore we will need to revisit the timings on our Transient Visitor Levy and report to committee. No implications in terms of £

Cluster	Strategic Area	Commitment	Option	Commentary
City Growth	2020/21 Budget Instruction	Instructs Chief Officer City Growth to evaluate the Energy Transition Zone Training and Jobs Plan and report back to the Council's City Growth and Resources Committee on 28 October 2020 on the extent to which local people are accessing training or job opportunities that are generated if any development occurs	Accelerate	Included in SG announcement of £62m ringfenced for energy transition. The ETZ concept will be subject to a business case process in summer 2020. One component of a much bigger project is the training and jobs plan. As the project is developed, this is being designed, but by definition would only be implemented if the project proceeds
City Growth	2020/21 Budget Instruction	Instructs the Chief Officer City Growth to look at options for the operation of the hydrogen fuelled buses beyond the life of the Aberdeen Hydrogen Bus demonstration project, including potential use in other cities in the UK and the Scottish Cities Alliance as we upgrade our fleet	Accelerate	Included in SG announcement of £62m ringfenced for energy transition. On track for current timescale. Review of contract position and bus condition underway. Prior Information Notice will be released in June.
City Growth	2020/21 Budget Instruction	Instructs the Chief Officer City Growth to work with relevant stakeholders and partners to develop and embed an Energy Transition Zone Training and Jobs Plan that ensures local people are able to access employment opportunities from any development that occurs	Accelerate	The ETZ concept will be subject to a business case process in summer 2020. One component of a much bigger project is the training and jobs plan. As the project is developed, this is being designed, but by definition would only be implemented if the project proceeds. City Growth are working with ONE and Scottish Enterprise to develop a workstream within the programme to include a jobs and training plan and skills academy for energy transition.
City Growth	2020/21 Budget Instruction	Instructs the Chief Officer City Growth to work with Skills Development Scotland, North East of Scotland College and Opportunity North East on development of energy transition apprenticeships that target local people in the immediate areas around Aberdeen Harbour South	Accelerate	The ETZ concept will be subject to a business case process in summer 2020. One component of a much bigger project is the training and jobs plan. As the project is developed, this is being designed, but by definition would only be implemented if the project proceeds. City Growth are working with ONE and Scottish Enterprise to develop a workstream within

Cluster	Strategic Area	Commitment	Option	Commentary
				the programme to include a jobs and training plan and skills academy for energy transition.
City Growth	2020/21 Budget Instruction	Instructs Chief Officer City Growth to include the Torry Locality Planning Manager, Lochside Academy Head Teacher (or their representative) and an Employability officer in the relevant Energy Transition Zone project workstream so that access by local young people to new training and jobs is a central element of development of a Zone, and that the Training and Jobs Plan is delivered	Unaffected	Included in SG announcement of £62m ringfenced for energy transition. The ETZ concept will be subject to a business case process in summer 2020. One component of a much bigger project is the training and jobs plan. As the project is developed, this is being designed, but by definition would only be implemented if the project proceeds. City Growth are working with ONE and Scottish Enterprise to develop a workstream within the programme to include a jobs and training plan and skills academy for energy transition.
City Growth	Commissioning Intention	Support the Aberdeen and Grampian Chamber of Commerce to deliver a new Local Export Partnership, NE Scotland Trade Group, with key local and regional partners	Unaffected	Drafted and with AGCC for next steps. Date tbc.
City Growth	Commissioning Intention	Progress redevelopment of Union Terrace Gardens	Amend	The overall strategy would be to continue to deliver this capital financed project to support the wider CCMP. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
City Growth	Commissioning Intention	Prepare an up to date Strategic Development Plan and Local Development Plan to deliver development opportunities for Aberdeen	Unaffected	Complete with respect to the priority opportunities around ETZ included in LDP
City Growth	Commissioning Intention	Deliver decisions on planning, building standards and roads construction consent applications to enable growth in new sectors	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
City Growth	Commissioning Intention	Work with partners to ensure that public and private sector development sites are delivered and monitored through the housing and employment land audits	Slow Down	Likely to be slowed down, reflecting the overall downturn and investment climate. Invest Aberdeen continues to operate, and new Project Board (industry led) has met in response to Covid-19
City Growth	Commissioning Intention	Deliver Invest Aberdeen to attract and maintain existing company locations; and secure financial investment to support economic development	Unaffected	Invest Aberdeen continues to operate, and new Project Advisory Board (industry led) has met in response to Covid-19
City Growth	Commissioning Intention	Deliver Hydrogen buses – phase 2 project	Slow Down	Working ongoing in regards to JIVE project. Bus delivery timescales impacted due to factory closure. Project milestones and activities are being adjusted to new timescales.
City Growth	Commissioning Intention	Commission new employability activity through No One Left Behind	Unaffected	Continue as planned, but with flexibility to amend services if funding is re-purposed for broader market of employability support customers
City Growth	Commissioning Intention	Provide an ‘investor ready’ pipeline of development opportunities in response to new enquires as a result of Council and City Region Deal supported investment	Slow Down	Likely to be slowed down, reflecting the overall downturn and investment climate. Invest Aberdeen continues to operate, and new Project Board (industry led) has met in response to Covid-19
City Growth	Commissioning Intention	Support delivery of the Business Gateway contract and evaluate its impact.	Unaffected	Some amendment around getting information, advice and guidance to business; and supporting Newly Self Employment Grant Funding.
City Growth	Commissioning Intention	Increase the value of the Council’s community benefits programme through tendering processes	Unaffected	Approach to securing community benefits will remain as is, but delivery of benefits may be impacted by contractors’ financial position post-lockdown and due to health and safety issues, esp social distancing, eg no. of apprenticeships/jobs, work exp placements.

Cluster	Strategic Area	Commitment	Option	Commentary
City Growth	Commissioning Intention	Support and expand out of school care in line with the expansion of early learning and childcare and the new National Framework for Out of School Care (2019) to meet the needs of families	Amend	Statutory requirement to implement 1140 hours has been suspended and local provision reviewed.
City Growth	Commissioning Intention	Operate a policy of guaranteed interview scheme for care experienced and ex-offender applicants.	Unaffected	
City Growth	Commissioning Intention	Increase the range and number of accredited courses being provided by schools and partners	Unaffected	
City Growth	Commissioning Intention	Increase the number of young people taking up foundation apprenticeships	Unaffected	
City Growth	Commissioning Intention	Build 2,000 new council homes for sustainable, modern living	Amend	The overall strategy would be to continue to deliver this capital financed programme of projects for new council housing on both Council and Developer led sites. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
City Growth	Policy Statement	Digital Infrastructure Projects: City Duct Network; Digital Fibre Network: Sensor Network; and Regional Data Exchange	Unaffected	4 projects: Two infrastructure projects will be delayed but are continuing with Social distancing. A decision will be made at CRD Programme Board regarding Business Cases for Network and Data Exchange
City Growth	Policy Statement	Harbour	Unaffected	Working with AHB and partners in relation to development of the ETZ at Aberdeen Harbour South Expansion. Work on Aberdeen Harbour North masterplan has been de-prioritised
City Growth	Policy Statement	City Deal 2/Brexit/devolution of powers	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
City Growth	Policy Statement	Review Council Industrial estate	Slow Down	A soft market testing exercise undertaken in early 2020. Given current market uncertainty it is proposed to delay reporting on ways forward until early 2021 at the earliest. This will be monitored on a regular basis.
City Growth	Policy Statement	Work with both governments in order to unleash the non-oil and gas economic potential of the City	Accelerate	Following on from ETZ designation and launch of Net Zero Vision & Plan make case for investment.
City Growth	Policy Statement	Support for businesses - BLS, Co-Op, Business Support	Amend	Subject to financial implications of Covid-19 rescue plan.
City Growth	Policy Statement	Support the delivery of the 3 innovation centres envisaged by the Aberdeen City Region Deal	Unaffected	
City Growth	Policy Statement	Build up our existing strength in hydrogen technology	Unaffected	Bus projects are on track for current timescale; Work on H2 Hub progressing; Looking at role of H2 in ETZ. Included in SG announcement of £62m ringfenced for energy transition.
City Growth	Policy Statement	Support efforts to develop the Energetica corridor	Unaffected	One of the Invest Aberdeen Products
City Growth	Policy Statement - Additional	Grey Hope Bay	Unaffected	Continue to support short term solution at Torry Battery; no further development on longer term plans
City Growth	Policy Statement - Additional	Science Centre	Unaffected	The commitment is now complete and no further funding from ACC is required.
City Growth	Policy Statement - Additional	Station Gateway/Atholl House & BT Building	Slow Down	Likely to be slowed down, reflecting the overall downturn and investment climate. Invest Aberdeen continues to operate, and new Project Board (industry led) has met in response to Covid-19

Cluster	Strategic Area	Commitment	Option	Commentary
City Growth	Policy Statement - Additional	Waterfront Development	Unaffected	Working with AHB and partners in relation to development of the ETZ at Aberdeen Harbour South Expansion. Work on Aberdeen Harbour North masterplan has been de-prioritised
City Growth	Service Standard	We will assess referrals to our No One Left Behind scheme and provide person centred support to those who are eligible, and signpost those who are not eligible to alternative support	Unaffected	May be some re-purposing of funds to enable support to be delivered to a broader pool of people, but person-centred approach and sign-posting will remain as is.
City Growth	Service Standard	We will provide a continuously updated investment prospectus of development opportunities in the city available through investaberdeen.co.uk	Unaffected	Invest Aberdeen continues to operate, and new Project Board (industry led) has met in response to Covid-19; Invest Aberdeen website also providing all up to date information for businesses on Covid-19
City Growth	Service Standard	We will make relevant and up to date data, information and insights permanently available to stakeholders through a North East of Scotland Performs economic data observatory and the Aberdeen Economic Policy Report.	Unaffected	Amended to provide, where available, timely data on the effect of Covid-19 on the city economy and to support business resilience response
City Growth	Service Standard	We will provide business start up advice and guidance to businesses through the Business Gateway start up service	Amend	Some amendment around getting information, advice and guidance to business; and supporting Newly Self Employment Grant Funding.
External Comms	Service Standard	We will provide an initial response to external customer enquiries (media enquiries and public inbound social media messages) within 12 hours during office hours, excluding weekends and public holidays.	Amend	Amend to 18 hours for a response to accommodate out of hour issues. Acknowledgements will be automated.
External Comms	Service Standard	We will provide an initial response to urgent external customer enquiries within 1 hour during office hours, excluding weekends and public holidays.	Amend	Amend to 2 hours. Acknowledgements will be automated.

Cluster	Strategic Area	Commitment	Option	Commentary
External Comms	Service Standard	We will aim to close external customer enquiries within 24-hours, excluding weekends and public holidays.	Unaffected	
External Comms	Service Standard	We will provide an initial response to urgent internal service requests within 1 hour and non-urgent within 24 hours during office hours, excluding weekends and public holidays.	Amend	Automated reply acknowledging receipt of the inquiry - and then a full response - but within 2 hours.
External Comms	Service Standard	We will respond to calls to 24/7 on-call number within 15 minutes.	Amend	Amend to 30 minutes.
Children's & Family Services	2020/21 Budget Instruction	Instructs the Chief Officer Integrated Children's and Family Services to organise a Mental Health Awareness Event for the citizens of Aberdeen with the provision of £3,150 and the use of Council facilities	Suspend	Postponed due to Covid-19. Arrangements for holding event in 2021 are being considered.
Children's & Family Services	2020/21 Budget Instruction	Instruct the Chief Officer Integrated Children's and Family Services, following consultation with the Chief Officer Finance, to introduce a supported rent scheme for care experienced young people who are attending further education and report back to the Operation Delivery Committee on 21 May 2020 with details of the scheme	Unaffected	This has completed. Where a young person is identified and qualifies for Section 29 the monies will be reclaimed from the housing revenue account. This will be reported to the next meeting of the Committee.
Children's & Family Services	Commissioning Intention	Ensure all parents who are keen to access 1140 hours of ELCC are able to do so, including expansion of the estate	Suspend	Statutory requirement to implement 1140 hours has been suspended.
Children's & Family Services	Commissioning Intention	Support all early learning and childcare settings to deliver early learning and childcare provision in line with National Quality Standard by August 2020	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Children's & Family Services	Commissioning Intention	Offer PEEP (Parents as Early Education Partners) universally across all Local Authority settings	Amend	Introduction has been delayed as a result of lockdown, but implementation will be progressed as restrictions lift.
Children's & Family Services	Commissioning Intention	Improve the Council's recognition and response to indicators of cumulative neglect	Accelerate	There has been recognition that the normal eyes on children don't exist during COVID-19 and agencies have to demonstrate heightened vigilance to the signs and indicators of neglect to ensure early and effective support to prevent escalation of need.
Children's & Family Services	Commissioning Intention	Improve the Council's recognition and response to the child protection implications of domestic abuse, coercive control, emotional abuse, FGM, Ethnicity, LGBT+, prevent, forced marriage and disability	Unaffected	
Children's & Family Services	Commissioning Intention	Adopt a strength based and participatory approach to child protection practice	Amend	Need to take learning from amended CP processes implemented during lockdown to inform future practice approaches
Children's & Family Services	Commissioning Intention	Deploy early learning and childcare excellence and equity practitioners to lead direct support to children and families to help close the gap in those aged 2-5	Unaffected	
Children's & Family Services	Commissioning Intention	Agree and implement an approach to supporting early language acquisition and development	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Children's & Family Services	Commissioning Intention	Through Sport Aberdeen and Aberdeen Sports Village, for children aged 0-5 and their families:- <ul style="list-style-type: none"> • identify and remove barriers to becoming and remaining active • Work with key groups & networks to ensure continuous and appropriate engagement • Review current opportunities to ensure the diverse needs of the community are met • Develop opportunities to reflect local need and community engagement • Further develop targeted programmes to positively impact in health inequalities. 	Unaffected	Whilst Covid19 has impacted the availability and the opportunities will be reviewed as lockdown is ended the commissioning remains appropriate.
Children's & Family Services	Commissioning Intention	Utilize the council's estate and service delivery to promote and enable physical activity	Unaffected	
Children's & Family Services	Commissioning Intention	Deliver the refurbishment and enhancement of Northfield swimming pool	Unaffected	The overall strategy would be to continue to deliver this capital financed project. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Children's & Family Services	Commissioning Intention	Enable every child to have access to an outdoor environment with outdoor play area provision	Unaffected	
Children's & Family Services	Commissioning Intention	Build capacity across the universal provision to identify and support children and young people and their families with emerging mental health needs and deliver bespoke targeted support to children and young people and their families who have established mental health needs	Amend	This is strongly referenced in proposed future redesign options

Cluster	Strategic Area	Commitment	Option	Commentary
Children's & Family Services	Commissioning Intention	Raise awareness of signs of positive wellbeing in parents, carers, children and young people	Amend	This is strongly referenced in proposed future redesign options
Children's & Family Services	Commissioning Intention	Establish a targeted positive response to mental health and emotional wellbeing for those children and young people with recognised needs	Amend	This is strongly referenced in proposed future redesign options
Children's & Family Services	Commissioning Intention	Increase capacity of all educational resource to support identified vulnerabilities	Amend	This is strongly referenced in proposed future redesign options
Children's & Family Services	Commissioning Intention	Improve educational outcomes for care experienced children and young people	Unaffected	
Children's & Family Services	Commissioning Intention	Build 4 new schools at Torry; Tillydrone; Countesswells; and Milltimber	Amend	The overall strategy would be to continue to deliver the 4 No. capital financed projects. One tender is undergoing assessment, two others planning to reach financial close in late May /early June 2020, remaining one to go out to tender in late May 2020. In lieu of the COVID-19 impact there is a timeline delay and cost risk when specific projects will be completed.
Children's & Family Services	Commissioning Intention	Further develop an integrated approach to supporting children to remain in their community	Amend	This is strongly referenced in proposed future redesign options
Children's & Family Services	Commissioning Intention	Increase the number of children and young people remaining in a placement between 16-18 years	Unaffected	
Children's & Family Services	Commissioning Intention	Support children and young people to understand and access multiagency throughcare and aftercare services	Amend	Recognition that the normal eyes on children don't exist during COVID-19 there will need for all agencies to demonstrate heightened vigilance to the signs

Cluster	Strategic Area	Commitment	Option	Commentary
				and indicators of neglect to ensure early and effective support to prevent escalation of need.
Children's & Family Services	Commissioning Intention	Increase the physical and emotional health outcomes for care experienced young people	Unaffected	
Children's & Family Services	Commissioning Intention	Provide, through Sport Aberdeen and other ALEOS, activities for care experienced children	Amend	Need to review delivery models take account of wider service design models and learning from lockdown.
Children's & Family Services	Commissioning Intention	Improve pathways for all to employment and training and provision of additional support for identified groups including care experienced and those with additional support needs	Amend	Support to develop routes into employment is included within the proposed Socio-economic recover plan.
Children's & Family Services	Commissioning Intention	Increase the capacity of parents and carers to support children and young people to achieve positive outcomes	Amend	This is strongly referenced in proposed future redesign options
Children's & Family Services	Commissioning Intention	Continue to support and expand the Sistema "Big Noise Torry" project	Accelerate	Digital transformation has been accelerated by SISTEMA with various online offerings now available. This has significantly accelerated their offer citywide.
Children's & Family Services	Commissioning Intention	Support school staff and parents to have a greater understanding of the world of work and routes into work to improve young people's learning	Amend	The commissioning intention remains appropriate, the approach and priorities are likely to be impacted by post-covid19 factors.
Children's & Family Services	Commissioning Intention	Increase the number of young people being supported into a positive destination through mentoring opportunities	Amend	Support to develop routes into employment is included within the proposed Socio-economic recover plan.
Children's & Family Services	Commissioning Intention	Make Aberdeen child friendly where children feel safe, heard, nurtured and able to flourish	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Children's & Family Services	Policy Statement	Early Years Childcare, Senior Phase, Raising Attainment, Mental Health	Unaffected	
Children's & Family Services	Policy Statement	Provision of flexible and affordable childcare for working families on the lowest incomes	Amend	Statutory requirement to implement 1140 hours has been suspended and local provision reviewed.
Children's & Family Services	Policy Statement	Review of local adult protection arrangements and implement an improvement programme	Unaffected	Arrangements have been strengthened during Covid19 lockdown and learning will be embedded as lockdown lifts.
Children's & Family Services	Service Standard	Initial Assessments of children/young people are completed within 12 weeks of referral	Unaffected	
Children's & Family Services	Service Standard	Child protection joint interviews are completed within 5 days	Unaffected	
Children's & Family Services	Service Standard	Initial child protection Conferences are held within 21-days	Unaffected	
Children's & Family Services	Service Standard	Care provided within Council children's homes achieve a care standard of good or better through regulatory inspections	Unaffected	
Children's & Family Services	Service Standard	Care provided by the Council's fostering service achieves a care standard of good or better through regulatory inspections	Unaffected	
Children's & Family Services	Service Standard	Care provided by the Council's adoption service achieves a care standard of good or better through regulatory inspections	Unaffected	

Cluster	Strategic Area	Commitment	Option	Commentary
Children's & Family Services	Service Standard	Foster carers and adopters are approved within a timescale of 6 months from application	Accelerate	Testing of adapted assessment model to be progressed.
Children's & Family Services	Service Standard	Care experienced children and young people will experience a minimum of 2 placement moves in 12 months	Unaffected	
Children's & Family Services	Service Standard	Care experienced children and young people have a pathway plan by the age of 15 years	Unaffected	
Children's & Family Services	Service Standard	Children and young people will be supported to live at home where safe to do so.	Accelerate	Continued focus to support vulnerable children and young people to remain within their family where it is safe to do so. Identify learning from COVID-19 operating model to inform future approaches to support.
Children's & Family Services	Service Standard	When not safe to do so children and young people will be supported to A) live in a kinship arrangement where appropriate to do so. B) live in a fostering placement where appropriate to do so. C) live within a residential setting where appropriate to do so.	Unaffected	

Changes to Council Commitments driving financial savings in 2020/21

Data and Insights							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Efficiencies and Productivity	Service Delivery	N/A	Workforce Management	CUBI001 CUBI002	(132)	0	Vacancy management + staffing redesign
			Operating Efficiencies	CUBI003 CUBI004	0	(19)	Support costs
Income	Service Delivery	N/A	Recharge	CUBI005	0	(15)	External for Data Protection support
					(132)	(34)	

Capital							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Efficiencies and Productivity	Capital Projects	N/A	Vacancy Management Housing Team	RECA001	0	(473)	vacant posts not to be filled during 2020/21 and advancement of New Build Housing programme
			Vacancy Management Public Building Team	RECA002	0	(171)	vacant posts not to be filled during 2020/21
			Vacancy Management Major Project Delivery	RECA003	0	(171)	vacant posts not to be filled during 2020/21
Income	Capital Projects	N/A	Recharge	RECA004	0	(59)	PMO
					0	(874)	

City Growth										
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions			
Commissioning Intentions	Support diversification of the city's tourism sector by securing new audiences through support to cultural venues, programmes and other events, including delivery of the Aberdeen 365 delivery model, The Event Complex Aberdeen, operation of the new Aberdeen Art Gallery, the museums service and ACC supported venues in the city	Suspend	Beach Ballroom and Civic	COCG001	(148)	0	Planning assumption that this is suspended until 2021. Cancelled events are included as 2020/21 savings. Special events/ exhibitions at the Aberdeen Art Gallery have been amended.			
				COCG002						
				Culture				COCG007	(356)	0
				Events 365				COCG008	(430)	0
			AAGM	COCG004	(10)	(40)				
				COCG005						
Service Standards	We will support businesses seeking to export, through MoU trade activity, ACC trade events and inward delegations	Amend		COCG003	(35)	0	All overseas travel to be stopped until safe to do so.			
Service Efficiencies and Productivity	Vacancy Management			COCG009	(169)	0				
		N/A								
Income	Project Development	N/A		COCG006	0	(160)				
					(1,147)	(200)				

Commercial & Procurement							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Efficiencies and Productivity	Service Delivery	N/A	Operating efficiencies	COCP001 COCP002 COCP003 COCP005 COCP006 COCP007	(270)	(242)	Reduction in hardware and software support. Also reduced demand on corporate contracts relating to stationary, printing and travel. Updated insurance premiums.
Income	Service Delivery	N/A	Recharge	COCP004	0	(20)	Recharge to the HRA
					(270)	(262)	

Corporate Landlord							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Standards	We will work to make all our buildings meet Disability Discrimination Act requirements where this is feasible.	Slow Down	Slow Down	RECL006	0	(30)	This remains a commitment although spend could be reduced in short term as not all building will be operational during 2020/21. In year review of repair and maintenance liabilities due to closure of building and less wear and tear.
	We will prioritise our resource to make all of our buildings achieve a condition rating of at least "B".	Slow Down					
	We will complete cyclical maintenance works on public buildings in accordance with agreed programme	Slow Down					
	We will ensure that our schools will not be unavailable for learning due to building reasons. (Number of days lost to school closures).	Slow Down	Slow Down	RECL001	0	(40)	All operational buildings require to be statutory compliant and savings are realised due to their closure during lockdown.
Service Efficiencies and Productivity	Service Delivery	N/A	IT Equipment	RECL011	0	(10)	Consolidation of hardware
		N/A	Accommodation Hire	RECL003	0	(30)	Reduced spend
		N/A	Consultancy	RECL005	0	(5)	In year review of repair and maintenance liabilities due to closure of building and less wear and tear
		N/A	Vacant Property Management	RECL006	0	(40)	This remains a commitment although spend could be reduced in short term as not all building will be operational during 2020/21
		N/A	Investment in Commercial Estate	RECL009 RECL010	0	(140)	Reduction in repairs budget within Tenanted Non-Residential Property to reflect no major spend at this time
		N/A	Energy Efficiency	RECL002	0	(300)	Removal by Government to pay levy in relation to energy.
		N/A	Energy Efficiencies during Lockdown	RECL012 RECL013 RECL014 RECL015	(372)		Savings being achieved through building being closed during lockdown.
		N/A	Vacancy Management	RECL004	(240)	0	Number of vacant posts within service where recruitment can be put on hold to allow next stage of redesign.
					(612)	(595)	

Customer Experience							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
2020/21 Budget Instruction	Instructs the Chief Officer - Customer Experience to alter the Customer Contact Centre (excluding Emergency Services which will continue 24 hours a day), Customer Service Centre, Marischal College Corporate Reception and Customer Access Points opening times to 09.00 until 17.00 hours Monday to Friday)	Amend	Further modernisation of the customer delivery model to ensure an enhanced and safe experience for customers.	CUCE001 CUCE003 CUCE004	0	(100)	<p>This proposal includes continuing current arrangements to minimise contact between customers and staff in response to the public health issue around coronavirus to ensure an enhanced and safe experience for customers:-</p> <ul style="list-style-type: none"> - further expansion of the telephone appointments model for customers' convenience and the continuation of face to face appointments at specified times and locations where face to face contact is necessary to provide essential support to vulnerable customers. An enhanced floorwalker model will be implemented to ensure a consistent customer experience across all face to face access points, where appropriate. -continuing the current card only approach for face to face payments to minimise the handling of cash in response to the public health issue around the handling of cash. Alternative payment methods will remain available to customers – direct debits, automated payment line, online payment and via Paypoints outlets across the city. -A self-serve check in for corporate visitors at Marischal College will be introduced to further minimise contact between customers and staff. Corporate visitors will still be greeted upon arrival and escorted through the building. Customers to the Customer Service Centre will continue be supported by floorwalkers.
Service Standards	We will respond to Subject Access Requests within 1 month	Slow Down		CUCE012	(40)	0	Vacancy management These savings are in year only.
Transformation	Customer-Centric Accreditation	Amend		CUCE013	0	(20)	Accreditation not to be progressed. These savings are in year and recurring.

Service Efficiencies and Productivity	Parking	N/A		CUCE005	(31)	0	Temporary not filling 1 fte vacant post. These savings are in year only.
	Revenues & Benefits	N/A	Staff & Contracts	CUCE006 CUCE007 CUCE008	(82)	0	Vacancy management and non Staffing spend. These savings are in year only.
	Customer Development	N/A	Customer Feedback	CUCE010 CUCE011	(16)	(11)	Staffing redesign + vacancy management. Part of these savings are in year only and part are in year and recurring.
	Transactions & Business Support	N/A	Staffing Model & Operations	CUCE014 CUCE015 CUCE016 CUCE017 CUCE018 CUCE019 CUCE020	(172)	(79)	Staffing redesign + vacancy management. These savings are in year only.
Income	Increased Grant	N/A	DWP Grant	CUCE009	(67)	0	Increased administration grant, based on latest award.
					(408)	(210)	

Digital & Technology							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Standards	We will aim to answer calls to the IT Service Desk within 2 minutes	Slow Down	Staffing - vacancy management; cost of service	CUDT002 CUDT004 CUDT009 CUDT011	(44)	(185)	Increase by 30 secs to 2 and a half minutes, as a result of potential increase in call volume.
	We will aim to answer all calls to the IT Service Desk (i.e. abandonment rate)	Slow Down					Potential increase by 20% of call volume abandonment rate and call answer delay.
	Digital & Technology Services will be available as follows: · Service Desk Phone Support Hours: Mon – Fri (08:30-16:30) · Self Service Portal (24/7)	Slow Down					Reduction in Service Desk time by 30 minutes to 4:00pm, Self Service and Emergency Support remains available.
Service Efficiencies and Productivity	Contract Management	N/A	Technical Development; Vendor support; Consolidation	CUDT001 CUDT003 CUDT005 CUDT006	0	(120)	Consolidation of systems, networks and infrastructure costs.
	Staffing Model	N/A	Vacancy Management	CUDT007 CUDT010	(86)	0	non filling of 2 vacant posts - in-year only
					(130)	(305)	

Early Intervention & Community EmpowermentA1:H13							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Standards	We will assess all homeless applications within 21 days	Slow Down	Reduce Housing Access and Support provision	CUEI005	(82)	0	This option would mean we would aim to meet the statutory target of 28 days, as opposed to the improved self identified target of 21 days..
	We will ensure all homeless people will secure permanent tenancy within 140 days average	Slow Down					This would mean we may not be able to meet the self identified target of 140 days average, which is the level we are currently achieving, This would be an improvement on the previous 180 day average level. In year and then recurring savings.
	We will review and process housing applications within 28 days	Slow Down					This option would mean we would revert to statutory timescales, savings resulting from staffing redesign. In year and then recurring savings.
Service Efficiencies and Productivity		N/A	Contracts and supplies	CUEI019	0	(90)	This option would mean less library purchases of new stock. In year and then recurring savings.
	Vacancy Management	N/A	Staffing	CUEI022	(150)	0	Non filling of 3 vacant posts. In year and then recurring savings.
Income	Recharge	N/A	Recharge	CUEI010 CUEI012 CUEI013 CUEI014 CUEI015 CUEI016 CUEI017 CUEI018	(35)	(689)	This relates to proportionate recharging to the HRA based on work undertaken by Placement Officers; Financial Inclusion Officers; Rapid Rehousing Transition Plan work, Administration Officers; and Contract spend. In year and then recurring savings.
	City wardens (noise control / night parking)	N/A	Enforcement	CUEI011	0	(152)	
					(267)	(931)	

Education							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Efficiencies and Productivity	N/A	N/A	Workforce Management	OPED004	0	(150)	Redesign of the Education Central Team structure.
	N/A	N/A	Operating Efficiencies	OPED001 OPED002 OPED005 OPED006 OPED007	0	(470)	Accelerate redesign of ASN provision across the city. Reduced contract, including spend on 3Rs Contract payments.
					0	(620)	

Finance							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Standard	Business advice delivery – We will provide budget holder meetings provided in accordance with risk schedule	Amend	Workforce Management	REFN001	(174)	(138)	Build on proposed redesign of critical accounting services based on current staffing numbers, with emphasis on supporting succession planning and preparing for future design of service. This will save 5.2FTE during the year, in non use of vacant posts and will mean changes to service standards during the year, particularly around capacity to support budget holders from the business advice team.
Service Standard	Business advice delivery – We will maintain an inbox query service available for 8 hours every working day	Amend		REFN002			
Service Standard	Process and controls: Care income assessments outstanding maintained to maximum number	Amend					
					(174)	(138)	

Governance							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Efficiencies and Productivity	Service Delivery	N/A	Workforce Management	COGV002 COGV003 COGV005 COGV006	(390)	0	Non filling of vacant posts
	Service Delivery	N/A	Operating Efficiencies	COGC001 COGV007	0	(25)	Reduction in cost of practising certificate and removal of funding to Bulawayo Trust
					(390)	(25)	

Operations and Protective Services							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Efficiencies and Productivity	Facilities		Janitorial	OPOP006 OPOP007	(189)	0	Reduction in additional hours spend due to cessation of letting activity during COVID-19 response. Cease provision of Priority 2 and 3 School Crossing Patrol (retain Priority 1 and fee paying crossings).
	Facilities		Building management	OPOP008	(5)	0	Reduction in additional hours spend due to cessation of weddings, meetings and other events at Marischal College and Town House
Service Efficiencies and Productivity	Protective Services		Workforce Management	OPOP009 OPOP010 OPOP013	(27)	(41)	Suspend recruitment to Trainee EHO post. Review OOHs Duty Officer hours and overtime.
	Protective Services		Operating efficiencies	OPOP011 OPOP012	(110)	0	Reduction in equipment budget and parking permits
Service Efficiencies and Productivity	Roads and Infrastructure		Asset removal	OPOP018	0	(12)	Removal of Peterculter depot
	Roads and Infrastructure		Reduction in service provision	OPOP019 OPOP021	0	(100)	Reduce lining works- reduction in revenue costs- and reduce street lighting level by 50% during the hours of 12am and 5am- savings in electricity
	Roads and Infrastructure		Operating efficiencies	OPOP023	0	(100)	Reduce Structures/Flooding & Coastal Protection team's revenue budget on bridge Inspections and bridge maintenance by 20%,

Income	Roads and Infrastructure		Increase in income	OPOP020 OPOP022	0	(80)	Increase in capital drainage works and an increase in fees and charges
Service Efficiencies and Productivity	Environmental Services		Reduction in service provision	OPOP024 OPOP025 OPOP026 OPOP027	(116)	(22)	First street weed spray of year will not take place in 2020 and chewing gum removal will not take place in 2020. A Iso suspend / delay some project work in parks for 2020 with automatic public toilets (APCs) closed.
	Environmental Services		Workforce Management	OPOP030	0	(18)	Staffing redesign of street sweeping team.
	Environmental Services		Operating efficiencies	OPOP031 OPOP032 OPOP033 OPOP034	(67)	0	Saving on fleet and fuel costs, agency and overtime costs, staff travel costs, and 'In-Bloom' admin costs.
Service Efficiencies and Productivity	Fleet Services		Operating efficiencies	OPOP039	(118)	0	Reduced fuel purchases
					(632)	(373)	

People and Organisation							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Efficiencies and Productivity	Service Delivery	N/A	Workforce Management	REPD003 REPD004	(169)	0	Non filling of vacant posts
	Service Delivery	N/A	Operating Efficiencies	REPD001 REPD002 REPD005	0	(270)	Reduction in training costs, restricted to essential. One off contract underspend.
					(169)	(270)	

Strategic Place Planning							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Efficiencies and Productivity	Service Delivery	N/A	Workforce Management	COSP002	(424)		Removal of vacant posts.
	Service Delivery	N/A	Operating Efficiencies	COSP001 COSP003	0	(30)	Remove the cost of printing the Proposed Local Development Plan (£30k).
					(424)	(30)	

External Communications							
	2020/21 Commitments	Impact	Budget Option	Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Standard	We will provide an initial response to external customer enquiries (media enquiries and public inbound social media messages) within 12 hours during office hours, excluding weekends and public holidays.	Amend	Staff Reduction	CUEC001	0	(144)	Amend to 18 hours for a response to accommodate out of hour issues. Acknowledgements will be automated.
Service Standard	We will provide an initial response to urgent external customer enquiries within 1 hour during office hours, excluding weekends and public holidays.	Amend					Amend to 2 hours. Acknowledgements will be automated.
Service Standard	We will provide an initial response to urgent internal service requests within 1 hour and non-urgent within 24 hours during office hours, excluding weekends and public holidays.	Amend					We'd look to use an automated reply acknowledging receipt of the inquiry - and then a full response - but within 2 hours.
Service Standard	We will respond to calls to 24/7 on-call number within 15 minutes.	Amend					Amend to 30 minutes.
					0	(144)	

Corporate							
	Budget Option			Ref	Q1 Impact	Proposed Additional Savings	Assumptions
Service Efficiency & Productivity	Councillor Budgets: Hardware & Computer Consumables purchases reduced			CORP001 CORP002	0	(54)	Budgets removed for the remainder of the year.
	Corporate Provision: In-year provisions updated estimates and balance no longer available.					(983)	No further funding needed from centrally held budgets for, for example NDR, pay or pensions.
	Corporate Vacancy Management: Forecast additional savings from internal recruitment/development processes				(424)	(2,225)	Management of vacancies throughout the year.
					(424)	(3,262)	

Revised Fees and Charges Schedule

<i>Goods / Services Provided</i>	<i>Unit</i>	<i>20/21 Charge Agreed on 3/3/20, £</i>	<i>20/21 Charge to be Agreed on 30/6/20, £</i>	<i>Proposed Start Date</i>	<i>Comments</i>
Operations and Protective Services					
Roads & Street work - Charges to Private Parties					
Temporary Traffic Restrictions (TTRO) - application received 28 days or more prior to Order coming into effect	per 21 day Order	875.00	895.00	Aug-20	
Temporary Traffic Restrictions (TTRO) - application received less than 28 days prior to Order coming into effect	per 21 day Order	1,220.00	1,245.00	Aug-20	
Temporary Traffic Restrictions (TTRO) - application received 28 days or more prior to Order coming into effect	Per Order lasting 21 days - 6 months	1,725.00	1,760.00	Aug-20	
Temporary Traffic Restrictions (TTRO) - application received less than 28 days prior to Order coming into effect	Per Order lasting 21 days - 6 months	2,045.00	2,085.00	Aug-20	
TTRO - repeat posting of weekly/monthly notices during event	Per event	170.00	175.00	Aug-20	

Goods / Services Provided	Unit	20/21 Charge Agreed on 3/3/20, £	20/21 Charge to be Agreed on 30/6/20, £	Proposed Start Date	Comments
Charge for late permit (TTRO)	Per permit	3,180.00	3,245.00	Aug-20	
Consent for Excavating in the Road under Section 56 or 61 of the Roads (Scotland) Act 1984 - Excavation not involving installation of private apparatus	Per excavation	480.00	490.00	Aug-20	
Consent for Excavating in the Road under Section 56 or 61 of the Roads (Scotland) Act 1984 - charge for late permit	Per permit	1,450.00	1,480.00	Aug-20	
Consent for Excavating in a Road under Section 109 of the New Roads & Street Works Act 1991 (NRSWA) - Charge for initial application and permission for works which are only one inspection unit	Per excavation	480.00	490.00	Aug-20	
Scaffold / Hoarding permits continuous period up to a month, under 25m in length	Per permit	120.00	125.00	Aug-20	
Scaffold / Hoarding permits continuous period up to a month, over 25m in length	Per permit	220.00	225.00	Aug-20	
Scaffold/ Hoarding permits for each subsequent month of original application - under 25m in length	Per permit	120.00	125.00	Aug-20	

Goods / Services Provided	Unit	20/21 Charge Agreed on 3/3/20, £	20/21 Charge to be Agreed on 30/6/20, £	Proposed Start Date	Comments
Scaffold/ Hoarding permits for each subsequent month of original application - over 25m in length	Per permit	220.00	225.00	Aug-20	
Charge for late permit - Scaffold / Hoarding permits continuous period up to a month, under 25m in length	Per permit	730.00	745.00	Aug-20	
Charge for late permit - Scaffold / Hoarding permits continuous period up to a month, over 25m in length	Per permit	830.00	845.00	Aug-20	
Charge for late permit - Scaffold/ Hoarding permits for each subsequent month of original application - under 25m in length	Per permit	730.00	745.00	Aug-20	
Charge for late permit - Scaffold/ Hoarding permits for each subsequent month of original application - over 25m in length	Per permit	830.00	845.00	Aug-20	
Mobile tower scaffolds - charge per day	Per day	40.00	41.00	Aug-20	
Mobile tower scaffolds - charge per week	Per week	110.00	115.00	Aug-20	
Mobile tower scaffolds - late permit per location	Per day	365.00	375.00	Aug-20	
Mobile tower scaffolds - late permit per location	Per week	410.00	420.00	Aug-20	

Goods / Services Provided	Unit	20/21 Charge Agreed on 3/3/20, £	20/21 Charge to be Agreed on 30/6/20, £	Proposed Start Date	Comments
Crane, Hydraulic Platform Permits - charge for granting permission per site	Per day	85.00	87.00	Aug-20	
Crane, Hydraulic Platform Permits - charge for granting permission per site	Per week	110.00	115.00	Aug-20	
Crane, Hydraulic Platform Permits - Roaming permit (day permit for up to 5 sites, 90 mins per site)	Per permit	130.00	135.00	Aug-20	
Crane, Hydraulic Platform Permits - Charge for a late permit - day permit	Per permit	600.00	615.00	Aug-20	
Crane, Hydraulic Platform Permits - Charge for a late permit - week permit	Per permit	650.00	665.00	Aug-20	
Crane, Hydraulic Platform Permits - Roaming permit (day permit for up to 5 sites, 90 mins per site)	Per permit	670.00	685.00	Aug-20	
Defect inspection of traffic management for Crane, Hydraulic Permits	Per permit	40.00	41.00	Aug-20	
Temporary Traffic Lights Permits - For a continuous period of up to one week, charge for granting permission	Per permit	95.00	97.00	Aug-20	
Temporary Traffic Lights Permits - Charge for a late permit	Per permit	950.00	970.00	Aug-20	

Goods / Services Provided	Unit	20/21 Charge Agreed on 3/3/20, £	20/21 Charge to be Agreed on 30/6/20, £	Proposed Start Date	Comments
Skip permits - continuous period of 7 days	Per permit	45.00	46.00	Aug-20	
Skip permits - Fixed penalty notice	Per permit	430.00	440.00	Aug-20	
Additional charge for skip sited within a Pay & Display zone (Zones ABCEFG)	Per skip, per day	35.00	36.00	Aug-20	
Additional charge for skip sited within a Pay & Display zone (All zones excluding ABCEFG)	Per skip, per day	20.00	21.00	Aug-20	
Development / Construction – Occupation of Road Space	per sq. metre, per day	2.20	2.25	Aug-20	Area enclosed by the following: Holborn Street, Willowbank Road, Springbank Terrace, Wellington Place, South College Street, Guild Street, Regent Quay Virginia Street, Commerce Street, East North Street, West North Street, Mounthooly Roundabout, Gallowgate, Spring Garden, Maberly Street, Rosemount Place, Esslemont Avenue, Rose Street, Union Street and all traffic sensitive roads listed on the Scottish Street Works Register (data retained on the Street Works Gazetteer contact the Roadworks Co-

Goods / Services Provided	Unit	20/21 Charge Agreed on 3/3/20, £	20/21 Charge to be Agreed on 30/6/20, £	Proposed Start Date	Comments
					ordination Unit for more information).
Development / Construction - other	Per sq. metre, per day	1.20	1.25	Aug-20	Roads not included in above list.
Screened areas created for safe construction:	Per sq. metre, per week	2.20	2.25	Aug-20	Area enclosed by the following: Holburn Street, Willowbank Road, Springbank Terrace, Wellington Place, South College Street, Guild Street, Regent Quay Virginia Street, Commerce Street, East North Street, West North Street, Mounthooly Roundabout, Gallowgate, Spring Garden, Maberly Street, Rosemount Place, Esslemont Avenue, Rose Street, Union Street and all traffic sensitive roads listed on the Scottish Street Works Register (data retained on the Street Works Gazetteer contact the Roadworks Co-ordination Unit for more information).
Screened areas created for safe construction:	Per sq. metre, per week	1.20	1.25	Aug-20	Other roads

Aberdeen City Council – General Fund Reserves

General Fund Earmarked Reserves	Balance at 31 March 2020 £'000	Basis	Assessment
Devolved Education M'ment (Comm. Centres)	(542)	Council Policy	External funds
Devolved Education M'ment (School Funds)	(124)	Council Policy	Committed
Star Awards Sponsorship	(6)	Council Policy	Potential
Energy Efficiency Fund	(1,254)	National Condition	Not available
Bus Lane Enforcement	(373)	Statutory	Not available
Property Transfer	(102)	Leverage	Not available
Second/Long Term Empty Homes	(12,736)	Statutory	Not available
De-risk the Council	(1,811)	Council Policy	Not available
Transformation Fund	(3,455)	Council Policy	Committed
Pupil Equity Fund	(925)	National Condition	Flexibility by Scottish Government
Community Justice Redesign Post	(12)	Council Policy	Potential
Upgrade Road At Torry Battery	(101)	Council Policy	Potential
Contribution to Environmental Body	(43)	Council Policy	Committed
Repairs & Maintenance Fund	(900)	Council Policy	Committed
Public Analyst - James Hutton Institute	(125)	Council Policy	Committed
Children's Social Work - Mental Health Svs	(63)	Council Policy	Committed
Rapid Rehousing Transition Plan	(311)	Council Policy	Committed
Additional Support for Learning	(507)	Council Policy	Committed
Total General Fund Earmarked Reserves	(23,390)		
Total Uncommitted Balance	(12,000)	Council Policy	Level of risk suggests higher value should remain uncommitted to improve resilience (see below)
Total General Fund	(35,390)		

Value potentially available, without material impact on other priorities £119,000.

Uncommitted General Fund Reserves – Policy / Risk Update

To emphasise the issue of maintaining and enhancing the uncommitted reserves the scenarios that have been described in the report focus on unknowns that arise from recovery and from normal operations, while the value is unknown or unquantifiable at this time and the likelihood of those unknowns happening is uncertain. These should be addressed through the flexibility around specific grant and contingencies described in the report, the Council should not be reliant on reserves to resolve these unknowns.

If something else were to happen, particularly later in the year, then the need for strength in the balance sheet, with funds available to respond is essential. Maintaining those uncommitted reserves provides the Council the assurance that it can respond to other scenarios. Recent examples of the impact of further waves of the Covid-19 pandemic or changes to planning assumptions to introduce further restrictions are case in point.

The World Health Organisation (WHO) proposes a number of potential medium term 'future' scenarios:

- COVID driven to zero and maintained
 - [unlikely]
- Rt stable and cases at low level.
 - ['imported cases' identified early, generating only small contained clusters]
- Localised outbreaks in confined settings.
 - [prepare for multiple concurrent and recurrent events]
- Complex ill-defined clusters of cases difficult to relate to a single chain or setting.
 - [may cross boundaries]
- Evidence of sustained community transmission
 - [Rt>1]

Returning to response, rather than progressing to recovery is estimated to increase future costs and further affect income, the Council needs to be aware of and recognise the need to retain reserves now.

Aberdeen City Council – Housing Revenue Account – Forecast Outturn for 2020/21

	Budget 2020/21 £000's	Out-turn 2020/21 £000's	
Housing Revenue Account			
Premises Costs			
1 Rates	82	82	0
2 Rent	52	52	0
3 Repairs and Maintenance	29,377	34,627	5,250
			Assumed additional cost for capital works not undertaken by Building Services
4 Maintenance of Grounds	3,407	3,407	0
5 Gas	700	700	0
6 Electricity	3,132	3,132	0
7 Cleaning Service	433	433	0
8 Security Service	206	206	0
9 Window Cleaning	27	18	-9
10 Refuse Collection	337	337	0
11 Cleaning – Sheltered Housing	613	613	0
12 Other Property Costs - Council Tax	308	202	-106
	38,672	43,808	5,136
Administration Costs			
14 Down sizing Grants/Direct Debit Incentives	102	102	0
15 Legal Expenses	193	75	-118
16 Office Tel / Rent	10	10	0
17 Former Tenants Arrears	3,000	4,309	1,309
			Based on current increase of bad debt of 18% assumed this won't be paid
18 Charges - Services Admin & Management	11,093	11,764	671
19 General Consultancy	60	60	0
20 Training for Front Line Staff	202	202	0
21 Benefits Staff	65	65	0
22 Charges - Tenants Participation	153	153	0
23 Charges for Environmental Health	233	233	0
	15,111	16,973	1,862
Supplies & Services			
24 Provision of Meals	189	189	0
26 Television Licence	5	6	1
27 Integrated Housing System	287	287	0
	480	481	1
Agencies			
28 Mediation Service	51	51	0
29 Energy Advice	82	82	0
30 Citizens Advice Bureau	0	0	0
31 Disabled Persons Housing Service	40	40	0
	172	172	0
Transfer Payments			
33 Aberdeen Families Project	521	521	0
34 Loss of Rent - Council Houses	1681	1471	-210
			Voids reduced based on actual to date
35 Loss of Rent - Garages, Parking etc	623	675	52
36 Loss of Rent - Modernisation Works	335	335	0
39 CFCR	25,132	18,980	-6,152
	28,292	21,982	-6,310
Capital Financing Costs			
40 Loans Fund Instalment	2,202	2,202	0
41 Loans Fund Interest	8,975	8,737	-238
			Based on revised interest rate of 3.55%
	11,177	10,939	-238
Expense T total	93,905	94,356	452
Income			
42 Ground Rentals	(7)	(7)	0
43 Dwelling Houses Rent Income	(89,926)	(90,245)	-319
			Based on actual to date forecast to year end
44 Housing - Heat with Rent Income	(2,127)	(2,206)	-79
45 Housing - Garages Rent Income	(1,352)	(1,405)	-53
46 Housing - Parking Spaces Rent	(197)	(197)	0
47 Housing - Insurance Income	(13)	(13)	0
48 Housing - Other Service Charge	(540)	(540)	0
49 Legal Expenses	(68)	(68)	0
50 Revenue Balance Interest	(175)	(175)	0
	(94,405)	(94,856)	-451
Income T total	(94,405)	(94,856)	-451
Net Expenditure	(500)	(500)	0

ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	30 June 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Spaces for People
REPORT NUMBER	COM/20/095
DIRECTOR	-
CHIEF OFFICER	Gale Beattie
REPORT AUTHOR	Joanna Murray
TERMS OF REFERENCE	UBC 1

1. PURPOSE OF REPORT

- 1.1 This report advises the Committee of the outcome of a bid to the ‘Spaces for People’ Fund.

2. RECOMMENDATIONS

That the Committee:-

- 2.1 notes that, in relation to the Financial Resilience report RES/20/091 and as requested at the Urgent Business Committee on 6 May 2020, 100% funding was successfully secured through the Council’s bid to the ‘Spaces for People’ fund;
- 2.2 notes the progress to date in delivering the Council’s proposed Spaces for People programme;
- 2.3 agrees that the Chief Officer Strategic Place Planning updates Members through Members briefings on the continued progress of delivery, review, adjustment, monitoring and public feedback; and
- 2.4 notes that, in relation to the Socio-Economic Rescue Plan 2020/21 report COM/20/098 on this agenda, delivery of this programme is a priority action that supports the Plan.

3. BACKGROUND

- 3.1 On 28 April 2020, a £10 million Spaces for People fund was launched to support local authorities in implementing temporary active travel infrastructure to better enable physical distancing during the Covid-19 public health emergency. The full news release can be found [here](#). No match funding is required and the fund is being managed through Sustrans Scotland, a sustainable transport charity. This fund has subsequently been increased to £30 million.

3.2 Reference is made to the meeting of the Urgent Business Committee on 6th May 2020, and specifically the report entitled 'Financial Resilience – Covid-19' (RES/20/091), wherein the Committee decided:

- (xii) to agree that Aberdeen City Council should participate in the "Spaces for People" Initiative providing it is 100% funded by Sustrans Scotland;
- (xiii) to instruct the Chief Officer - Strategic Place Planning to submit bids to the Spaces for People initiative in conjunction with the Council's Transport spokesperson Councillor Macdonald and report the outcome of those bids to the Urgent Business Committee on 30 June 2020;

3.3 Reference is also made to Powers Delegated to Officers as approved by Council on 2nd March 2020, (and amended by this Committee at its meeting on 20th March 2020) in particular General Delegation to Chief Officers 33:

When acting as Duty Emergency Response Coordinator (DERC):
to take, or arrange for the taking of, any action on behalf of the Council which s/he considers necessary in the event of:

- an emergency (as "emergency" is defined in the Civil Contingencies Act 2004); and/or
- any incident or situation that requires the implementation of special arrangements in order to:
 - maintain statutory services at an appropriate level;
 - support the emergency services and other organisations involved in the immediate response;
 - provide support services for the community and others affected by the incident;
 - enable the community to recover and return to normality as quickly as possible; and/or
 - provide aid to other local authorities,with any such action being reported to a future meeting of the Council or relevant committee or sub committee as an item on the agenda.

3.4 This report complies with the instruction detailed in paragraph 3.2, and the related actions have been undertaken using the Powers Delegated to Officers detailed in paragraph 3.3.

3.5 A Covid-19 Urban Realm Task Force drawing from teams across the Council has been set up to plan, detail and deliver a prioritised programme of temporary urban realm interventions which will enable people and businesses to comply with the public health requirements to physically distance when out and about exercising and on essential journeys, and in the coming weeks returning to work, shopping, accessing health and other services as lockdown measures ease.

3.6 On 21 May 2020, the Covid-19 Framework for Decision Making was released by the Scottish Government. This Framework indicates that the response to the pandemic nationally is beginning to move from the 'rescue' stage to the 'transition' stage; that is the stage bridging 'rescue' with 'recovery'. The

Framework sets out a route map against four phases which aim to ease existing restrictions. The four phases are gradual and incremental, and each phase will be triggered following careful monitoring of the virus. The route map provides an indication of the order in which the government will seek to lift current restrictions but at this point does not specify dates for all of the different phases. Instead, every three weeks the government will review and report on whether, and to what extent, it can move from one phase to another. It may be that not everything currently listed in a single phase will happen at the same time. The Scottish Government confirmed on 28 May 2020 that the country was moving to Phase 1 with the easing of restrictions taking place with effect from 29 May 2020. At the time of writing, the next review date is 18 June 2020 and it is possible that, if the evidence supports it, the country will move to Phase 2. Phase 2 includes permissions for a greater degree of outside activity, including increased public transport; non-essential indoor non-office-based workplaces; smaller retail units and outdoor markets may resume and opening of playgrounds and sports courts, all of which must be done in compliance with public health advice and with physical distancing in place.

- 3.7 Travel during lockdown has been restricted to essential journeys, with people being encouraged to walk and cycle where possible, and to not use public transport (where physical distancing is much more difficult) unless absolutely necessary to protect public health and prevent a second wave of the disease. Businesses that have been able to remain open during lockdown e.g. food shops and pharmacies, have had to adapt to restrict numbers within their premises, often requiring customers to queue outside in compliance with the public health requirement of 2m distancing. Whilst this is practical for larger supermarkets with their own space around the main entry, this is much more difficult with shops and businesses that front onto the public footway where people have to compete for space which is usually quite limited. This is further exacerbated where there are bus stops with people queuing for, and getting on and off buses. Although bus frequency has dropped dramatically during the lockdown, and with limited capacity on board, buses are nevertheless an important mode of transport for those who can't walk, cycle or have access to a private car and therefore it is critical to ensure that safe public transport use is included.
- 3.8 With lockdown easing now mapped out and being rolled out, and the beginnings of re-opening the economy imminent, it is clear that physical distancing will remain a key part of life for the foreseeable future and therefore the public realm has to be temporarily adapted to facilitate this in line with public health requirements. The Covid-19 Urban Realm task force has therefore collaborated with NHS Grampian, Nestrans and Aberdeen Inspired, and worked in conjunction with the Council's Transport spokesperson Councillor Sandra Macdonald to develop a high level City wide plan to address key pedestrian pinch points and other locations where people are likely to congregate in numbers, and to put in place measures on key corridors to prioritise pedestrians, cyclists and public transport. This high level plan was used as the basis for a bid to Sustrans Scotland and on 26th May 2020 the City Council announced its success in securing £1.76 million from the Spaces for People Fund. The press release can be found [here](#).

3.9 The key locations and considerations included within the plan are as follows:

- City Centre
- Retail, district and town centres: Rosemount, Torry, George Street, Peterculter, Cults, North Deeside Road
- Other retail areas: Beach Retail Park, Esplanade cafes, St Machar Drive/ King Street Roundabout shops, sections of King Street, Clifton Road (Tanfield) shops, Great Northern Road (Woodside) shops, Auchmill Road shops, St Swithin Street, Holburn Street, Seafield shops, Byron Square, Rousay Drive shops, Summerhill Road shops, Hayton Road shops, Scotstown shops, Braehead Way shops
- Leisure destinations: Seaton Park, Duthie Park, Hazelhead Park, Victoria/ Westburn Parks, Beach Esplanade shops
- Active travel routes: strategic and local
- Leisure routes: Beach Esplanade, Deeside Way, Dee riverside path and Bridge of Dee
- Public Transport
- Education, Public Buildings and facilities (*details and associated costs will be the subject of separate bid. to Sustrans. The Local Delivery Phasing Plan (V1) has been developed for Aberdeen Schools and any temporary C-19 public health measures required outside the school to support this will be considered.*)

3.10 The temporary interventions that are likely to be needed to facilitate public health requirements as lockdown eases and businesses re-open include:

- additional walking and cycling priority
- reallocation of carriageway space for use by active travel and buses
- widened pedestrian crossings, accommodating cycle crossing too where necessary
- additional secure cycle parking
- signage for cycle routes
- signage encouraging responsible physical distancing behaviour on busy active travel routes and leisure destinations such as the beach and parks
- creating capacity for tables, chairs and associated leisure uses
- additional bus priority, space at bus stops and bus stop/ shop entry queue management
- relocation of bus stops
- review of bus lane times
- re-routing of buses
- access limited to public transport, residents and deliveries/ loading and unloading
- removal of obstacles such as guard rails
- introduction of green infrastructure
- re-routing for access to off-street car parks
- one ways
- suspension of kerbside parking
- speed reduction

3.11 The City Centre has been considered the immediate priority due to the highest concentrations of pedestrian activity and being the heart of the City and City Region's economy. Temporary Covid-19 public health measures have been delivered in 2 phases within the City Centre ([phase 1](#) and [phase 2](#) plans) and these are being closely monitored. Work is now underway, with partners Aberdeen Inspired, to enhance these City Centre temporary Covid-19 public health measures to make the spaces that have been created welcoming and attractive. Plans are also currently being designed for the district centres of George Street, Rosemount, Torry and Cults as well as Bridge of Don to the beach, including the Esplanade and Promenade. As soon as these are underway the remainder of the programme will be designed and rolled out as soon as possible.

3.12 It is acknowledged that these temporary Covid-19 public health measures may not be perfect in the first instance as they have been developed at pace in response to the public health emergency and it had not been possible to fully engage with people and stakeholders as would be a usual part of the design process. Nevertheless, it is recognised that continued public and stakeholder engagement is critical to the success of these temporary Covid-19 public health measures in keeping people safe from harm, reducing the risk of a second wave and enabling businesses to re-open safely and support our Socio-Economic Rescue Plan. A communications strategy has been developed to manage the flow of guidance and information to the public and businesses. Specific guidance for businesses relating to the easing of lockdown has been developed with and supported by NHS Grampian and Aberdeen Inspired, and can be found [here](#). This guidance will be subject to continuous review in line with Public Health and Scottish Government requirements and will be added to with other guidance if required in due course. Dedicated email addresses have also been set up for businesses and stakeholders seeking information and guidance. There will also be further press releases, Members briefings, Frequently Asked Questions, maps, social media, on street information and signage provided to aid understanding of and compliance with the necessary temporary Covid-19 public health measures. Further and continued engagement is now scheduled with businesses, transport operators, transport user groups, the Disability Equity Partnership and community councils. Specific engagement has also been held with the two main bus operators, First Bus and Stagecoach, to ensure continuity with the guidance and advice they are giving to their customers and staff, as well as informing any adjustments they require to make to their timetables as a result of these measures. Public and key stakeholder feedback on all the temporary Covid-19 public health measures is also being invited through questionnaires on the Council's website and Sustrans are also hosting a map based feedback platform to enable anyone to 'pin' comments to specific locations, and see the comments of others, as follows:

- to tell us where you think temporary Covid-19 public health measures should be, and what should be done, [ACC website till 30 September 2020](#)
- to tell us what you think of the temporary Covid-19 public health measures that have been implemented, how your travel has changed and how this experience might influence future travel behaviour, [ACC website till 30 September 2020](#)

- a combination of the above on a map based portal, [Sustrans hosted map till 23 July 2020](#)
- taxi and private hire vehicles questionnaire, [ACC website till 2 July 2020](#)

The deadlines for the above are to focus attention in the first instance on the temporary Covid-19 public health measures going in and any other locations that people think may need similar action. These deadlines will be extended to ensure there is a continuous opportunity for people to express their views as we move from implementation into review-refine. Altogether these engagement sessions, questionnaires, feedback portals and any emails received will give officers invaluable information on the usefulness of the temporary Covid-19 public health measures, any changes that might be necessary and any new locations that need to be considered. General information for the public is being included in messages on the Council's website and in social media posts, including but not restricted to the information included in Appendix 1. This stakeholder and public engagement will continue for the duration of these temporary Covid-19 public health measures.

- 3.13 In addition to engagement, monitoring and understanding the transport network performance will also be key to adjusting and expanding the temporary Covid-19 public health measures where necessary to keep everyone safe while moving around. All modes will be monitored from various sources including existing traffic monitoring equipment, the Council's Intelligent Transport Systems and partner information to understand how well the new temporary Covid-19 public health measures are being used and what impact this may have on other modes and/ or other locations in the City. This will be recorded and reported together with public and stakeholder feedback on a weekly basis so that any necessary adjustments can be undertaken as rapidly as possible.
- 3.14 This will be a of design-implement-review-refine, until all the temporary Covid-19 public health measures are implemented and then there will be continuous monitoring after that and adjustment as necessary. The timescales for the duration of these temporary Covid-19 public health measures will be informed by Public Health requirements and Scottish Government.
- 3.15 It should be noted that the £1.76 million grant from Sustrans is an estimate to cover the temporary Covid-19 public health measures as identified in the high level bid and there is, as yet, no funding to remove these temporary Covid-19 public health measures once Public Health requirements and Scottish Government remove the requirement to physically distance.
- 3.16 It should also be noted that whilst the temporary Covid-19 public health measures are specifically designed to address the physical distancing requirements of this public health emergency, they are also in accord with the Council's objectives within the City centre and across the City to build places for people, keep people safe from harm, enable people to make healthy life choices, enable the economy to grow and thrive, to be resilient at times like these and contribute to the net zero carbon agenda.

4. FINANCIAL IMPLICATIONS

- 4.1 The high level cost estimate of developing, implementing and maintaining the temporary Covid-19 public health measures (excluding schools and public buildings) included within the bid to Sustrans is £1.76 million. Sustrans has awarded the full amount to the Council and this is a 100% grant with no match funding requirements. Should the estimated costs increase, further funding bids will be submitted. There is currently no funding available to remove these temporary Covid-19 public health measures. There is no deadline to spend this funding, although there is an expectation of delivery as soon as possible as these temporary Covid-19 public health measures are necessary to respond to the public health requirements of physical distancing, and the strong likelihood of lockdown easing over the coming days, weeks and months with increasing economic activity and people movement.

5. LEGAL IMPLICATIONS

- 5.1 The funding will require to be spent in accordance with the legal agreement for the grant award. The Sustrans grant has been awarded on standard terms and conditions and the agreement is currently being reviewed by Commercial and Procurement Services Legal officers before signature.
- 5.2 There will be temporary traffic regulation orders and possible planning and permissions required to implement various elements of this programme. These will be undertaken in line with the statutory requirements and the Scheme of Governance.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Funding and staffing – the pace of delivery of the temporary Covid-19 public health measures is significantly reliant on available funding, staff and product availability. Covid-19 - impact on staffing and programme progress.	H	Funding has already been secured for most of the programme and further bids will be submitted to Sustrans as necessary. A task force group has been set up to manage the programme with daily meetings to monitor progress and address any issues – drawn from senior staff across the Council.
Compliance	Officers breach grant conditions or terms of Scheme of Governance.	L	Work closely with legal, procurement and finance officers as necessary.
Operational	Insufficient staff to undertake the full programme.	M	Progress is monitored frequently to address any issues and this work

			currently has the highest priority.
Financial	Projects come in over budget.	M	Costs will be monitored on at least a monthly basis and reported to the Transportation Programme Board. Further bids for additional funding will be made to Sustrans as necessary.
Reputational	Programme not delivered.	L	This work is a high priority and progress is monitored closely to ensure delivery as soon as possible.
Environment / Climate	Air quality deteriorates and carbon emissions increase as more people start to travel, using the car more often due to advice to minimise use of public transport which will have reduced capacity for some time.	M	Performance of the road network will be closely monitored, including reviewing air quality data that is collected locally.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	In addition to responding to the current public health emergency and imminent easing of lockdown requirements, this programme of temporary Covid-19 public health measures supports the delivery of the Economy Policy Statement 4. Increase city centre footfall through delivery of the City Centre Masterplan, including the redesigned Union Terrace Gardens Place Policy Statements 2. Support efforts to develop the Energetica corridor 3. Refresh the local transport strategy, ensuring it includes the results of a city centre parking review; promotes cycle and pedestrian routes; and considers support for public transport 5. Commit extra funding to resurface damaged roads and pavements throughout the city. The temporary Covid-19 public health measures actively support and encourage active and sustainable travel, in and across the City Centre and support maintenance and safe operation

	of the strategic road network enabling people to comply with physical distancing requirements.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The programme of temporary Covid-19 public health measures supports the delivery of Stretch Outcome 1 – 10% increase in employment across priority and volume growth sectors by 2026, and Stretch Outcome 2 – 90% of working people in living wage employment by 2026 by supporting the lockdown easing measures which will enable the economy to recover and people to get back to work where they cannot work from home. The temporary Covid-19 public health measures will enable people to move around by walking and cycling where possible, while protecting access to public transport and enabling compliance with physical distancing requirements. The temporary Covid-19 public health measures will also support businesses re-opening by providing additional space for customers and create space, where possible, for outdoor seating and leisure activities.
Prosperous People Stretch Outcomes	The programme of temporary Covid-19 public health measures within this report support the delivery of Stretch Outcome 11 – Healthy life expectancy is five years longer by 2026. The temporary Covid-19 public health measures actively support and encourage active and sustainable travel and help reduce environmental pollutants which are harmful to human health. The temporary Covid-19 public health measures are also designed to enable physical distancing while moving around, thereby minimising the risk of Covid-19 transmission and the likelihood of a second wave of the disease.
Prosperous Place Stretch Outcomes	The temporary Covid-19 public health measures support the delivery of Stretch Outcome 14 – Addressing climate change by reducing Aberdeen's carbon emissions by 42.5% by 2026 and adapting to the impacts of our changing climate, and Stretch Outcome 15 - 38% of people walking and 5% of people cycling as main mode of travel by 2026. The temporary Covid-19 public health measures improve and/ or create active and sustainable travel infrastructure.
Regional and City Strategies	The temporary Covid-19 public health measures support the delivery of the Regional and Local Transport Strategies, Strategic and Local Development Plans, Regional Economic Strategy and Action Plan, Health and Transport Action Plan, Local Outcome Improvement Plan, Air Quality

	<p>Action Plan and Powering Aberdeen by encouraging more people to walk and cycle to work, health care and other services and destinations and as a result of the public health emergency, to be able to do this whilst also complying with physical distancing requirements. This is particularly important due to the imminent lockdown easing which will see more people travelling to work and other destinations as businesses start to re-open. Although bus travel will remain significantly reduced for some time, the temporary Covid-19 public health measures also help to ensure that this mode can still be used safely too.</p>
<p>UK and Scottish Legislative and Policy Programmes</p>	<p>The measures directly contribute to Public Health and Scottish Government requirements and legislation relating to the Covid-19 Pandemic, and in particular support physical distancing in public spaces. They will also support businesses as they start to re-open in accordance with the lockdown easing phases. The temporary Covid-19 public health measures will also contribute towards the delivery of the Scottish National Transport Strategy (NTS 2), the UK and Scottish legislation on Air Quality Standards and Objectives, and Climate Change Acts.</p>

8. IMPACT ASSESSMENTS

Assessment	Outcome
<p>Impact Assessment</p>	<p>Full impact assessment not required for this report. An EHRIA was undertaken for the Local Transport Strategy, which these temporary Covid-19 public health measures contribute to. It has not been possible to undertake full impact assessments of individual temporary Covid-19 public health measures prior to implementation due to the emergency requirements to have these delivered as soon as possible. However, the design process has considered the needs of vulnerable users and feedback will be sought from the public and stakeholders and any adjustments made as necessary.</p>
<p>Data Protection Impact Assessment</p>	<p>Not required</p>

9. BACKGROUND PAPERS

None

10. APPENDICES

Appendix 1 – Guidance for the Public

11. REPORT AUTHOR CONTACT DETAILS

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Guidance for Physical Distancing – Members of the Public

Introduction

To prevent further spread of Coronavirus (Covid-19), current Scottish Government guidance is to:

- Isolate yourself from others if exhibiting [symptoms](#);
- Only leave your home for exercise and essential journeys such as food shopping;
- Stay local and continue to work from home where possible;
- When travelling, walk or cycle whenever you can to reduce pressure on road and public transport networks;
- When outside the home, keep a distance of 2 metres from others (not including members of your household) at all times and during all activities (physical distancing);
- Avoid touching surfaces and maintain good hand hygiene with frequent washing.



Even as lockdown restrictions are eased, it is likely that some form of physical distancing will be required for the foreseeable future.

What Aberdeen City Council is doing

We will support the reopening of all shops and businesses when it is appropriate to do so, while ensuring health risks to the public, in terms of further transmission of the virus, are minimised.

It is likely that, for the foreseeable future, more space will be needed for fewer activities and we will be making changes to our streets and public spaces to respond to this. These changes will make it easier and safer for people to access shops, workplaces and other services, whilst allowing for physical distancing. Key to this is making it easier for people to walk and cycle safely, reflecting advice from the Government that these are the best forms of transport to use for physical distancing as well as great ways to stay fit and healthy.

Shops, Restaurants and Other Businesses

In terms of shopping and leisure premises, individual owners and operators will be responsible for controlling and managing access and queuing in accordance with physical distancing guidelines and members of the public will be expected to comply with all instructions.

Queuing

As the number of people able to enter buildings and public transport vehicles will be restricted to enable physical distancing, there may be more queuing at bus stops, stations, taxi ranks

and outside public buildings, such as those we have experienced at some supermarkets already.

To allow this to take place safely there may be 'queuing bays' marked out at 2m intervals on some pavements outside some busy shops, cafes and at bus stops.

Walking and Cycling

Our automatic pedestrian and cycle counters show that there have been a lot more people walking and cycling during lockdown as other forms of exercise have been restricted. As lockdown eases and more people go outside for exercise and other activities, these numbers will increase further.

While more people exercising is clearly a good thing, we are aware that the space available in some areas is limited and this increases the risk of infection. This is a particular problem in already busy areas such as the Deeside Way and Beach Esplanade, where opportunities for physical distancing are more limited.

We are looking to respond to this quickly by increasing space for walking and cycling to ensure more people can travel by these means and access the buildings and services they need in a safe and healthy way. This is likely to involve restricting vehicles from certain areas and widening pavements and cycle paths where possible. We know this may cause some disruption and we ask for your understanding in this regard. This needs to be done urgently, so it may be that some measures are temporary in nature, at least to begin with.

What you can do to help

Key to the success of these changes in limiting infection is the support and patience of all members of the public. We ask therefore that everyone, whenever they can:

- Keeps up to date with and adheres to current government guidance on limiting the spread of the virus;
- Adheres to all signs, barriers, one-way systems, road or pavement markings and all other forms of guidance to protect the public;
- Does not move or tamper with any road or pavement infrastructure (signs, cones, barriers) to avoid putting yourself or others in danger;
- Expects to see more people walking and cycling and, if driving, drive appropriately;
- Does not park on pavements or in any other way that could prevent people physical distancing or make it unsafe for them to do so;
- Trims back any overhanging plants or hedges in gardens that might reduce pavement space or force people to walk on the road when physical distancing;
- Collects wheelie bins in as soon as possible after collections to protect pavement space for people walking; and
- Be considerate of vulnerable members of society, including those using mobility aids such as wheelchairs and scooters, allowing them plenty of room to pass safely.

To protect yourselves and others when walking and cycling:

- Do not travel or gather in groups (other than family groups);
- Keep to the left at all times and travel in single file formation;
- If you are forced to walk on a road for physical distancing, be careful of traffic and, where possible, face oncoming traffic so you and drivers can see one another;

- Keep dogs on short leads at all times;
- When cycling please ring your bell to let others know you are there;
- Only overtake others where it is safe and space exists to do so;
- Consider restricting travel to quieter times of the day avoiding travel to work times and lunchtime;
- Consider avoiding busy routes (such as the Deeside Way and parks) if you have a safe alternative; and
- Be prepared for limited access to public toilets and other facilities.

Public Transport (Bus, Train and Taxi)

Transport operators will be responsible for maintaining and enforcing physical distancing within their vehicles and members of the public will be expected to comply with all signs, notices and instructions from staff.

Because of this, the number of passengers able to use any one bus or train will be much less than normal so please plan your journey in advance and allow time for additional waiting. You may wish to consider using less busy routes and travelling at quieter times if possible. Pay for your journey in advance or use contactless payment where you can. Face coverings should be worn on public transport, except by young children or for those with health conditions for whom a face covering would be inappropriate.

Further Information

General:

- NHS:
 - <https://www.nhs.uk/conditions/coronavirus-covid-19/>
- The Scottish Government:
 - <https://www.gov.scot/coronavirus-covid-19/>
 - <https://www.gov.scot/publications/coronavirus-covid-19-staying-at-home-and-away-from-others/>
- Aberdeen City Council:
 - <https://www.aberdeencity.gov.uk/services/coronavirus-covid-19>

Transport:

- The Scottish Government's Transport Transition Plan contains evolving guidance for the safe use of the transport system: <https://www.transport.gov.scot/coronavirus-covid-19/transport-transition-plan/>

For specific public transport information, please visit <https://www.travelinescotland.com/> or individual operator's websites.

ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	30 June 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Socio-Economic Rescue Plan 2020/2021
REPORT NUMBER	COM/20/098
DIRECTOR	
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Richard Sweetnam
TERMS OF REFERENCE	UBC1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to set out a proposal for a Socio-Economic Rescue Plan 2020/21, and Implementation Group and associated governance arrangements in response to the impact of Covid-19. It also sets out a proposal for taking forward the delivery of an Aberdeen City Council Business Charter.

2. RECOMMENDATIONS

That the Committee:-

- 2.1 approves the Socio-Economic Rescue Plan 2020/21 in Appendix 2 and as summarised in the report, including an Aberdeen City Council Business Charter;
- 2.2 agrees that a short life Socio-Economic Rescue Plan – Implementation Group should be established with the proposed membership and remit as set out at sections 6.6 and 6.7 and that this sits within the existing Community Planning Aberdeen structure and instructs the Chief Officer City Growth to (i) invite organisations (as listed in Table 2) to participate in the Group; and (ii) make appointments to the Group;
- 2.3 instructs the Chief Officer City Growth to update the CPA Board on 1 July 2020 on the agreed approach;
- 2.4 agrees that the Chief Officer City Growth would report back to the Community Planning Aberdeen Board and the Council's City Growth & Resources Committee with regular updates on the progress of the Socio-Economic Action Plan, via the Implementation Group, if approved;
- 2.5 instructs the Chief Officer City Growth, following consultation with the Chief Officer Customer Services, to take all actions necessary in order to implement the ACC Business Charter working with the relevant Council services and business network representatives; instructs the relevant Chief Officers to monitor performance in delivering the charter; and report back to the Council's City Growth & Resources Committee; and
- 2.6 notes the level of the response and support by the community to the crisis and instructs the Chief officer (Early Intervention and Prevention) to explore how the

present level of volunteering that has been experienced can be sustained across the city.

3. BACKGROUND & APPROACH

- 3.1 The COVID-19 pandemic is having a profound effect on the overall health and wellbeing of the city, its citizens and families. It has also coincided with an unprecedented fall in hydrocarbon prices and further significant implications for the city's economy and will continue to create considerable harm for our citizens.
- 3.2 The Council is committed to supporting the city's economy and this is a key strand of the Local Outcome Improvement Plan (LOIP), and the Regional Economic Strategy and ensuring that all our citizens prosper.
- 3.3 The Covid-19 pandemic and the consequent public health crisis has fundamentally changed how the economy will respond as the city adapts to new operating models as lockdown is phased out.
- 3.4 On 6 May 2020, the Council's Urgent Business Committee instructed the Chief Officer - City Growth, in consultation with Administration Leaders, to provide the Urgent Business Committee on 30 June 2020 with a Socio-Economic Rescue Plan for 2020/2021 ('the Plan') that would consider other short term responses to the current crisis under 'business', 'people' and 'place' themes.
- 3.5 As part of the approval of the Council's budget for 2020/21, the Chief Executive was instructed to report back to the City Growth and Resources Committee on 18 June 2020 with proposals for a Corporate Business Charter. In the context of the Covid-19 pandemic, these standards will have an important role in providing corporate support to businesses and employers.
- 3.6 On 21 May 2020, the Scottish Government's Covid-19 Framework for Decision Making was published. It indicates that the response to the pandemic nationally is beginning to move from the 'rescue' stage to the 'transition' stage; that is the stage bridging 'rescue' with 'recovery'. The Framework sets out a route map against four phases through which the Scottish Government will aim to ease existing restrictions. The four phases are gradual and incremental, and each phase will be triggered following careful monitoring of the virus. The route map provides an indication of the order in which the government will seek to lift current restrictions but at this point does not specify dates for all of the different phases. Instead, every three weeks the government will review and report on whether, and to what extent, it can move from one phase to another. It may be that not everything currently listed in a single phase will happen at the same time. On 28 May 2020 it was confirmed that the country was moving to Phase 1 with the easing of restrictions taking pace with effect from 29 May 2020. At the second review on 18 June 2020, it was announced that the country was moving to Phase 2 but not all measures set out in Phase 2 of the Scottish Government's Route Map would immediately come into effect and given that a flexible approach will be taken to the easing of restrictions under the Route Map, it is not certain when specific restrictions could be lifted. The Plan will

reflect the stated, at the time of writing, implementation of the four-phased approach:

1. Phase One – Up to 18 June Review (and potentially beyond), all with physical distancing and hygiene measures in play:
 - a. Outdoor workplaces to resume;
 - b. Construction sector to implement its restart plan;
 - c. Retail, Food & Drink – drive through, garden centres, but not associated cafes;
 - d. No events/ public gatherings etc.
2. Phase Two – all with physical distancing and hygiene measures in play, no dates, includes phase 1 except for:
 - a. Working from home where possible; some workplace reopening and likely staggered start time and flexible working – ‘indoor non-office’ (eg factories, warehouse, laboratory);
 - b. Limited public transport;
 - c. Retail, Food & Drink – smaller units allowed to re-open, including outdoor markets; pubs and restaurants can open outdoor spaces;
3. Phase Three - assumption that virus will have been suppressed; all with physical distancing and hygiene measures in play, no dates.
 - a. Public transport operating full services – peak time travel discouraged;
 - b. Schools open 11 August 2020; phased returns for universities and colleges;
 - c. Remote working remains for those businesses that can; indoor offices including contact centres can reopen;
 - d. Retail, Food & Drink – larger units allowed to re-open. Pubs and restaurants can open in indoor spaces.
 - e. Relaxation of restrictions on accommodation providers (including hotels);
 - f. Museums, Galleries, cinemas can reopen; live events permitted with restricted numbers;
4. Phase Four (final phase) – virus remains suppressed; physical distancing may remain;
 - a. Public transport operating full services;
 - b. Schools, universities and colleges fully open;
 - c. Remote working remains encouraged for those businesses that can but all workplaces can re-open;
 - d. Retail, Food & Drink – all types of units allowed to re-open; shop local encouraged;
 - e. Further relaxation of live events.

Approach

- 3.7 The Plan has been produced within the overarching frameworks and objectives of the Regional Economic Strategy priorities of Innovation, Inclusive Economic Growth, Investment and Internationalisation; the LOIP; the Net Zero Vision for the city and the Strategic Infrastructure Plan – Energy Transition.
- 3.8 A series of workshops and consultations under the themes of ‘Business’, ‘People’ and ‘Place’ were arranged with over 60 Council officers, from across

service areas and clusters. The content was then discussed with external partners and stakeholders so that the Plan reflected not just the Council's proposed response, but also activities delivered by other organisations. These included, VisitAberdeenshire, Aberdeen Inspired, Federation for Small Business (FSB), Aberdeen & Grampian Chamber of Commerce (AGCC), Skills Development Scotland (SDS), Aberdeen Council for Voluntary Organisations (ACVO), Business Gateway and North East of Scotland College (NESCOL). This engagement, has understandably created a focus on practical things that agencies can commit to, in order to support the economic and health recovery of the city and its citizens. For many, however, the sense of hopelessness and fear arising from the current uncertainty is not quite so easily addressed. The People Plan particularly reflects this in an effort to ensure no one is left behind within the city.

- 3.9 Officers have been updating the North East of Scotland Performs economic database with the latest data on the impacts of the current crisis to date. There is always a lag between the effects of a downturn and the corresponding release of data. Therefore a framework of more 'timely' datasets has been added, boosted by the immediately available management information data on the impact on demand for Council services to help shape the Plan.

4. THE IMMEDIATE RESPONSE

- 4.1 The Council set up an Incident Management Team on 16 March 2020 to consider how the Council responds to the crisis. At the same time, a **Business Resilience Group** was formed to coordinate and discuss issues facing businesses and the economy in the immediate build up to a full 'lockdown', and the distribution of financial assistance from the UK and Scottish Governments. This group has been meeting every week and is chaired by Chief Officer City Growth and includes Oil & Gas UK, Opportunity North East (ONE) Food & Drink, FSB, Aberdeen Hotels Association, AGCC, Aberdeen Inspired, Scottish Enterprise, SDS, Business Gateway, VisitAberdeenshire, Invest Aberdeen and Aberdeenshire Council.
- 4.2 So that businesses could access the latest information, advice and guidance as it emerged, a 'business response hub' was set up to support the Business Grants schemes being administered through the Council's Revenues and Benefits and Finance teams. This has handled a total of 1,800 enquiries to date. A specific Covid-19 page was created in the Invest Aberdeen platform to provide consistent and current information to businesses from Council, UK Government, Scottish Government and specific agencies.
- 4.3 At the time of writing, a total of £23.5m has been distributed through 1,900 awards to businesses under the scheme for £10,000 and £25,000 grants (retail, hospitality and leisure). An additional support for newly self employed people has seen smaller grants totalling £324,000 distributed through 162 awards.
- 4.4 On 20 March 2020, the Council and Aberdeen City Health and Social Care Partnership established a joint **Care for People Group** that has overseen the development and delivery of the Aberdeen City Care for People Covid-19

Response Plan to assist vulnerable people to access practical and emotional support, beyond immediate lifesaving activities which are provided by the emergency services.

- 4.5 The Group has overseen the establishment of the Council's Crisis Support Centre and a dedicated Covid-19 web page provides information with a free 24/7 crisis support line available. To date, over 10,000 calls have been received seeking assistance around food, finance, housing, temporary accommodation for homeless people or shielding.
- 4.6 On 1 May 2020, the Lord Provost's Charitable Trust Coronavirus Pandemic Hardship Fund was launched to provide much needed financial support for charities in the city. The Council has also used £800,000 of Scottish Government Funding to develop a food provision strategy, working with CFine, to provide food to people and advice on free school meals.
- 4.7 These efforts have been supported by local community groups and networks of volunteers and over 7,000 volunteers have responded to support the response by and within local communities to the pandemic.

5. ANALYSIS OF IMPACT OF COVID-19

- 5.1 The precise implications of Covid-19 and the additional impact of the coinciding oil price fluctuations on the city's economy are yet to be fully understood. However, in the period since 16 March 2020, it is clear that Aberdeen is facing an even more significant economic shock than previous downturns. There tended to be a lag between these downturns and the effects being seen across economic activity indicators. However, this time we are seeing the immediate consequences on businesses, individuals, young people and a wider impact on the most vulnerable groups in the city.
- 5.2 Public policy has previously been characterised by a focus on easy to measure economic outcome measures an approach that has not accounted for harder to measure elements of what really matters to people's lives. Kindness has tended to be dismissed as irrational and sentimental but in the current situation, Covid-19 has led to spontaneous acts of kindness from individuals, communities, faith groups, private, public and third sector - providing practical help, emotional support and a sense of hope for the future for many.
- 5.3 Using a mix of immediately available management information from within the Council, more timely available economic data and Government forecasts, the impacts are described below and shaped the Plan's response. The data pack is provided in Appendix 1 to this report.

Macro effects

- 5.4 GDP forecasts at a UK and a Scottish level suggest that Scottish GDP will contract by around 7%-14% in 2020. In the Jan-March 2020 period, UK GDP declined by 2%, the biggest quarterly drop in activity since 2008. UK GDP output fell by 20.4% in April 2020, the biggest shock to the economy since

records began. By way of comparison, during the financial crash in 2008/2009, the UK economy fell by no more than 1% in a single month. Covid-19 and the subsequent collapse in global oil demand have placed the North East of Scotland in one of the most vulnerable positions of any region in Europe.

- 5.5 The Scottish Government's Office of the Chief Economic Adviser (OCEA) modelled three scenarios to illustrate the impacts and recovery phases and estimate unemployment rates rising to between 12% and 15% (7% estimated in June 2020).
- 5.6 628,200 Scottish jobs had been furloughed as at 31 May 2020, and this policy could be masking a substantial level of 'effective' unemployment. Indeed the OCEA anticipates that unemployment could take three to six years to return to pre-crisis levels. It estimates that 30% of employment in the city is in more vulnerable sectors such as 'accommodation and food services, education, arts and entertainment', 'manufacturing' and 'administrative, support, health and social work,' which equates to over 50,000 jobs in the city (and 48,000 in Aberdeenshire) operating in more vulnerable sectors.

Business

- 5.7 As of June 2020 approximately 9.1m jobs were furloughed in the UK as part of the UK Government's job retention scheme, around a quarter of the workforce. HMRC figures show that in Aberdeen, 27,700 workers were furloughed, and an additional 29,700 in Aberdeenshire, around a quarter of the workforce. The average net costs of businesses effectively being hibernated are significant, even with financial support available. When furlough ends, the debts incurred by business during lockdown could see actual job losses.
- 5.8 Fraser of Allander Institute's Scottish Business Monitor reports further pessimism amongst surveyed businesses in terms of survival under current levels of trading. June 2020 FSB Survey Data on businesses in the north east corroborates the Scottish picture with 20% of businesses failing or facing significant difficulties paying suppliers, 15% struggling to make property payments and 10% applying for Universal Credit. The impact is expected to intensify in the next three months and lead to a quarter of businesses making staff redundant, 4% reducing/cancelling exports and 15% selling assets.
- 5.9 A quarter have relied on additional borrowing from bank overdrafts, 8% have borrowed from friends and family and 12% have relied on credit cards, compared to the 10% that have applied to the Coronavirus Business Interruption Loan Scheme (CBILS).
- 5.10 There has been over a third fewer businesses start-ups in the city during the first four months of this year compared with the corresponding period of last year.

People

- 5.11 As of May 2020, using the latest available data, there were 14,500 universal credit recipients in Aberdeen, an increase of 82% on March 2020 data – an

additional 6,500 people. Within these figures, there has been a significant increase in working age applications beyond existing priority intermediate zones within the city that has not been as apparent in previous downturns. More than 3,000 job losses have already been posted from Partnership Action for Continuous Employment (PACE), from companies operating across all sectors of the city economy. Oil and Gas UK estimate 30,000 jobs in the sector could be lost in the UK (that could equate to 8,500-10,000 losses in NE Scotland). This in turn is likely to have a disproportionate effect on the following groups:

- Young people – employees aged under 25 more likely to work in a sector that is shut down and likely to be financially vulnerable prior to COVID-19;
- Women – more likely to have care responsibilities which may make it hard to maintain employment. More likely to work in shut-down sectors such as retail, accommodation and food services, and tend to be lower earners;
- Low earners – less likely to be able to work from home and a large proportion work in the hardest hit sectors. Reductions in pay are likely to put significant pressure on household incomes;
- Lone parents – More likely to be financially vulnerable prior to COVID-19. More exposed to reductions in earnings/job losses than those with partners and less likely to be able to share childcare and to be unable to work as a result;
- BAME groups – disproportionately impacted in previous recessions, and this may be repeated, especially given a higher proportion employed in the tourism, leisure, hospitality and retail sectors;
- Disabled people – known to earn less on average than non-disabled people so a reduction in income may be particularly harmful. More likely than non-disabled people to work in areas experiencing more damaging impacts;
- 50+ years – amongst the more deprived of working age people as they often struggle to re-enter the labour market.

Place

- 5.12 As would be expected, weekly city centre footfall has fallen by almost 75%, from around 450,000 pre lockdown to 100,000 in the April-May period. In the most recent week, there has been a modest increase as lockdown measures begin to ease, and reflecting the Spaces for People project.
- 5.13 This has seen hotel occupancy collapse and it is likely that cities will have to operate at a reduced capacity. A collapse in demand (both domestic and commercial), over provision and very weak short-term growth projections are all significant challenges for the sector. The implications of a reduced or '90% city' on the commercial sector will be significant and the challenge for businesses will be how to operate with similar cost bases but reduced sales.
- 5.14 In looking at the Council's visitor attractions – Museums and Art Gallery, City Events and the Beach Ballroom – officers anticipate that there will be a substitution of visitors to more local and regional markets. In the short term these attractions continue to be showcased on digital platforms and the priority will be to convert this interest to physical visits in Phase 3+. Some businesses

and city centre occupiers will not restart until the conditions for a Phase 3 or Phase 4 reopening have been met.

- 5.15 Lockdown has seen some environmental benefits as pollution and carbon in the atmosphere has reduced. Comparison of mean NO² emissions for the April-May 2020 period compared to 2019 indicate reductions at Anderson Drive (47%), Market Street (58%), Union Street (51%) and Wellington Road (59%).
- 5.16 Focussing on health and resilience, analysis of the Council's management information data indicates that over 10,000 calls have been made to the crisis line with 23% relating to financial assistance/ advice, 26% relating to food provision and 17% shielding. There has been increased applications for crisis grants (102% increase), free school meals, council tax and housing rent reliefs.
- 5.17 There were 360 Homeless Applications received in the Feb-May period and homeless services continue to see strong demand for all provision, including the Out-of-Hours service, with an upwards trend in the latter part of the monitoring period.
- 5.18 In addition to this quantitative analysis, officers have been participating in national discussions and webinars with businesses and stakeholders on the impacts of Covid-19. A number of wider effects that have been raised are noted below:
- How cities think about work and jobs – reflecting not just physical distancing, but flexible working, indoor workplaces (offices), the place of work and potential implications in terms of families, care and childcare and home vs office working;
 - The 'value' of jobs and the critical roles in response to the crisis tended to be in lower paid occupations – distribution, warehousing, care, retail etc;
 - The importance of supporting digital infrastructure has never been clearer – it has enabled people and businesses to continue to work under lockdown as well as providing vital community support and social interactions;
 - Information, advice and guidance – providing clarity and confidence to businesses and visitors to start going back into city centres;
 - Third-party/ external funding – anticipated pressures around forward funding of a number of stakeholder organisations in the city;
 - There is uncertainty amongst city centre sectors particularly on whether businesses could return while adhering to physical distancing measures. The differences between Scottish Government and UK Government approaches to a phased opening may be a concern.

6. ACTION PLAN

- 6.1 The plan focuses on a short term 'rescue response' to the immediate effects of the economic crisis. From the analysis of the effects to date, there is a change in priorities and its main goals are less about growing the economy or increasing value, but thinking about health, community and ensuring that people can access employment.

- 6.2 Going beyond the 2020/21 life of this Plan, there will be a shift in focus towards medium and longer term recovery actions, and, for Aberdeen, continuing to make the case for investment in a ‘green recovery’ as highlighted in the Strategic Infrastructure Plan – Energy Transition. For the city region, investing in areas of opportunity such as the oil and gas sector that in turn will be the foundation for energy and renewables investment, will be an important part of the economic recovery plans to support the Regional Economic Strategy.
- 6.3 The quantitative and qualitative data above has informed the production of the actions in the Plan, which is provided as Appendix 2 to this report. The overall purpose is to minimise the harm and impacts of the current crisis where possible. At the same time, it provides an opportunity to anchor existing inclusive economic growth and LOIP priorities by focusing on the needs of local business and communities.
- 6.4 Specific actions have been developed under the respective ‘business’, ‘people’ and ‘place’ themes. Table 1 below summarises the plan.

Table 1 – Socio Economic Rescue Plan 2020/21 - Summary

Theme	Interventions	Rationale
Business	General Response – 10 actions Tourism, Leisure & Hospitality – 6 actions Job Retention/ Creation – 5 actions	Providing support to business and alleviating cashflow pressures; supporting city centre sectors to respond to new digital and local markets Using infrastructure investment to support business growth
People	Supporting Young People – 7 actions Community Spaces – 2 actions Job Retention/ Creation – 4 actions Workforce Development – 9 actions Wellbeing – 14 actions	Active labour market responses essential to keep people actively engaged and earning, enabling the most at risk groups particularly to avoid longer term effects on society. Using infrastructure investment to support employability
Place	Safe Zones – Physical Distancing – 7 actions Transport – 4 actions Shop, Visit, Eat, Local – 4 actions Economic Strategy/ CCMP – 5 actions	Delivery of the Spaces for People project, and the supporting activity to maximise the benefits of that programme Emphasis on climate change and the Net Zero Vision

Theme	Interventions	Rationale
		'Buy Local' campaigns and linking Aberdeen Art Gallery and Events

- 6.4 It is proposed that the overall programme will need to be phased depending on the Scottish Government's guidance on movement from one phase to the next.
- 6.5 Early engagement with the Scottish Government, SDS, SE and the Business Gateway will be critical to developing any new approach to deliver priority actions and the financial implications of these.

Governance

- 6.6 The Plan is an immediate and dynamic response to the impact of Covid19, and aligns to the LOIP strategic themes of Economy, People, Place. While it focuses on immediate actions, there is an opportunity for it to inform the scheduled refresh of the LOIP in 2021. It is therefore proposed that scrutiny and oversight of the implementation of the Plan is done through the Community Planning Aberdeen (CPA) Board.
- 6.7 As such, CPA Outcome Improvement Groups provide an established structure to drive delivery, while many of the actions will be delivered by members of Aberdeen Prospers, Integrated Children's Services, Resilient Included, Supported Group or the Sustainable City Group. However delivery will need to have input from wider stakeholders that are not currently represented within these groups. Therefore a 'short life' working group (the Socio-Economic Rescue Plan Implementation Group) is proposed to be formed from within organisations already on Aberdeen Prospers, augmented by representatives from the Business Resilience Group, in order to drive delivery of the Plan across all three themes, as indicated in Table 2 below.
- 6.8 The remit of the Group will be to provide a coordinated and collaborative approach to implementing the Plan within the CPA Outcome Improvement Groups, the Council and with external stakeholders and partners.

Table 2 – Socio-Economic Rescue Plan – Implementation Group

Implementation Group Membership
Aberdeen City Council – City Growth, Schools & Communities
Representative from the Urban Realm Task Group (Spaces for People project)
SDS
CFINE
NESCOL
SE
ACVO
Business Gateway (Elevator)
Culture Aberdeen
Aberdeen Inspired – City Centre Manager

Implementation Group Membership
AGCC – Policy Manager
FSB – Regional Lead
VisitAberdeenshire

6.9 It is proposed that each Action Plan programme area is assigned a Senior Responsible Officer to oversee the operational delivery and ensure that progress by other Council teams, or external partners is reported to the Group and the CPA Board. Given that the Plan is a short term response, it is recommended that the Group meets on a monthly basis, subject to review. As the Plan progresses some actions may be reflected and ‘mainstreamed’ in the refreshed LOIP, the Regional Economic Strategy and the associated governance arrangements where appropriate.

7. BUSINESS CHARTER

7.1 Included in the Plan (Business Theme) is a proposal for an Aberdeen City Council Business Charter. It is provided as Appendix 3 to this report. It aims to continue to make Aberdeen an attractive place to do business and sets ‘standards’ for responsible business and developing people and skills.

7.2 To take forward the Council’s Administration priorities, the Charter sets out how the Council as a whole will support businesses through delivery of its ‘business facing’ activities and roles (for example, economic development, planning, licensing, environmental health, trading standards, procurement etc). It has also been developed to reflect the urgency with which these services need to respond to support businesses’ response to the economic downturn.

7.3 It affirms the Council’s commitment to delivering services to businesses in the city that are fast and to the highest standard. It sets out what business customers may expect from the Council, and what the Council expects from business customers. As well as covering business facing services, it also notes the value of the goods and services bought in by the Council and how its spending power through its revenue and capital budgets can support local businesses. Further, while in year savings through procurement activity are being considered within the Council’s budget reporting, any decisions will be informed by an assessment of any business risks to the local supply chain. Consideration of local market will feature in any contract redesigns in future in order to meet the objectives of the Plan.

7.4 Feedback from a small sample of businesses and representative groups has been reflected in the drafting of the Charter.

8. FINANCIAL IMPLICATIONS

8.1 Covid-19 has seen an unprecedented policy response by the UK and Scottish Governments. In terms of the overall financial implications, the Fraser of Allander Institute estimates a 2020/21 deficit of between £200-£500bn. In turn this will have significant implications for public finances going forward. The

Institute estimates that there is a possibility that Scotland will be worse affected than elsewhere in the UK. The financial implications to the Council of the impact of Covid-19 are significant and a report on this is provided elsewhere on the agenda for this committee.

- 8.2 There are no financial implications on the Council's budget approved on 3 March 2020. In the immediate term, and to support delivery of the response within the People Theme, 5 fte employability key workers, fully funded by Scottish Government, will be recruited. Any other staffing implications would be considered within the Council's established procedures. Other Council resources will be aligned to the actions from across clusters in the Council.
- 8.3 Where the Plan highlights other external funding, this may include monies already secured and deployed, for example, parental employability funding. However, the Plan also highlights other potential sources of funding that could be applied for to progress any of the actions. The Council's External Funding Team will support the applications and leverage of third party funding.
- 8.4 There are no direct resource implications arising from the development of the Council's Business Charter as it is assumed that any costs will be met within existing staffing budgets.

9. LEGAL IMPLICATIONS

- 9.1 There are no legal implications arising from this report.

10. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Covid-19, oil and gas downturn, and the impact of Brexit could last longer than anticipated	M	The formation of the Implementation Group and certain actions within the Plan may mitigate against these risks.
	There is a risk that Lockdown measures need to be re-introduced depending on the success of progressing across the Four Phased Approach	M	UK and Scottish Government support in progressing strategic actions.
Compliance	The Council is not complying with physical distancing and hygiene measures	L	Information, advice and guidance and staff training will be given when Beach Ballroom and AAGM

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
			<p>tourism assets are safe to open</p> <p>Advance information and guidance for event attendees and plan for visits.</p>
Operational	<p>Resources within the City Growth and supporting clusters are not sufficient to respond</p> <p>Health and Safety of staff, users and the public;</p> <p>Council premises and social distancing</p>	M	<p>Information, advice and guidance and staff training will be given when Beach Ballroom and AAGM assets are safe to open</p> <p>Home working for staff wherever possible, changes to offices to accommodate physical distancing</p>
Financial	<p>Budget pressures - costs of developing/ implementing actions.</p> <p>Lack of funding mechanisms to implement actions.</p>	M	<p>Repurposing of existing budgets</p> <p>Most actions have been designed to be delivered within existing staffing resources</p>
Reputational	<p>Failure to respond to the crisis and delaying a response</p>	L	<p>This Plan and Governance provides the Council with an opportunity to lead a coordinated city-wide response</p>

11. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The proposals within this report support the delivery of following Policy Statement objectives – economy; people and place in support of the Regional Economic Strategy and the LOIP. The employability responses in particular align to existing priorities around Developing the Young Workforce. The Place

	<p>actions are all contributing to active travel and transport plans.</p> <p>The proposal to develop a Council Business Charter reflects the core vision of the Target operating model and the Guiding Principles of the Council – in particular the ‘customer first’ approach.</p>
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The proposals aim to provide as much support to businesses in the immediate response to Covid-19 and to mitigate where possible against permanent job losses in the city. They are therefore unlikely to generate increased employment in support of the LOIP target to grow jobs by 10% in priority sectors.
Prosperous People Stretch Outcomes	The proposals aim to support health and wellbeing outcomes in the Children & Young people and Adult stretch outcomes.
Prosperous Place Stretch Outcomes	The proposals support the poverty and active travel stretch outcomes
Regional and City Strategies	The Socio-Economic Action Plan supports activities to support business and inclusive economic growth in the Regional Economic Strategy and Regional Skills Strategy, and the Local Development Plan ‘triple aims’ of economic sustainability, public health priorities and the LOIP.
UK and Scottish Legislative and Policy Programmes	The report aligns to the Scottish Government’s Covid-19 emergency legislation and the Phased Approach to post-lockdown.

12. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Equality Impact, Fairer Scotland, and Environmental Impact Assessments attached/will be developed as part of the implementation of the Plan.
Data Protection Impact Assessment	Not required

13. BACKGROUND PAPERS

- 13.1 [Scottish Government Coronavirus Framework for Decision Making – Scotland’s Route Map out of the crisis.](#)
- 13.2 Council Urgent Business Committee – Financial Resilience - COVID-19 - RES/20/091, 6 May 2020.
- 13.3 Council Budget - General Fund Revenue Budget and Capital Programme 2020/2021 - RES/20/065, 3 March 2020.

14. APPENDICES

- 14.1 Appendix 1 – Socio-Economic Rescue Plan – Data Pack
- 14.2 Appendix 2 – Socio-Economic Rescue Plan
- 14.3 Appendix 3 – Business Charter – Aberdeen City Council

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Aberdeen City Council – Socio Economic Rescue Plan

Data Pack
June 2020



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Macro effects



GDP Forecasts

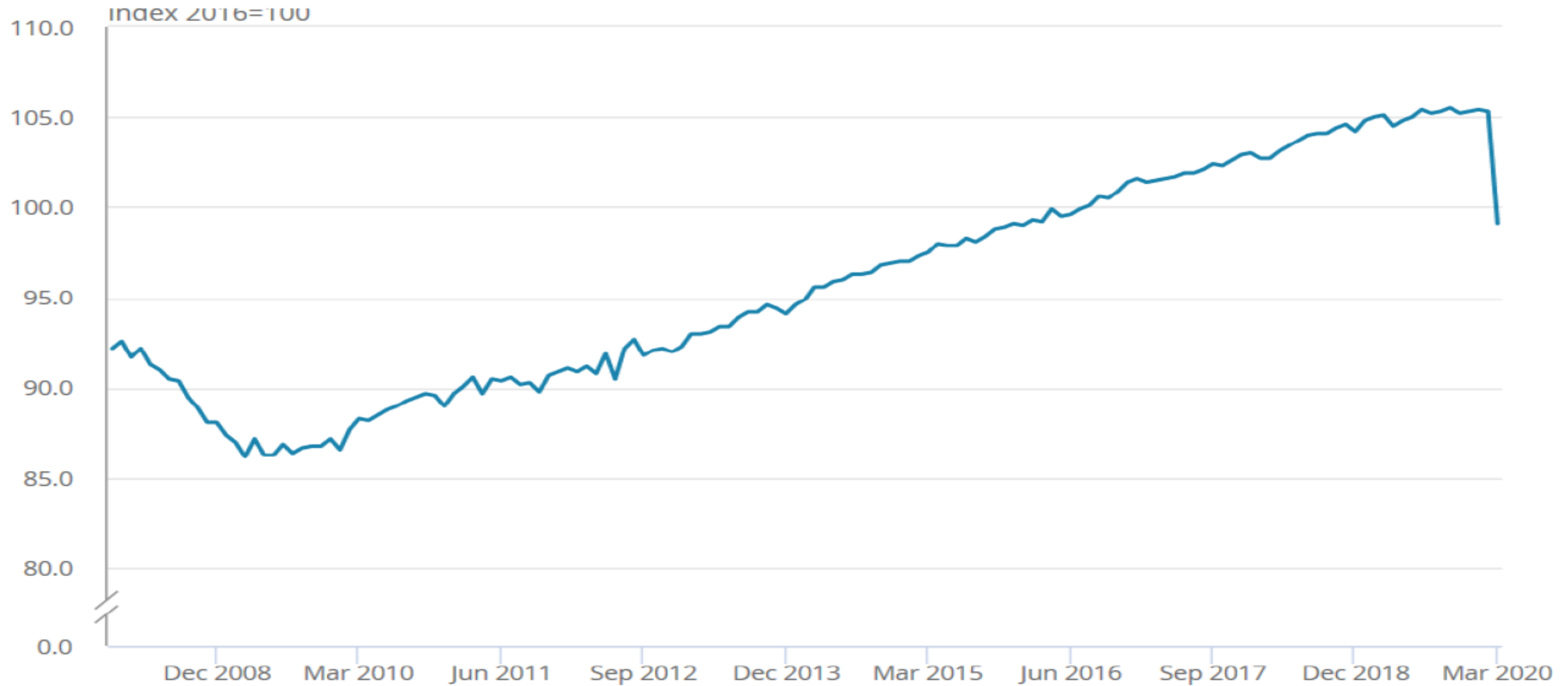
Forecaster	Detail
Bank of England	UK GDP down 14% in 2020
Scottish Government	Scottish GDP down 12% in 2020, Scottish GDP down 33% in Q2 2020
OBR	UK GDP down 13% in 2020, UK GDP down 35% in Q2 2020
Fraser of Allander	Scottish GDP down 20-25% in Q2 2020
EY	UK GDP down 6.8% in 2020
KPMG	UK GDP down 8.2% in 2020

Scottish GDP to contract by around a quarter to a third in Q2 2020 and by 7%-14% in 2020.

Bank of England's forecasts activity picks up late 2020 and into 2021 after social distancing measures are relaxed, although it does not reach its pre-Covid level until late 2021. Scottish Government forecasts that pre-Covid output levels may not be reached until early 2023.

GDP Actual Data

Monthly GDP, seasonally adjusted, UK, January 2017 to March 2020



GDP Actual Data January to March 2020

The latest ONS GDP data for the first quarter of 2020 (Jan to March) as well as the monthly GDP data for February to March provides the first direct indication of how COVID-19 has affected the UK economy. Key findings are:

- Over the first quarter (Jan-March) UK GDP declined by 2%, the biggest quarterly drop in activity since Q4 2008.
- Overall GDP fell by 5.8% in the month of March, the largest fall since monthly records began in 1997, reflecting record widespread falls in services, production and construction output.
- Service sector output fell by 6.2% in March, the largest monthly fall since records began in January 1997. All but one (public administration) service subsectors experienced a decline, with Accommodation and Food Services experiencing the largest fall in output (-31%).
- Production sector (manufacturing and energy) output declined 4.2% in March 2020. Manufacturing sector output (which makes up 75% of production) was down -4.6%. Construction sector output fell by 5.9% in March.

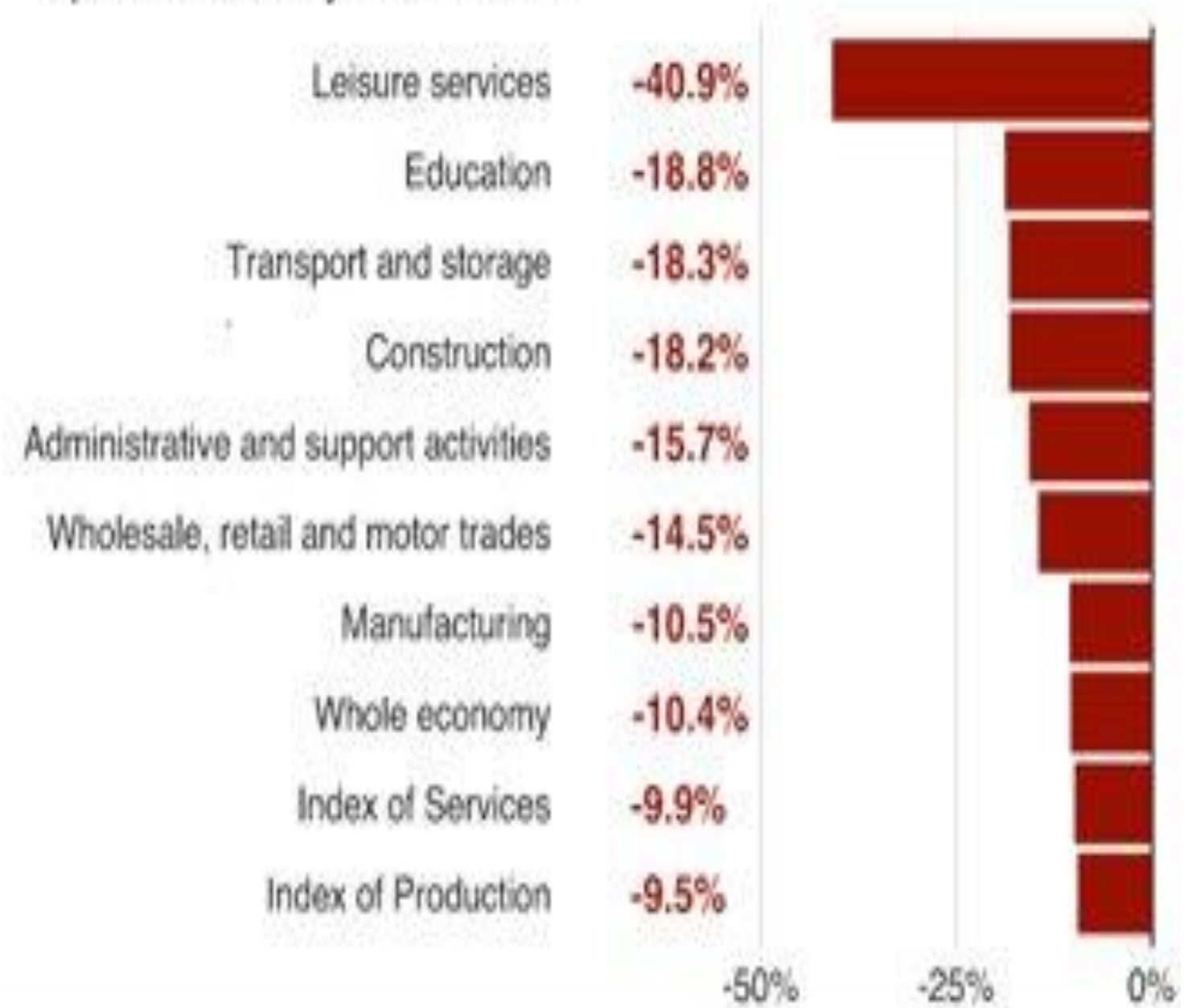
GDP Actual Data April 2020

Monthly GDP data for March to April shows how COVID-19 has affected the UK economy. Key findings are:

- The fall in GDP in April 2020 is the biggest shock to the economy since records began. UK GDP output fell by 20.4% in April 2020. By way of comparison, during the 2008-2009 recession the UK economy fell by no more than 1% in a single month.
- Sectors most likely to be impacted are shown below and include leisure, education, transport, etc. These sectors are mostly affected by social distancing, but others such as administration have a high proportion of women with dependent children.

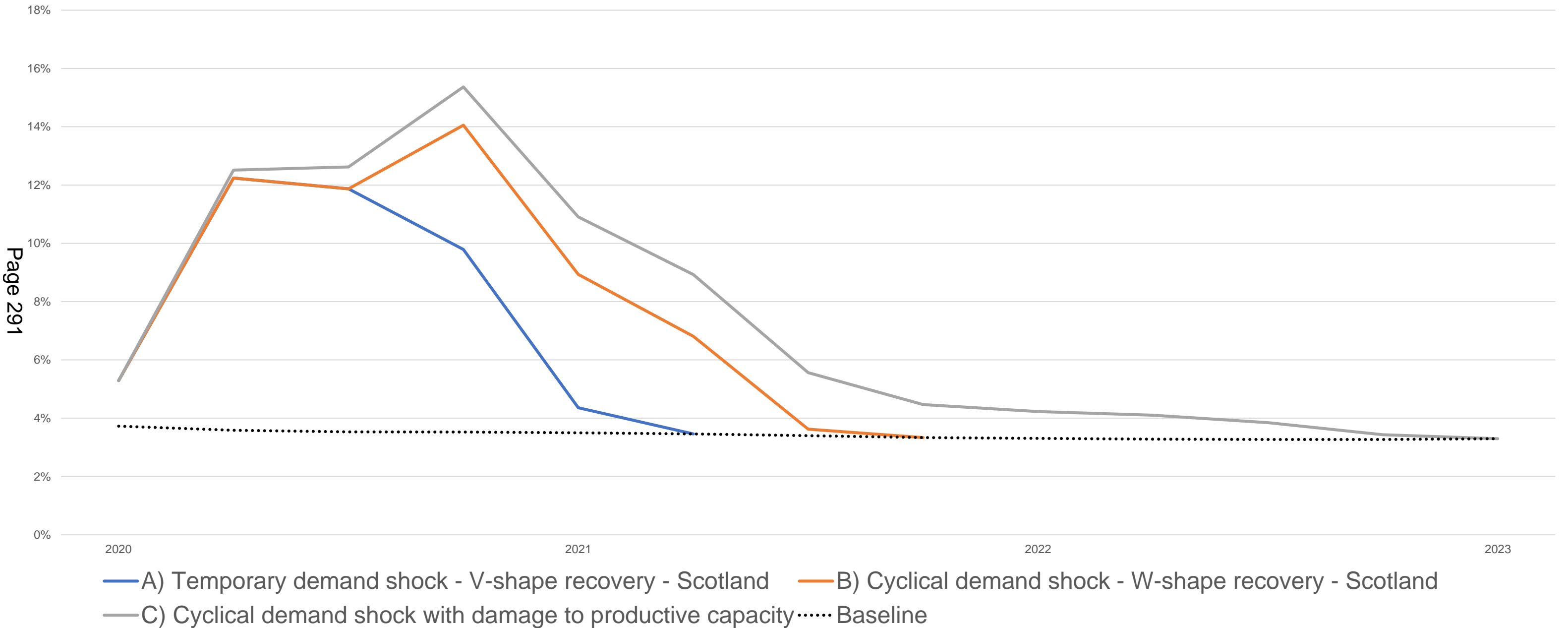
Widespread contractions across the economy

Top 10 sectors by contraction



Labour Market Forecasts

Profile of the Scottish Unemployment Rate under the Illustrative Scenarios



Labour Market Forecasts

Scottish Government modelled 3 scenarios to give illustration of impacts and recovery:

- A temporary V shaped shock – with unemployment rising to around 12% and falling back to normal levels by around Q2 of 2021
- A W shaped recovery – with unemployment rising to around 14% and recovering by around Q4 2021
- Longer-term damage with scarring effects (an L shaped recovery), with unemployment rising to around 15% before slowly recovering

The degree of uncertainty is large – we don't know if the medium term impact will take years for the labour market to return to pre-pandemic levels like after the financial crisis, or if it might bounce back much quicker.

Expected Impact on Sectors

- SG analysis was carried out to identify the sectors in Scotland's labour market which are at highest risk.
- **Accommodation & food services, Education and Arts, entertainment & recreation** most affected by Social Distancing Guidance and given automatic **RED** RAG rating.
- **Manufacturing** also at **RED** risk through high COVID-19 absence rates & existing labour supply shortages.
- **Public Admin & Defence** at **RED** risk through high proportion of women with dependent children.
- **Administrative & support services, Health & social work and Other Services** at **RED** risk through high proportion of women with dependent children but also existing labour supply shortages.

Sector	International Supply	International Demand	Domestic Demand	Labour Market Disruption
Agriculture, forestry and fishing	y	a	y	y
Mining and Quarrying Industries	y	a	a	y
Manufacturing	r	r	a	r
Electricity & Gas Supply	y	y	y	a
Water Supply & Waste Management	y	y	y	y
Construction	y	y	r	r
Retail & wholesale	y	y	r	r
Transport & Storage	y	y	a	a
Accommodation & food services	y	a	r	r
Information & Communication	a	y	y	y
Financial & Insurance Activities	y	y	y	a
Real Estate Activities	y	y	y	a
Professional, Scientific & Technical Services	y	a	y	a
Administrative & Support Services	y	y	a	r
Public Administration and Defence	a	y	y	r
Education	y	a	y	r
Health and Social Work	a	y	y	r
Arts, entertainment and recreation	y	y	r	r
Other Services	y	y	a	r

For Labour Market Disruption, RAG ratings were determined by a) COVID-19 absence rates, b) Existing labour supply shortages c) Women with dependent children (due to school closures) and d) Sectors affected by Social Distancing guidance

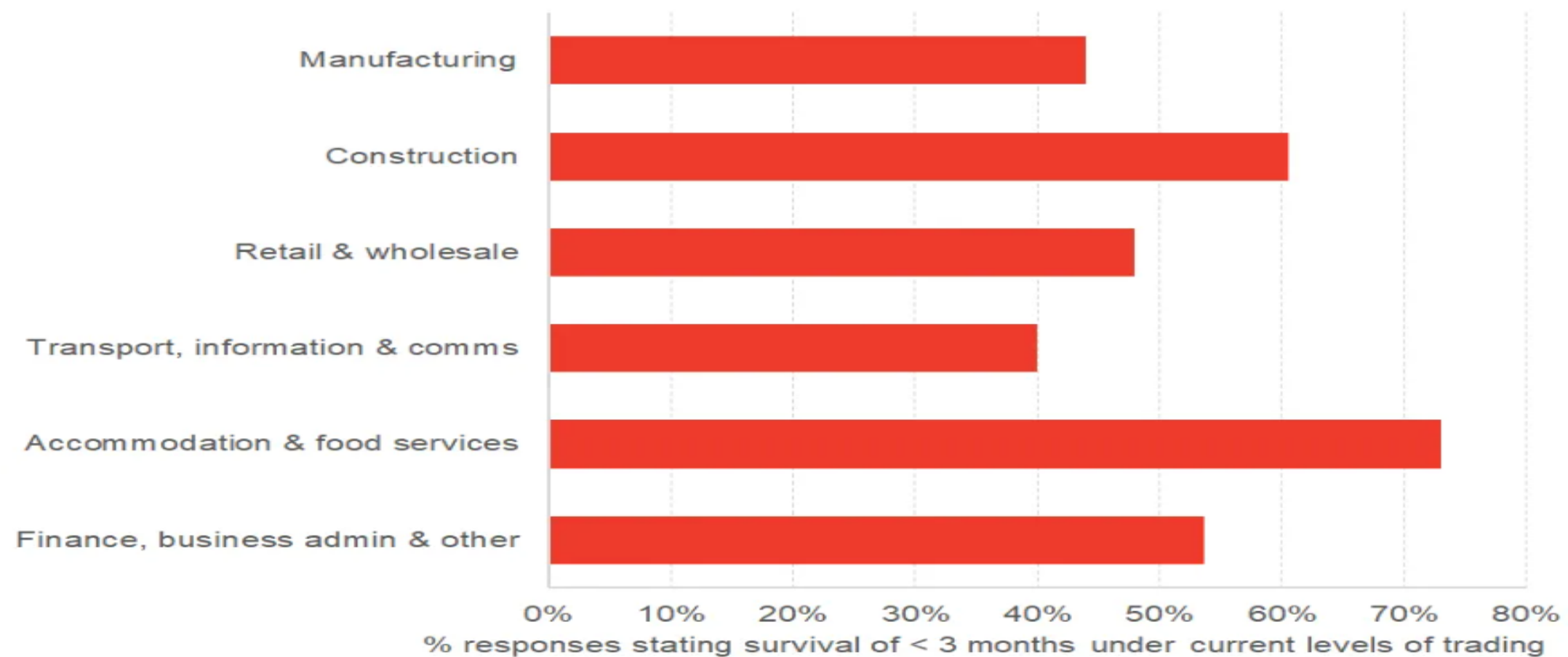
Business



Access to Business Finance

Fraser of Allander Scottish Business Monitor Survey asked how long businesses in Scotland could survive under current levels of trading. Of those who knew, 54% said 'less than three months' while a further 32% said they could survive for 'four to six months'. This result are driven by small businesses. Accommodation and food services and construction firms in Scotland are particularly cash strapped.

Chart: Percentage of responding businesses stating their business can survive less than three months under current levels of trading, by sector

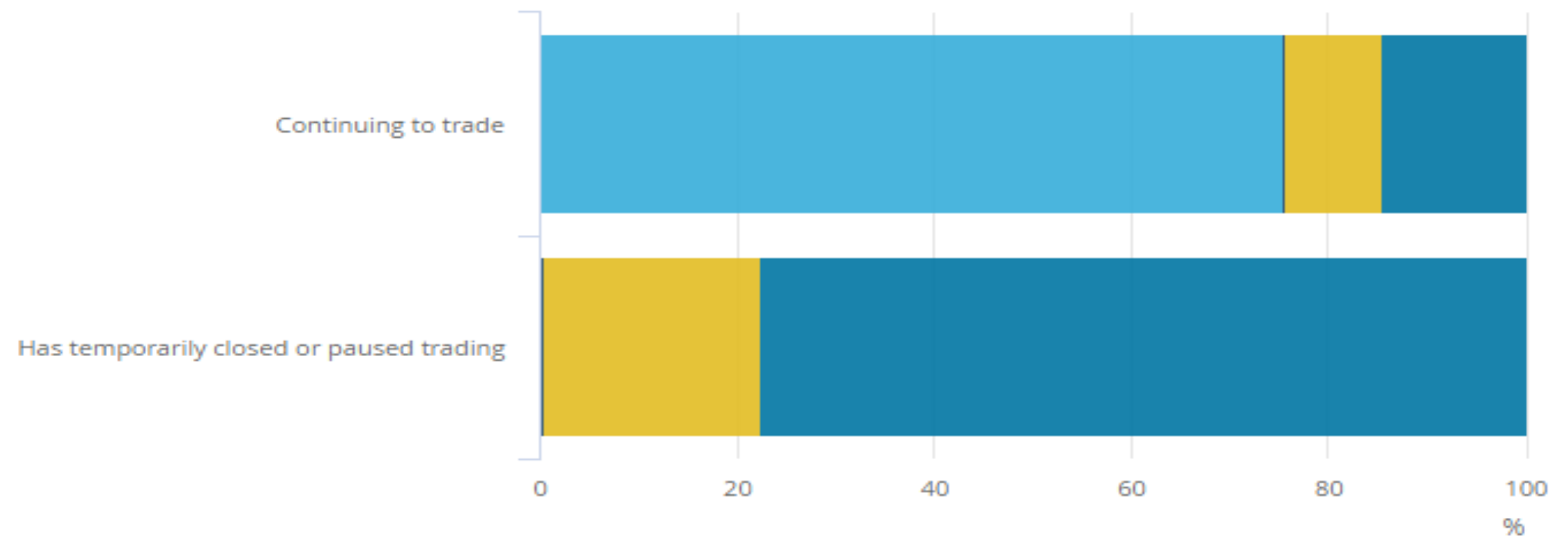


Furlough UK

Latest ONS data for the UK suggests 14% of the workforce in businesses that continued trading and 78% in businesses that had temporarily closed had been furloughed.

Proportion of the workforce by working arrangements, for responding businesses that were still trading or had temporarily paused trading, UK, 23 March 2020 to 5 April 2020

- Put on furlough leave
- Other and off sick or in self-isolation due to coronavirus (COVID-19) with statutory or company pay
- Made redundant
- Working as normal



Furlough UK & Aberdeen

Approximately 9.1 million jobs have been furloughed in the United Kingdom as part of the government's job retention scheme. There have been 27,700 furloughed employees in Aberdeen and 29,700 in Aberdeenshire, around a quarter of those in employment.

Particular high furloughed sectors include accommodation and food services, hospitality, manufacturing and retail. Over 90% of employees of accommodation and food companies that have paused trading have been furloughed (84% of employees of all companies). Of businesses continuing to trade, 19% of the workforce had been furloughed in the period 6 April to 19 April 2020.

COVID-19 Business Support Grants

As at 16th June, Aberdeen City Council had released a total of 2,062 Small Business and Retail, Hospitality & Leisure, (Phases 1 and 2) and Newly Self-Employed Hardship grant payments, to a value of £23.8m , from the Business Support funding streams announced by the Scottish Government, to eligible businesses in the City.

Grant Stream	No of Grants Awarded	Value (£)
Small Business/RH&L	1,900	£23,468,750
Newly Self-Employed Hardship	162	£324,000
Total	2,062	£23,792,750

Almost a third of grants are to accommodation and food services, with more than a fifth to the arts and entertainment sector and around a sixth of payments released are to the retail sector.



Business Start-ups in Aberdeen

Small Business Start-ups	April 2020	Monthly comparison	Yearly comparison	YTD comparison
Aberdeen City	36	-58.1%	-69.0%	-34.3%
Scotland	674	-63.9%	-72.5%	-30.8%

Legal Status Start-ups	April 2020	Monthly comparison	Yearly comparison	YTD comparison
Limited Companies	26	-57.4%	-69.4%	-37.6%
Sole Traders	7	-63.2%	-66.7%	-28.8%
Other For Profit Start-ups		0.0%	0.0%	-66.7%
Commercial Enterprises	33	-58.8%	-68.9%	-36.4%
Not For Profit	3	-50.0%	-70.0%	-12.8%
Total	36	-58.1%	-69.0%	-34.3%

Top 3 Industries	April 2020	Monthly comparison	Yearly comparison	YTD comparison
Real estate, professional services & support activities	11	-64.5%	-78.8%	-43.1%
Wholesale & retail trade	7	-30.0%	-22.2%	-40.4%
Recreational, personal & community service	6	-45.5%	-60.0%	19.5%

Business Start-ups in Aberdeen

34.3% fewer businesses start-ups in Aberdeen City during the first four months of this year compared with the corresponding period of last year

This growth rate ranks Aberdeen City at 22 out of the 32 Scottish districts.

The make up of start-ups is Limited Companies 72.2%, Sole Traders 19.4%, Other For Profit Start-ups (mainly Partnerships) 0.0% and Not For Profit 8.3%.

The top 3 industries account for 66.7% of the starts.

Restarting the Economy

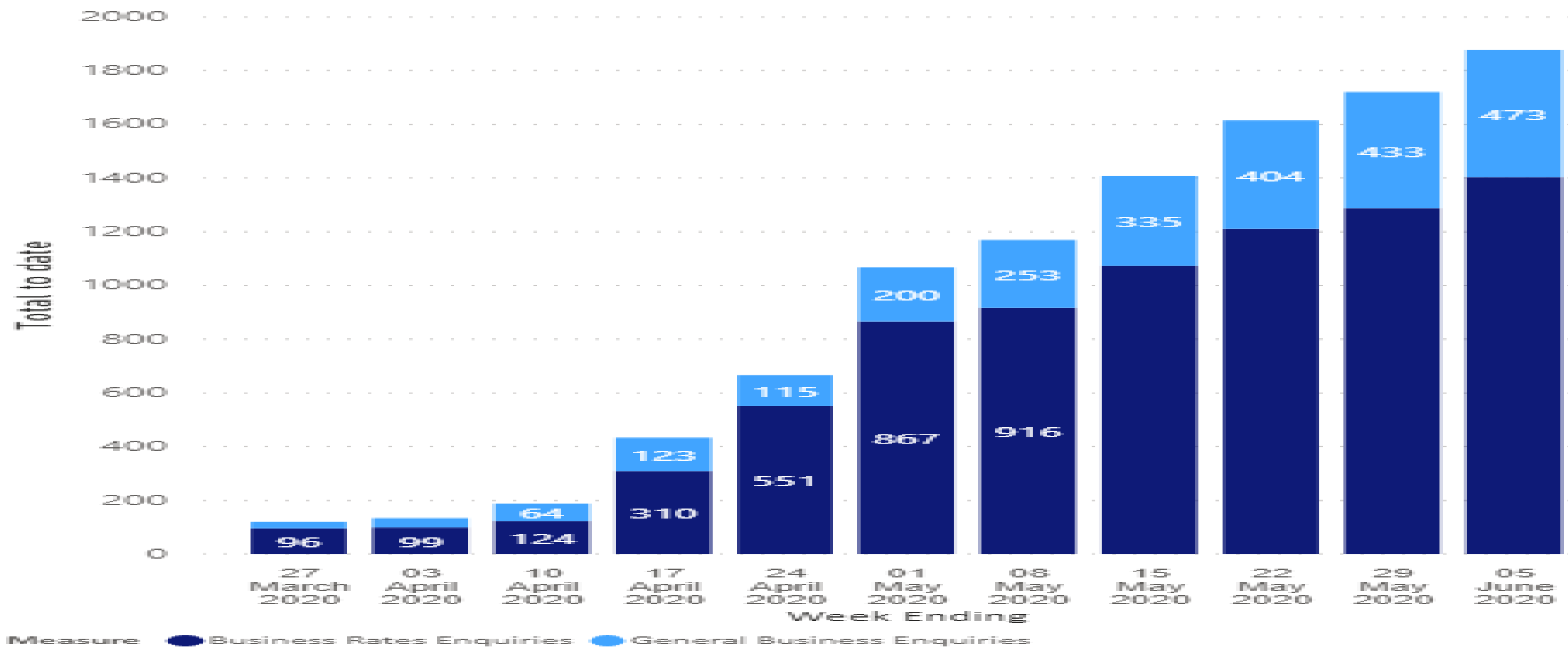
The Glasgow Chamber of Commerce survey in April of over 200 Glasgow businesses on the impact of COVID-19 reported that:

- Almost half of companies are not confident that they could return to work under current social distancing rules.
- 21% said they could not operate under the rule that says people must stay two metres apart (social distancing), with 24% saying they didn't know if they could due to staff having to work closely together or trading space being too tight.
- Further government guidance is needed on how companies can operate under social distancing.
- Longer-term support is needed including a tapering of the Job Retention Scheme to avoid redundancies. 57% of respondents asked for the retention of the scheme, while 63% of companies were using it.

ACC: Business Response Hub Enquiries

Overall Business Enquiries addressed by the Council's Business Response Hub have increased tenfold since the crisis began with around 75% of these about business rates. As at 5th June, there had been a total of 1,876 enquires received (1,403 relating to business rates and 473 general business queries)

General Business and Business Rates Enquiries (Allocate...



People



Unemployment Forecasts in Aberdeen

Proofed Unemployment Calculation; Jan 2019-Dec 2019			
	Aberdeen City	Aberdeenshire	Aberdeen City & Shire
Economically Active Aged 16 Plus	132,400	142,200	274,600
Unemployment aged 16 plus	4,200	3,800	8,000
Unemployment Rate	3.2%	2.7%	2.9%
5 % Unemployment Range	6,620	7,110	13,730
10% Unemployment Range	13,240	14,220	27,460
15% Unemployment Range	19,860	21,330	41,190

Over 30,000 jobs are estimated to be at risk in Aberdeen. Unemployment is likely to rise considerably beyond 10% this year.

Oil and Gas UK estimate **30,000 jobs in the sector in the UK** could be lost as a result of the coronavirus pandemic and the low oil price with around a third of these in the North East.



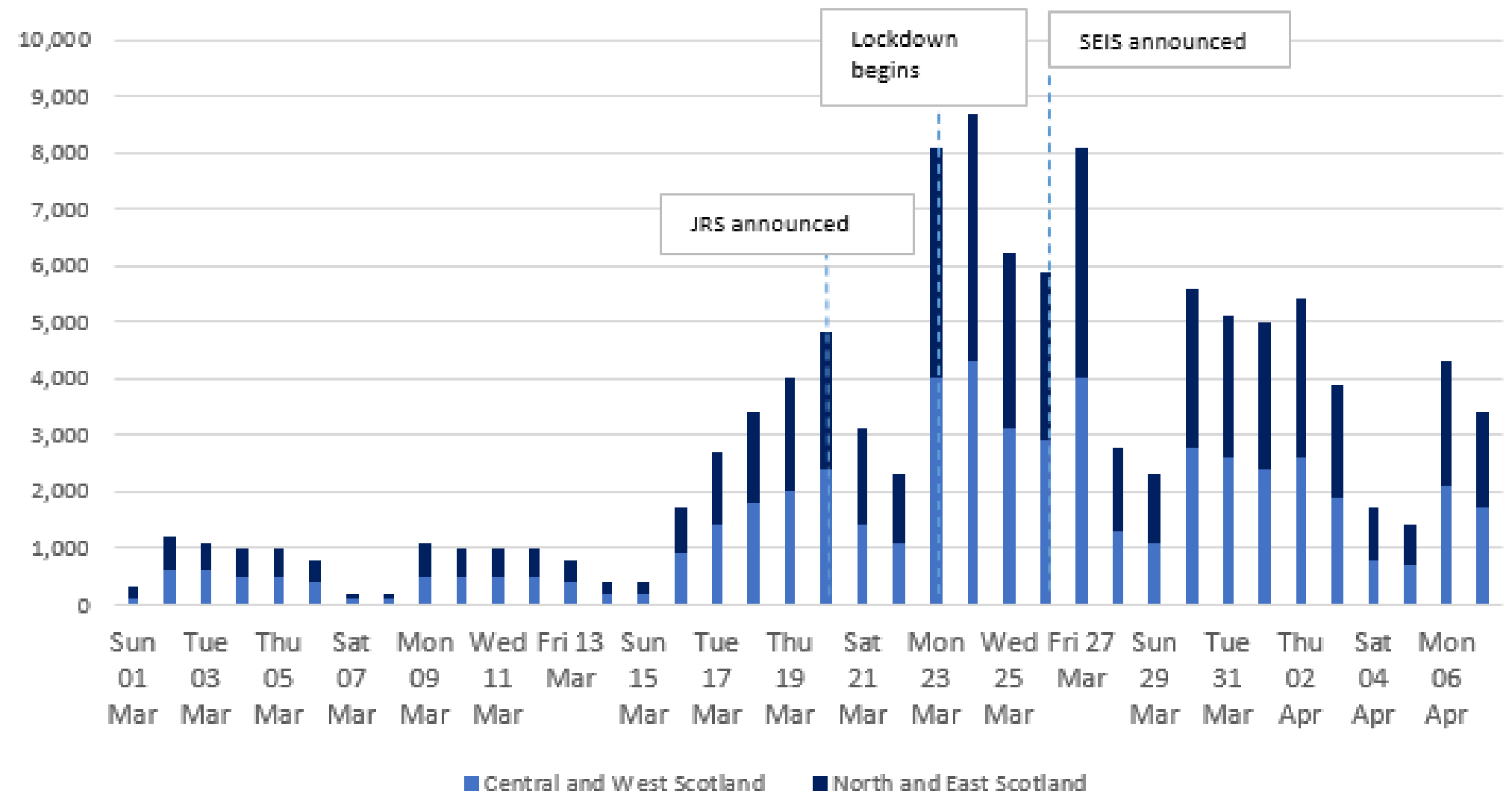
Sharp Rise in Universal Credit Claims in Scotland

The impact of COVID social distancing measures had an immediate impact on the labour market.

- From 1st March new UC claimants in Scotland rose from a daily average pre-crisis of 800 to a peak of 8,700 on 24th March. Totalling almost 100,000 over the period 16th March to 7th April.

Source: ONS, BICS Survey Results, April 2020

UC Total Contracts, Scotland



Source: DWP, Apr 2020



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Universal Credit in Aberdeen & Scotland

People on Universal Credit (In employment and not in employment) Aberdeen City & Scotland, 2020

	Aberdeen City	Scotland
March 2020	7,966	264,117
April 2020	11,815	373,526
May 2020	14,516	440,229
Percentage Increase (March-May)	82.2%	66.7%

Expected Impacts on Groups of People

Younger people – employees aged under 25 more likely to work in a sector that is now shut down. More likely to be financially vulnerable prior to COVID-19.

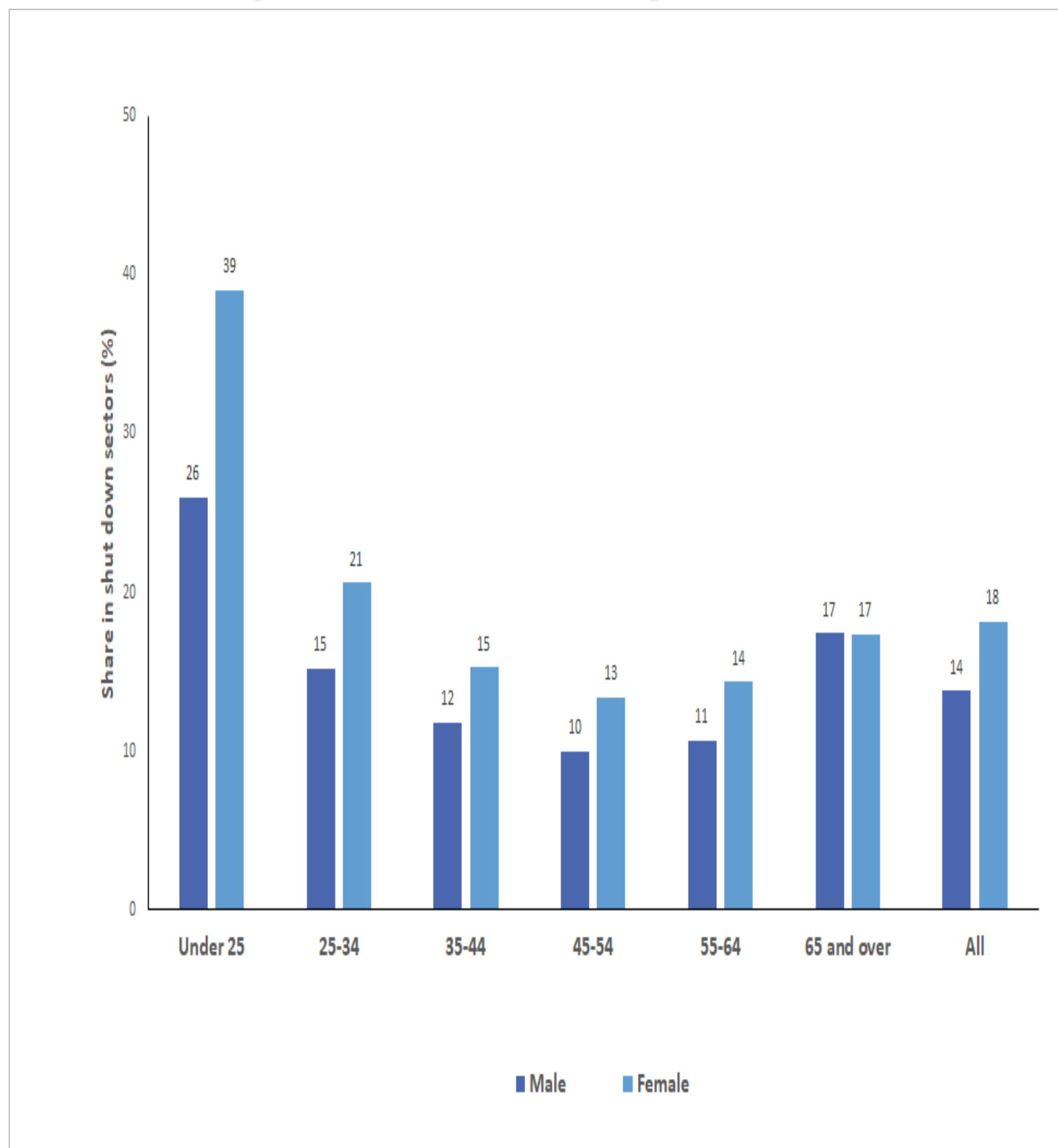
Women – more likely to have caring responsibilities which may make it hard to maintain or take on employment. More likely to work in shut-down sectors such as retail, accommodation and food services. Earn less on average than men so a reduction in income may be particularly harmful.

Low earners – less likely to be able to work from home and a large % work in the hardest hit sectors. Reductions in pay are likely to put significant pressure on finances.

Lone parents – More likely to be financially vulnerable prior to COVID-19. More exposed to reductions in earnings/job losses than those with partners and less likely to have someone to share childcare with and may be unable to work as a result.

Minority ethnic people – disproportionately impacted in previous recessions, and this may be repeated, especially given a higher % of the visible minority ethnic population work in the hospitality industry.

Disabled people – known to earn less on average than non-disabled people so a reduction in income may be particularly harmful. Slightly more likely than non-disabled people to work in areas experiencing damaging impacts from restrictions.

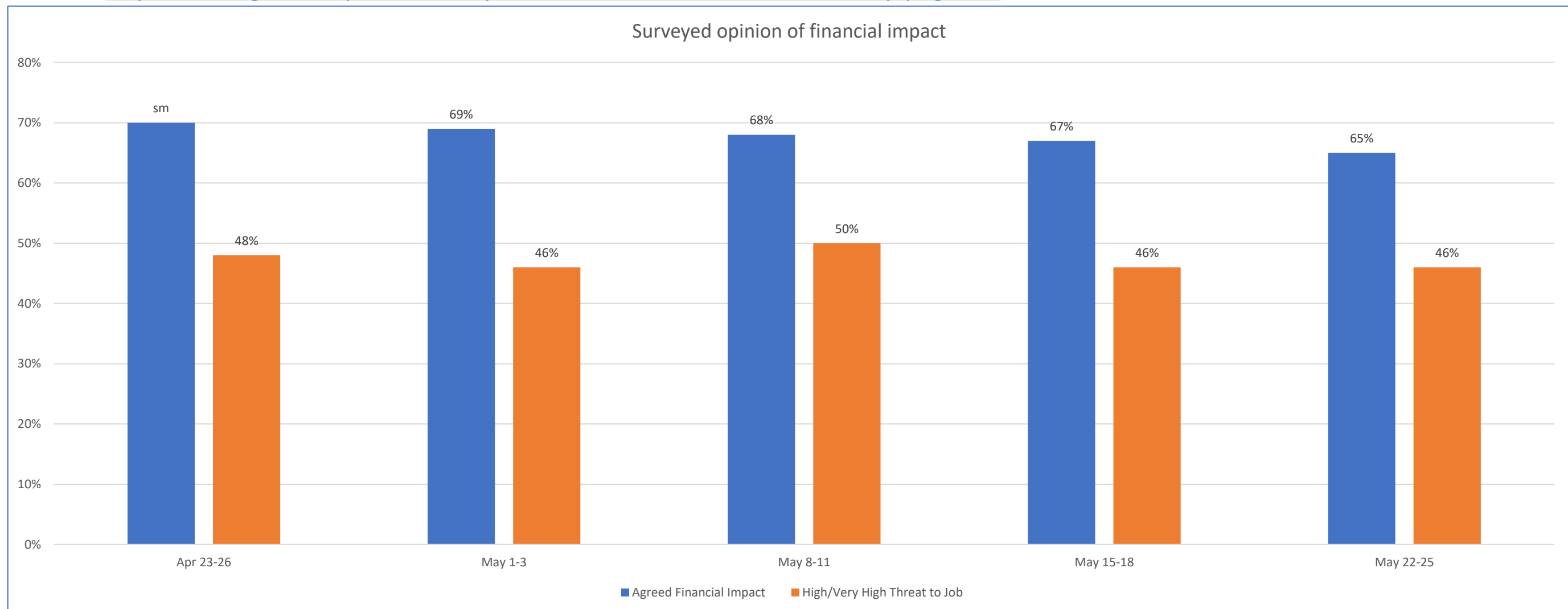


Source: Annual Population Survey, Jan-Dec 2019, ONS.
Notes: Employees only, excludes workers in full-time education

Public Attitudes to Coronavirus- Economic Impacts

The Scottish Government, on the 12th June, as a follow-up to previously released information, published a detailed report outlining the outcomes from recent surveying of public attitudes on the impacts of Coronavirus. The following table outlines surveyed opinion in Scotland during May in respect of perceptions around financial and employment impacts from Coronavirus. This captures the % of respondents who agreed that coronavirus involved personal financial consequence and expressed an opinion that their job or business was either at Risk or very High Risk. From the same report, 24% of respondents were very/extremely concerned that they would be able to pay their bills, 22% were similarly concerned about their continued employment, and 25% were concerned that they would be able to provide for their household.

Source: <https://www.gov.scot/publications/public-attitudes-coronavirus-summary/pages/5/>

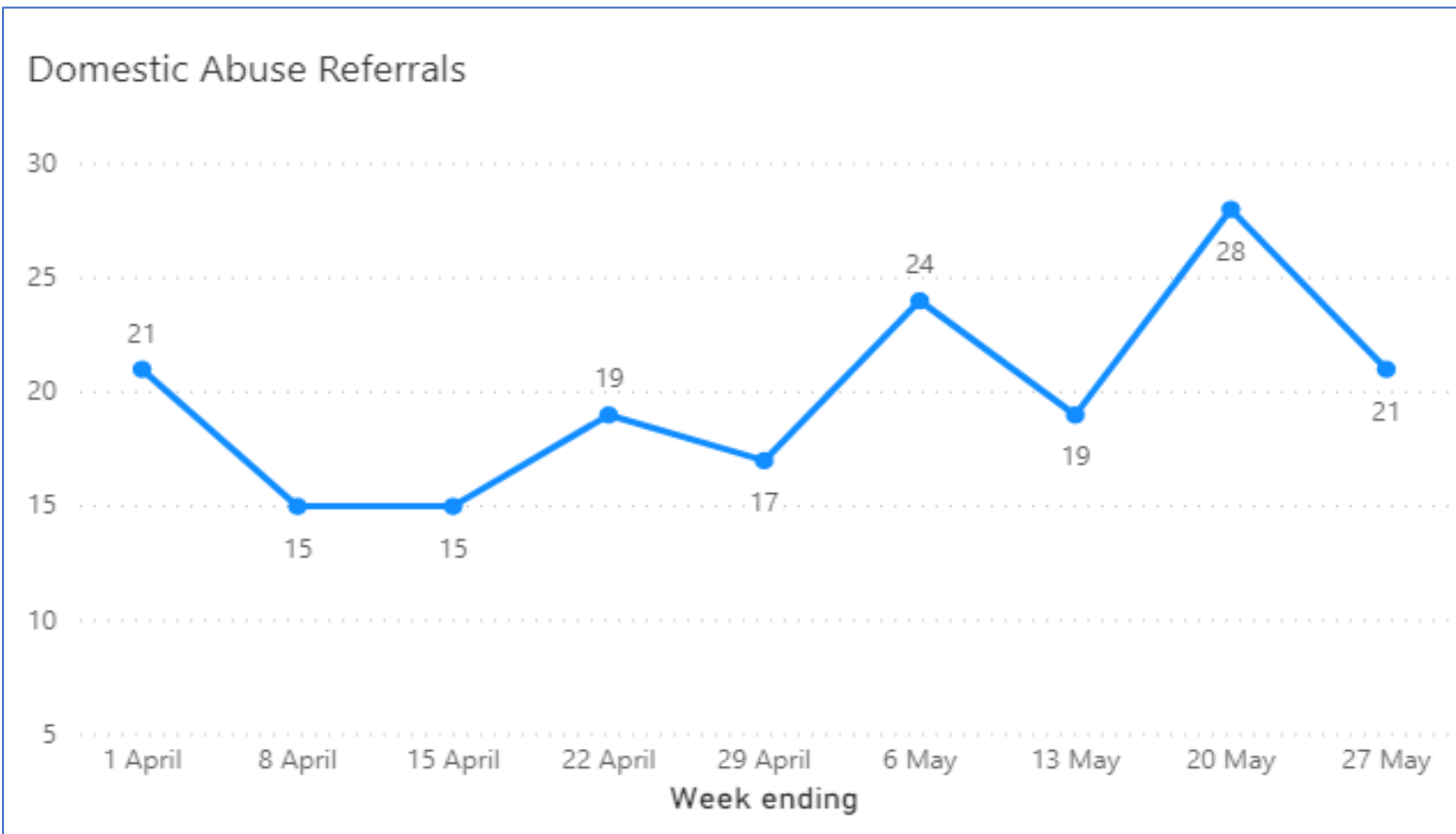


City Response Data Overview

- The table opposite captures a data overview of critical People indicators during the Response Phase.
- These data form the basis of national submissions provided by Aberdeen City Council on a weekly basis against the People theme and, at additionally detailed levels, inform decision making at senior levels on the current and future levels of intervention that are needed to protect citizens during current and future phases of the crisis.
- Where appropriate, and informative to the recommendations of this Report, expanded data-sets are captured in the slides below in both this section and the Place category
- The data reflected in this table are those relating to the week ending 5th June 2020

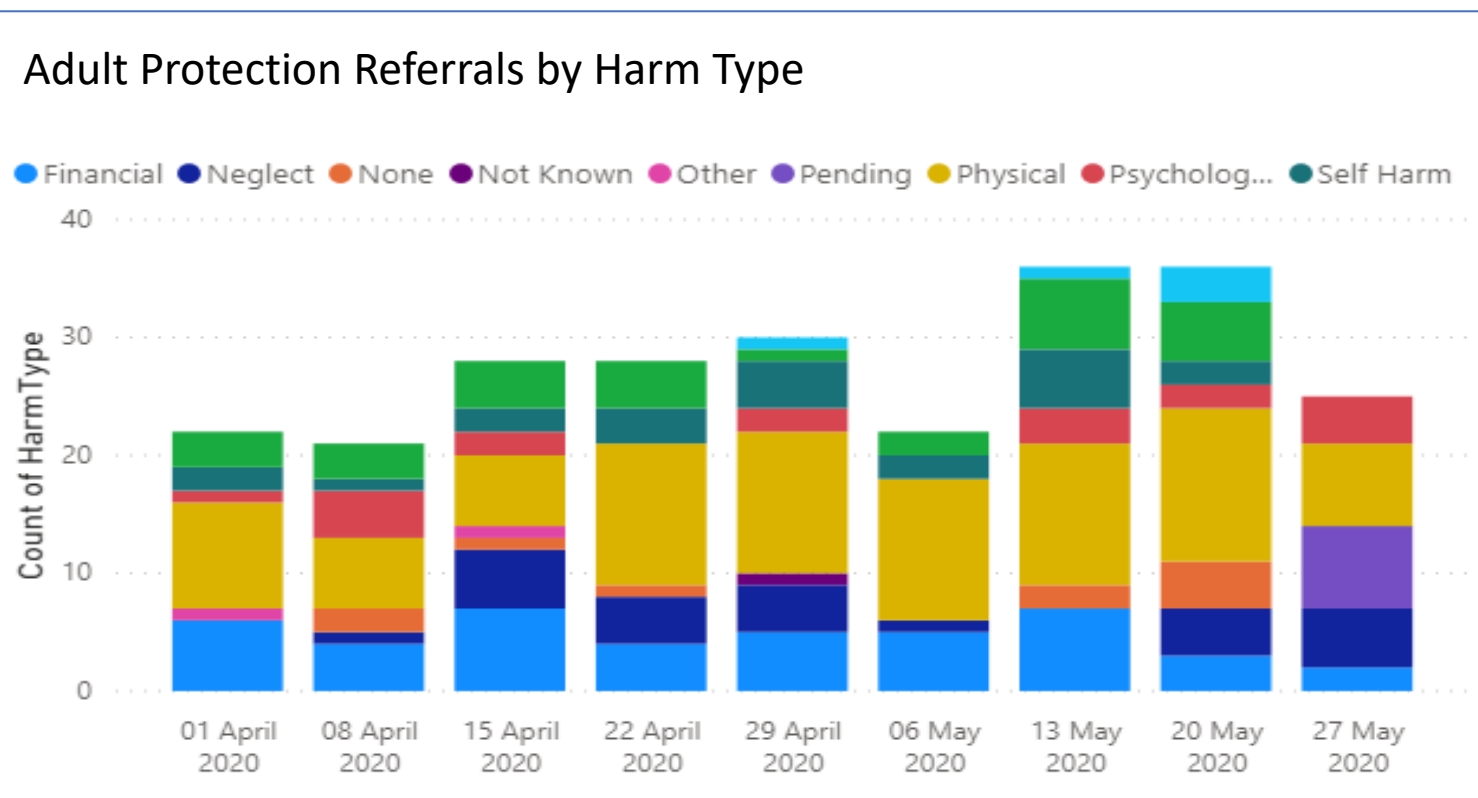
Number of individuals on shielding list in contact with LA	5305
Number of individuals assessed to be in need of food delivery but not pharmacy	9
Number of individuals assessed to be in need of pharmacy delivery but not food	38
Number of individuals assessed to be in need of both food and pharmacy delivery	0
Number of individuals who received other services	29
Number of individuals calling helpline in LA area	7068
How many children (including unborn babies) were added to the child protection register in the last week?	0
How many children with child protection plans were seen face to face by a professional (education/health/social work) in the last two weeks?	103
Number of teaching staff physically working in schools/hubs or LA ELC settings today	55
Number who physically attended today (excluding those that only attended for a free school meal)	200
Number of children and young people for whom vouchers, direct payments or home deliveries have been provided for	4337
Number of Homeless applications received in the month	129
All categories delayed discharges	24
Number of Adult at Risk / Adult Protection Referrals over the last week	28
Number of Adult Concerns (from Police Scotland) over the last week	63
Number of adults [at risk of harm] that were subject to an adult support and protection investigation started in the last week	4

Vulnerable Adults



The number of new referrals of Domestic Abuse Team shows an overall upward trend.

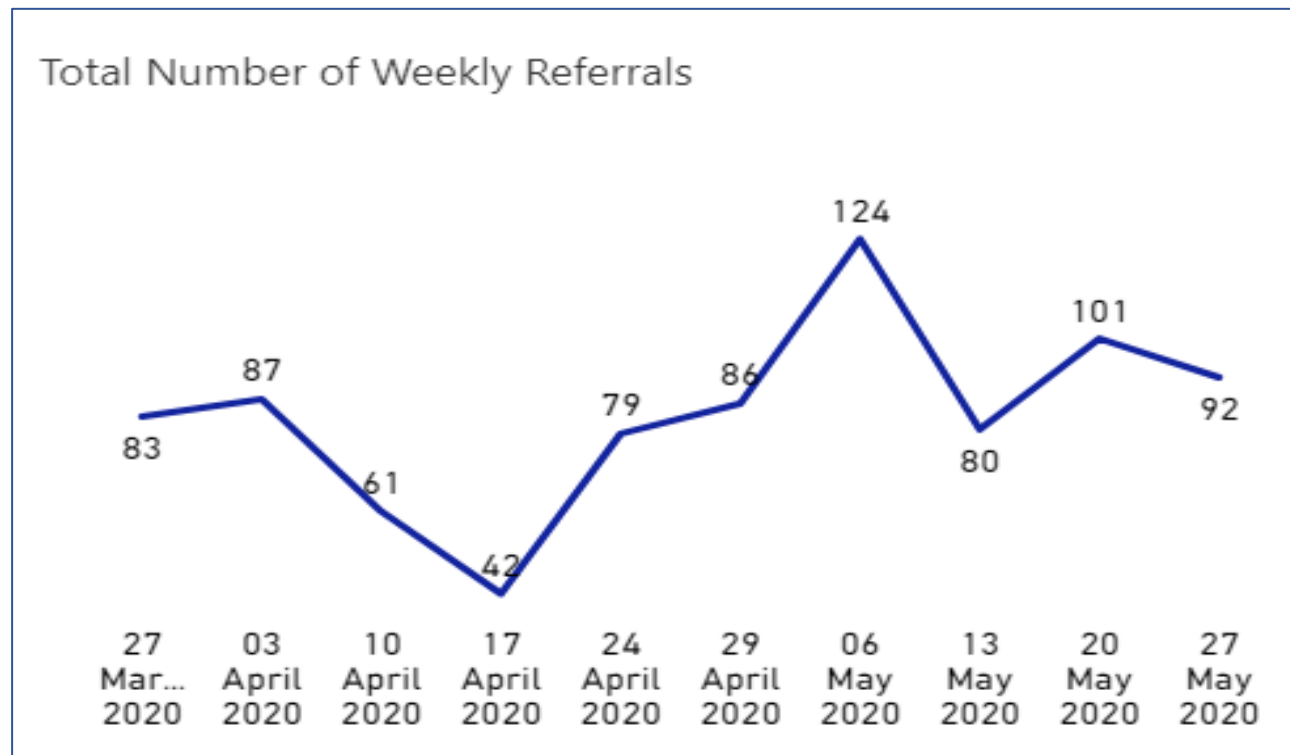
There is an increase in contacts and an increase in women previously known to the service seeking advice and support. Themes over the period include deteriorating mental health; pressure of home schooling and isolation; issues around child contact; men pushing limits; not adhering to lockdown conditions when they have access to their children; not adhering to child contact agreements; not having a third party to provide pick up and drop off of children.



Adult Protection referrals show a slight decrease in referrals for this time period (average per week down by 1.1 on last year).

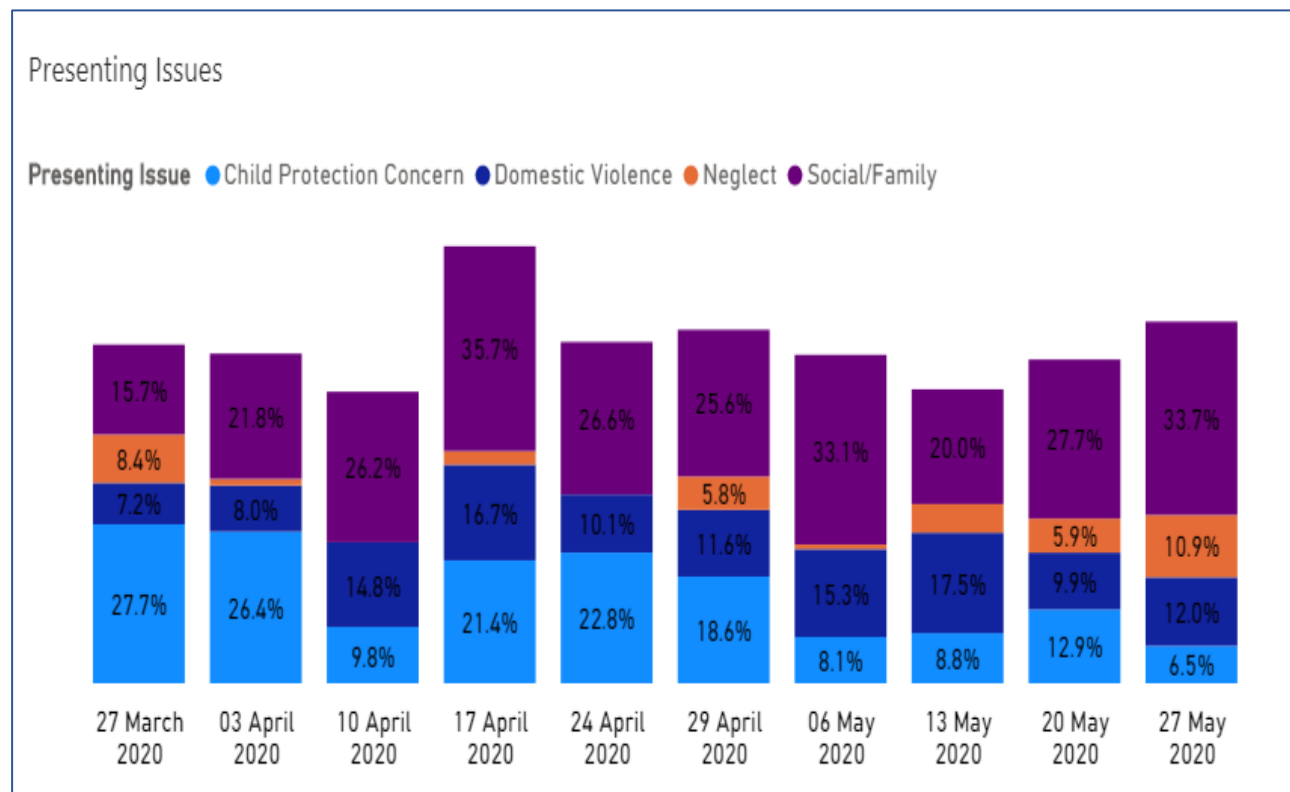
The largest harm types for referrals is "Physical" accounting for 36% of all referrals, a decrease of 4% on the same time period last year, and "Financial" at 17%, an increase of 4% on the same time period last year.

Vulnerable Children



Data gathered for COVID-19 reporting illustrates an increase in relation to Social and Family issues, Domestic Violence, but a reduction in referrals relating to Neglect.

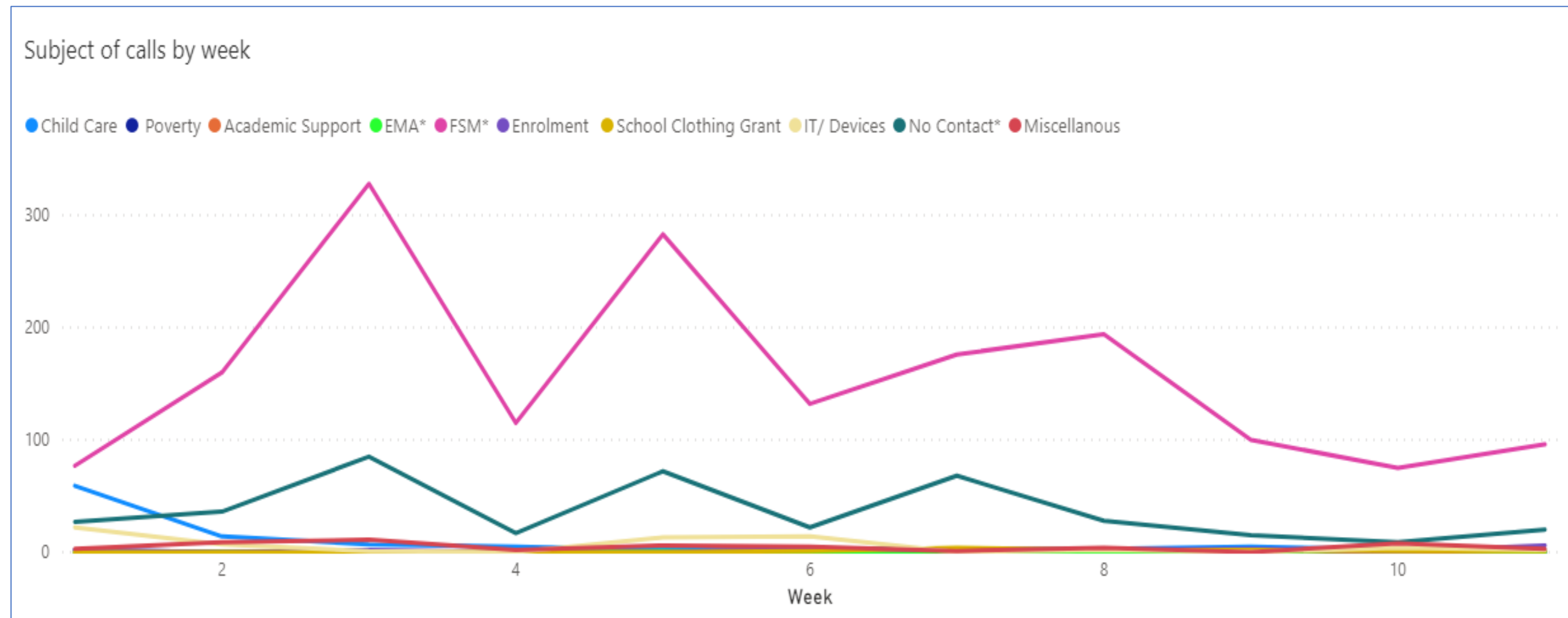
The most common presenting issues are Social and Family Issues (27%), Domestic Violence (23%) and Child Protection Concern (16%)



Presenting Issue	27 March 2020	03 April 2020	10 April 2020	17 April 2020	24 April 2020	29 April 2020	06 May 2020	13 May 2020	20 May 2020	27 May 2020
Advice Assistance						1	0	0	0	0
Alcohol Misuse (Child)	0	1	0	0	0	0	0	0	0	0
Alcohol Misuse (Parent)	1	4	2	3	3	7	3	0	1	3
Assessment Request for Service	0	2	3	1	3	2	6	1	3	1
Child placing self at risk					1	1	0	0	0	0
Child Protection Concern	23	23	6	9	18	16	10	7	13	6
Child Reported Missing	3	1	0	0	0	0	0	0	0	3
Child Sexual Exploitation	0	7	0	0	0	0	1	0	0	1
Civil Matters	7	2	5	0	2	4	5	7	13	5
Domestic Violence	6	7	9	7	8	10	19	14	10	11
Emotional Abuse	2	0	1	1	3	0	0	1	0	4
Financial Difficulties NRPf	3	2	1	0	0	3	5	0	0	2
Learning/Physical Disabilities (Child)	1	1	0	0	2	0	0	0	3	2
Mental Health (Child)	1	0	1	0	1	2	2	1	1	0
Mental Health (Parent)	6	8	5	1	4	5	11	15	8	5
Missing Person Alert	0	0	0	4	0	0	0	0	0	0
Neglect	7	1	0	1	0	5	1	4	6	10
Non School Attendance						2	2	0	1	0
Offending (Child)	4	3	3	0	1	1	3	0	1	0
Physical Abuse	2	1	5	0	3	3	5	6	7	6
Reporter - Care & Protection					1	0	0	0	0	0
Sexual Abuse	3	4	0	0	2	2	1	3	2	0
Social/Family	13	19	16	15	21	22	41	16	28	31
Substance Misuse (Child)	0	0	1	0	0	0	0	2	3	0
Substance Misuse (Parent)	1	1	3	0	5	1	6	3	1	1
Violence (Neighbourhood)							3	0	0	1
Total	83	87	61	42	79	86	124	80	101	92

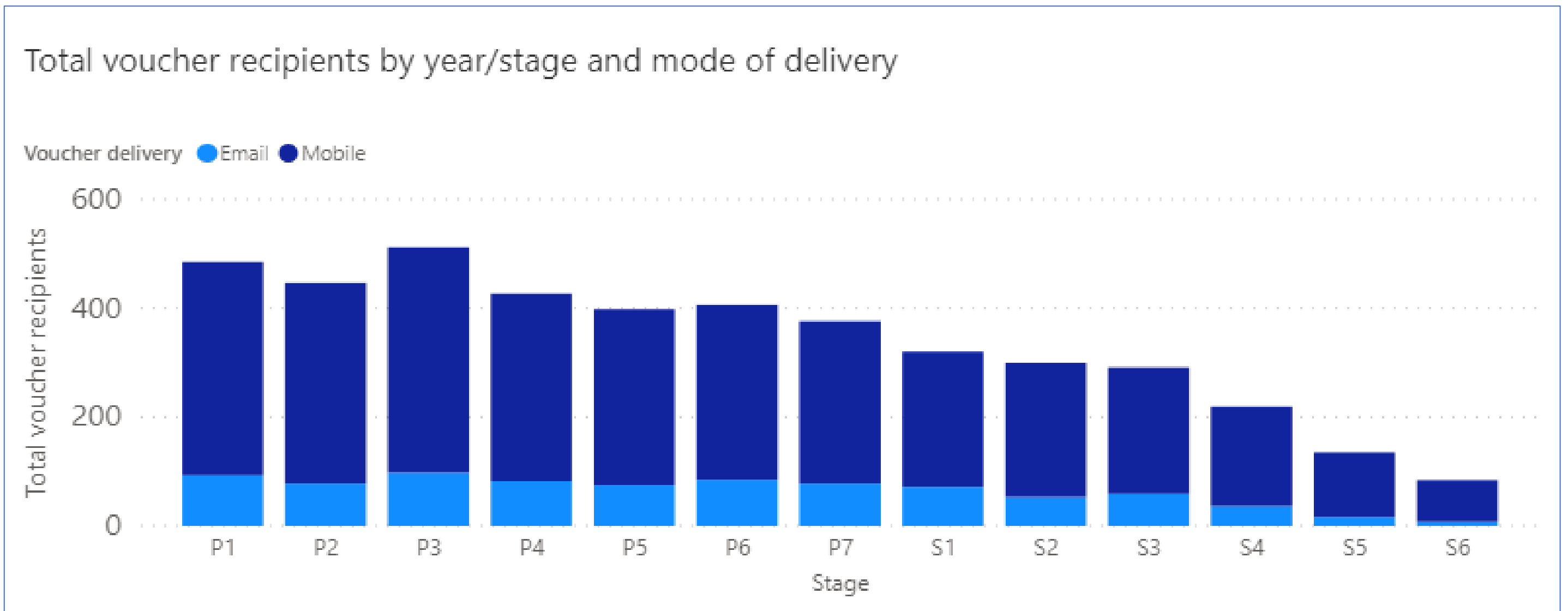
ACC: Virtual School Helpline

As at Week 11 (w/c 1st June), there had been a total of 2,455 calls directly to the Virtual School Helpline, the overwhelming majority of which related to Free School Meals entitlement (71%) Enquiries against this theme have been consistently the most common query in each of the past 11 weeks, with Childcare queries also being prevalent (at a lower level) in the early part of the lockdown.



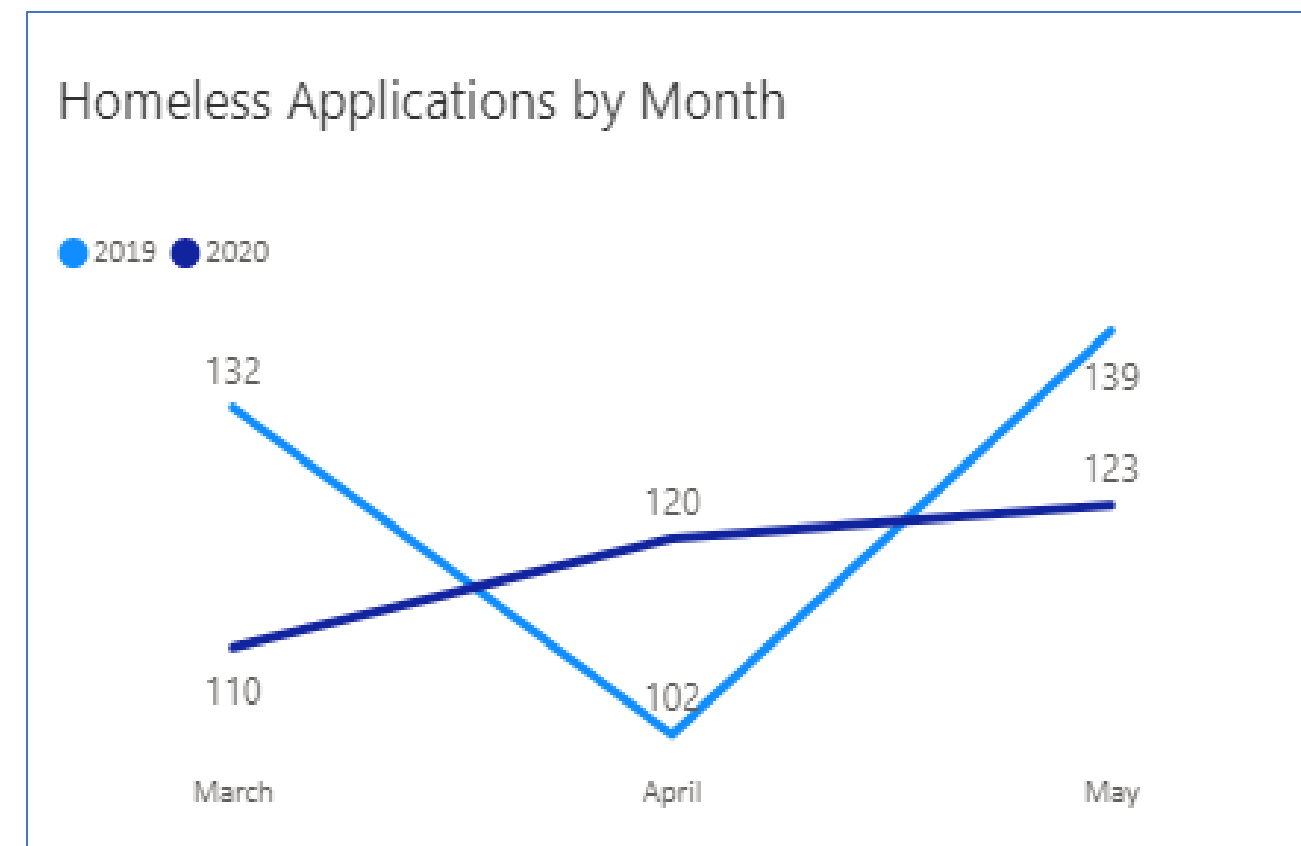
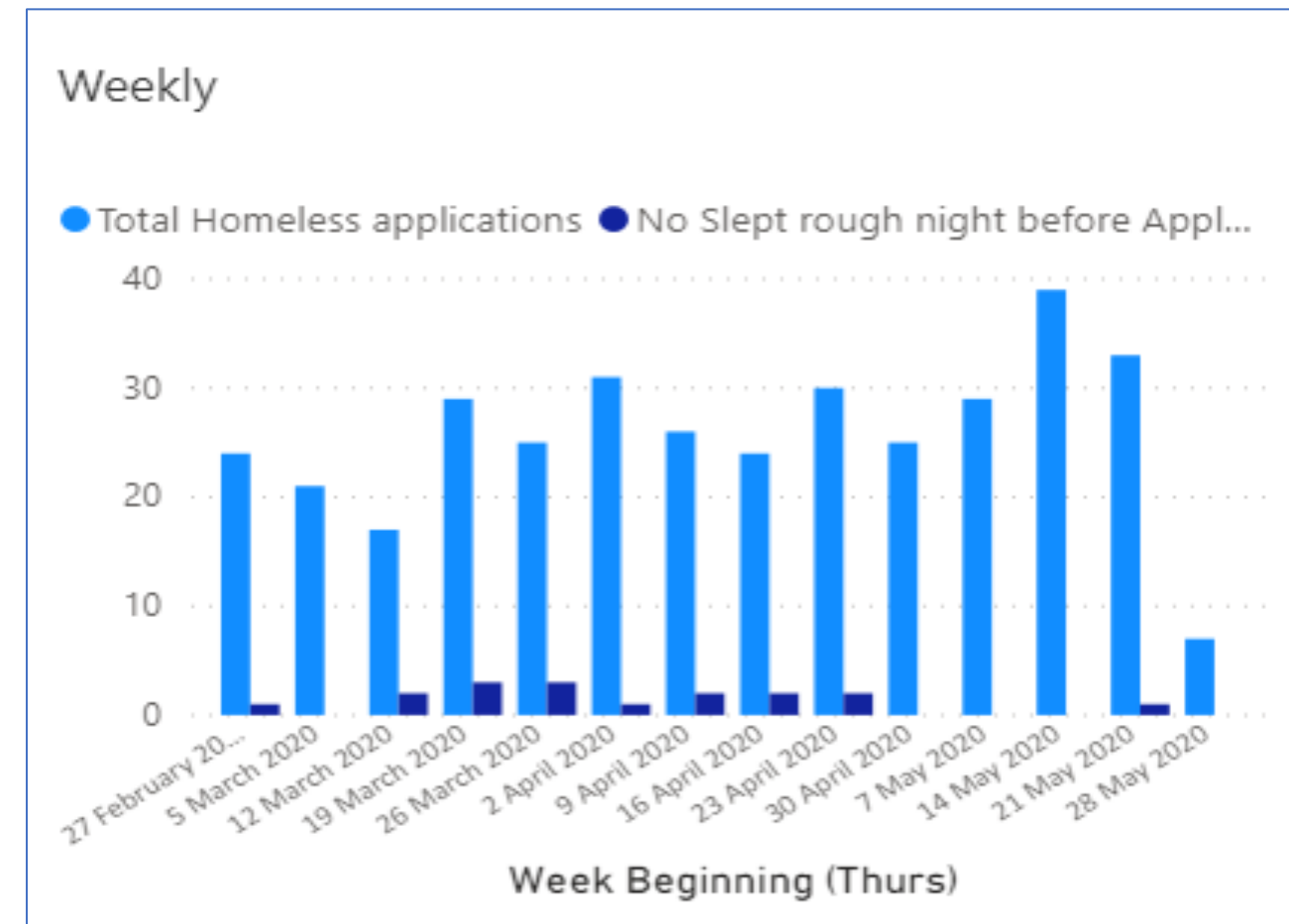
Free School Meals Support

As at week 11 (w/c 1st June) there have been 4,355 completed applications against Free School Entitlement vouchers and a total of 4,356 voucher recipients to date.



Homelessness

- There were 360 Homeless Applications received during this period of which 308 households were offered and accepted accommodation, 75 households were offered accommodation and declined with 4 not being in a position where a suitable offer was available
- The most common cause of Homelessness over this period was where residents are asked to leave the household (33.2%) with Disputes within the Household (non-violent) the second most common at 16.5% of all applications
- 36 applications were received from residents who cited Dispute within the Household where violence was noted and a slightly smaller number (31) recorded Discharge from an institutional setting (Hospital/Prison/Care) in the application as the reason for homelessness.
- The Homeless services continue to see strong demand for all provision, including the Out-of-Hours service, with an upwards trend in the latter part of the monitoring period. The number of applicants who slept rough the previous night has been minimal and in May has rarely been cited which reflects the level of support provided by the Council against this theme.
- Data from 27th February to 28th May 2020

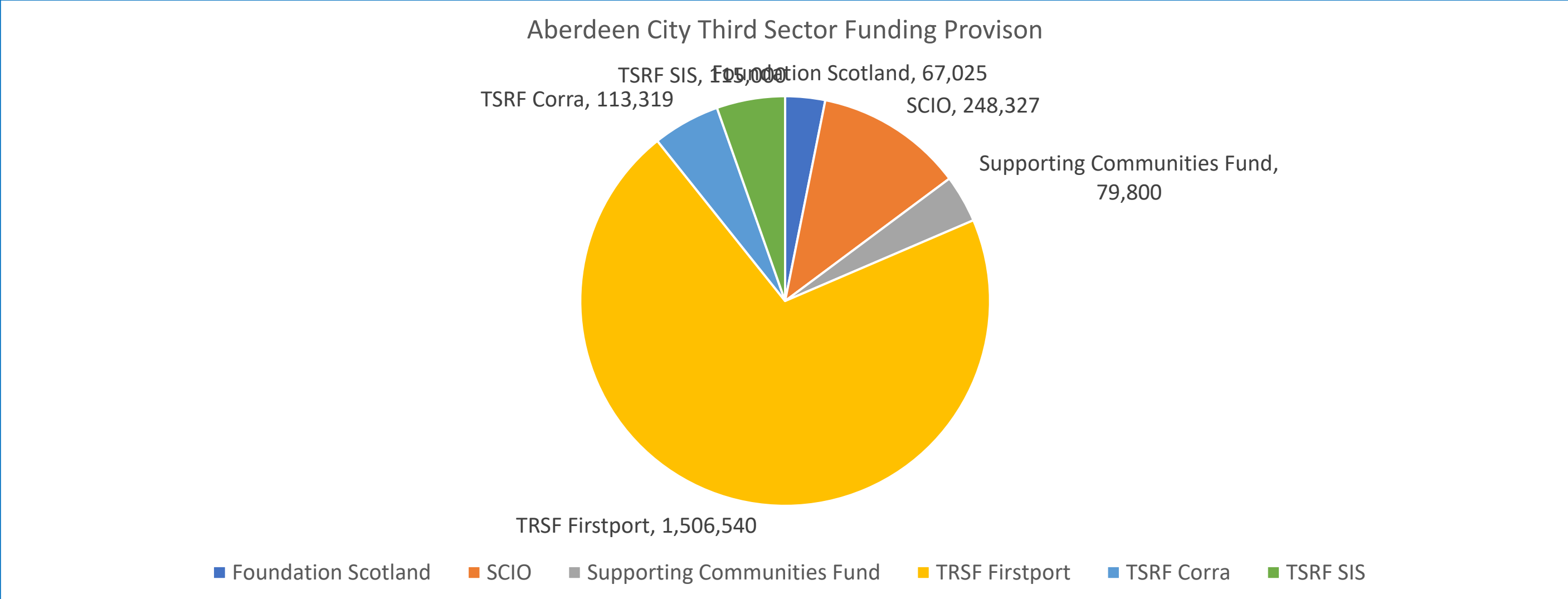


INVEST
ABERDEEN

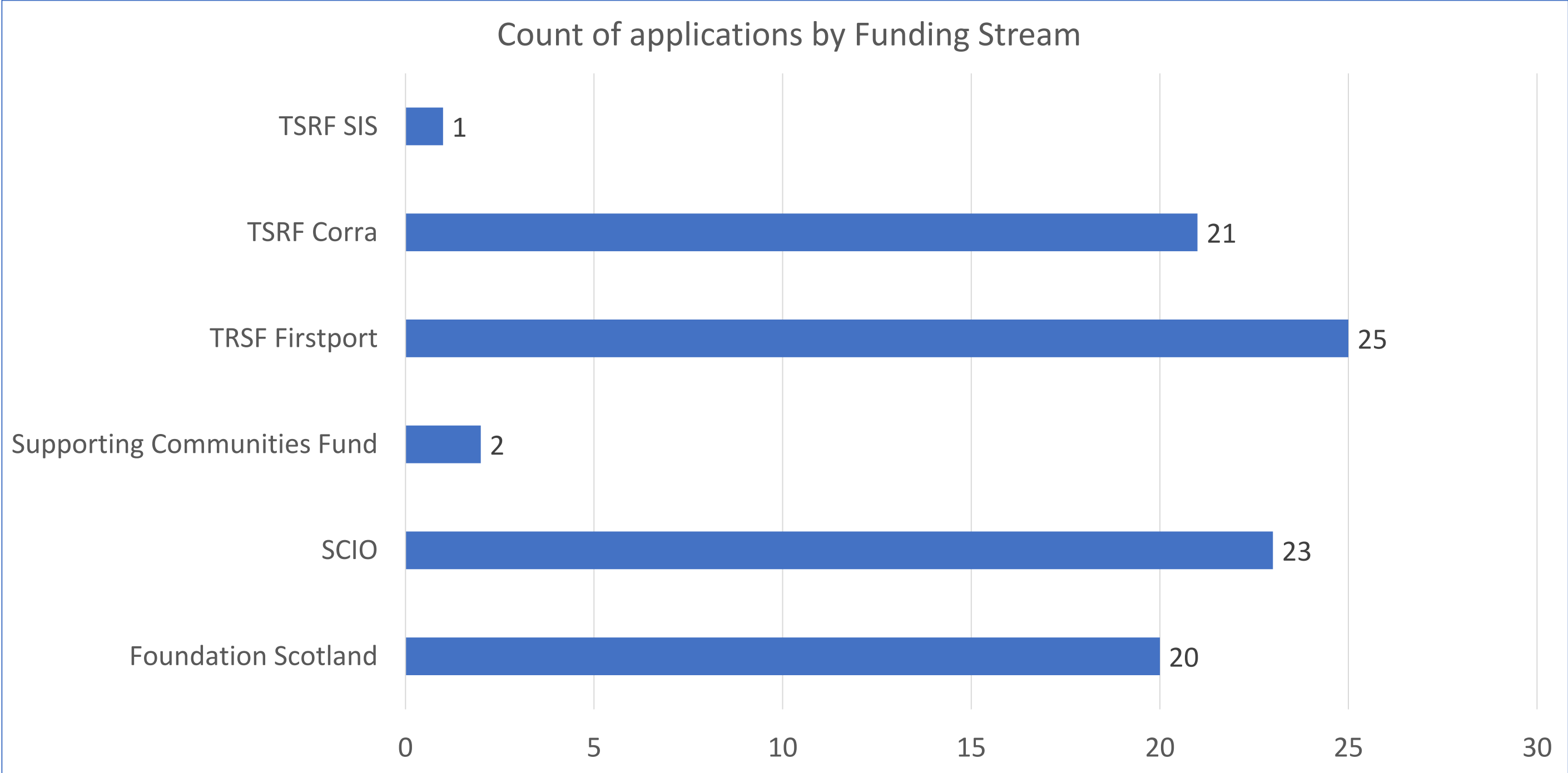
Supporting Communities

At the beginning of June 2020, a total of £2.13m had been disbursed from the four main grant streams supporting Third Sector organisations within the City from the funding provided through the emergency coronavirus support announced by the Scottish Government in March.

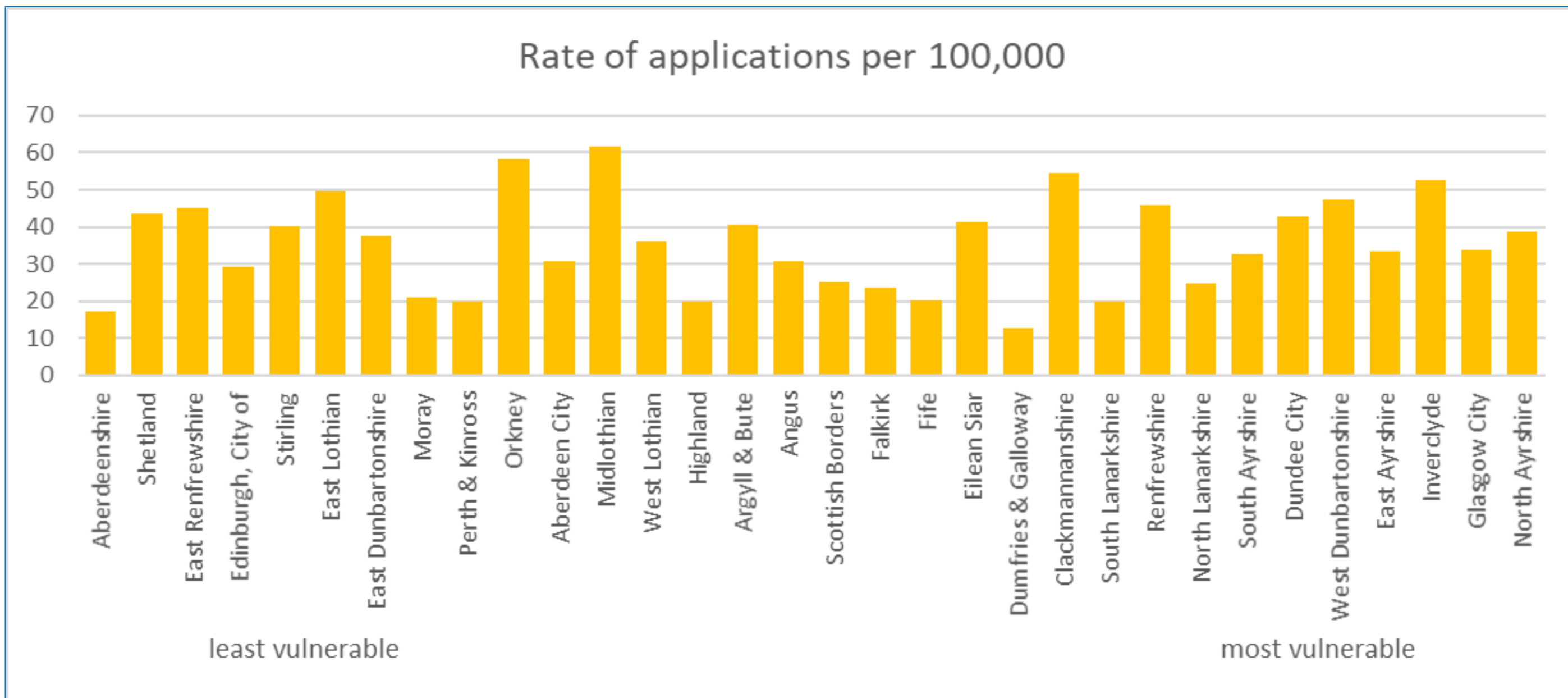
Awards have been made to a total of 92 local organisations who made applications to these funds covering a variety of aspects of support, including assistance for those with disabilities, mental health interventions, community-based information, signposting and financial advice.



Supporting Communities



Wellbeing Fund



The £50 million national Wellbeing Fund is providing immediate support to third sector organisations providing crucial services to vulnerable people impacted by coronavirus measures. 70 applications were received from organisations based within the City (although these may also be supporting shared-authority actions) to a value of £1.159m against Phase 1

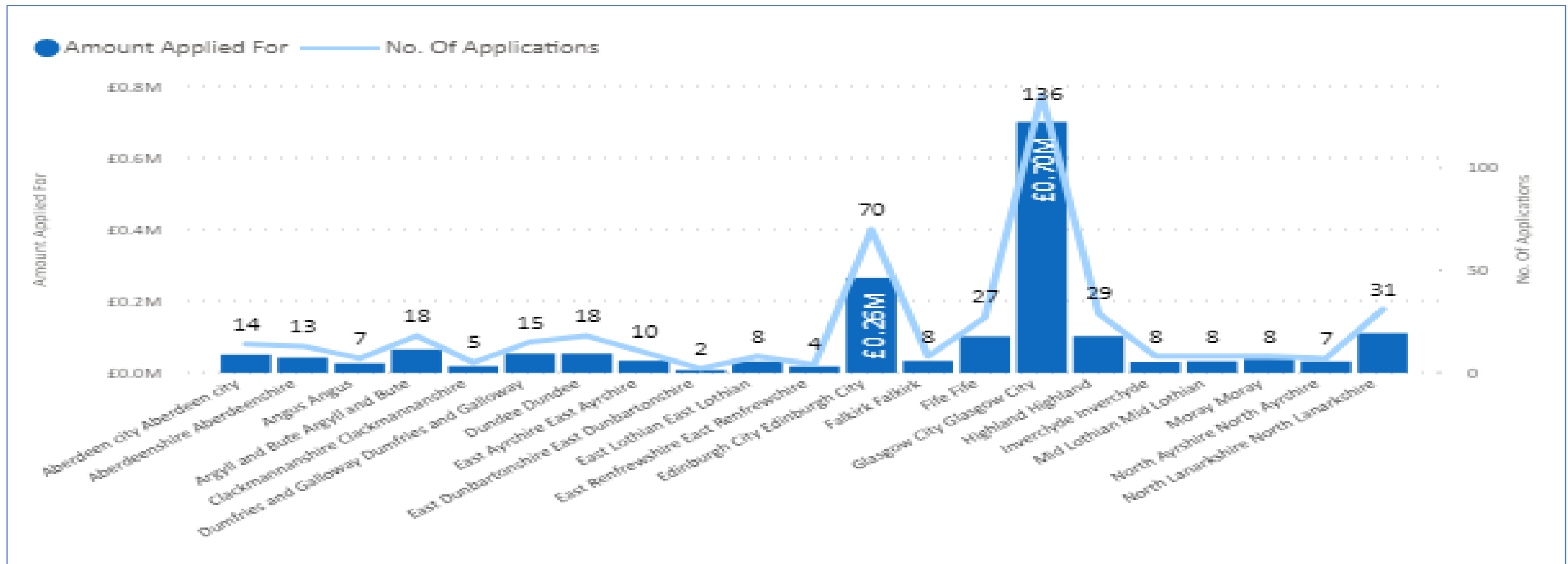


Response, Recovery and Resilience Fund

The Response and Resilience Fund, administered by the Scottish Council of Voluntary Organisations, which focuses on supporting organisations working to mitigate the emotional, physical and practical impacts for clients of an extended lockdown and move to effective delivery of continuous service through implementation of remote practice.

As at 11th May, 14 applications from a variety of volunteer and voluntary support organisations had been received through the Phase 1 stream and a disbursed amount of £50,365 awarded, representing 2% of the total amount disbursed. A further 6 grants, to a value of £16,660 had been awarded in Phase 2 (as at 2nd June 2020).

The Fund is presently paused temporarily to accommodate planning for the Recovery phase and will re-open for applications in July. <https://wwwFOUNDATIONSScotland.org.uk/coronavirus-appeal/whats-been-funded/>



Place



Place Impacts

Over 3,000 job loss notifications have been posted from PACE since the crisis began, several times higher than any other local authority.

City centre footfall has fallen seven-fold from over 70,000 a day to around 10,000 a day.

City centre office vacancy and rental data remain stable at around 13% and \$18 per square foot but we expect this to worsen once the lockdown is lifted.

The number of people using public transport in Britain's cities could be up to a third lower than normal after the end of the coronavirus lockdown.

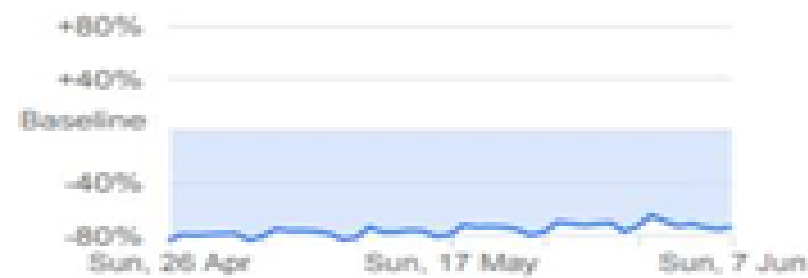
Place Impacts: Mobility

Google mobility data below shows a huge fall in mobility in all areas of Aberdeen apart from residential areas and parks.

Aberdeen City

Retail and recreation

-74% compared to baseline



Supermarket and pharmacy

-25% compared to baseline



Parks

+15% compared to baseline



Public transport

-65% compared to baseline



Workplaces

-36% compared to baseline



Residential*

+14% compared to baseline



Place Impacts: Air Quality

Global to local environments have overall been subject to significant and wide-ranging beneficial impacts resulting from coronavirus lockdowns. This is a result of massive global and local changes in societal / individual activities and behaviours, e.g. reduction in motorised traffic. Environmental benefits are broadly proven to translate into human health & wellbeing benefits.

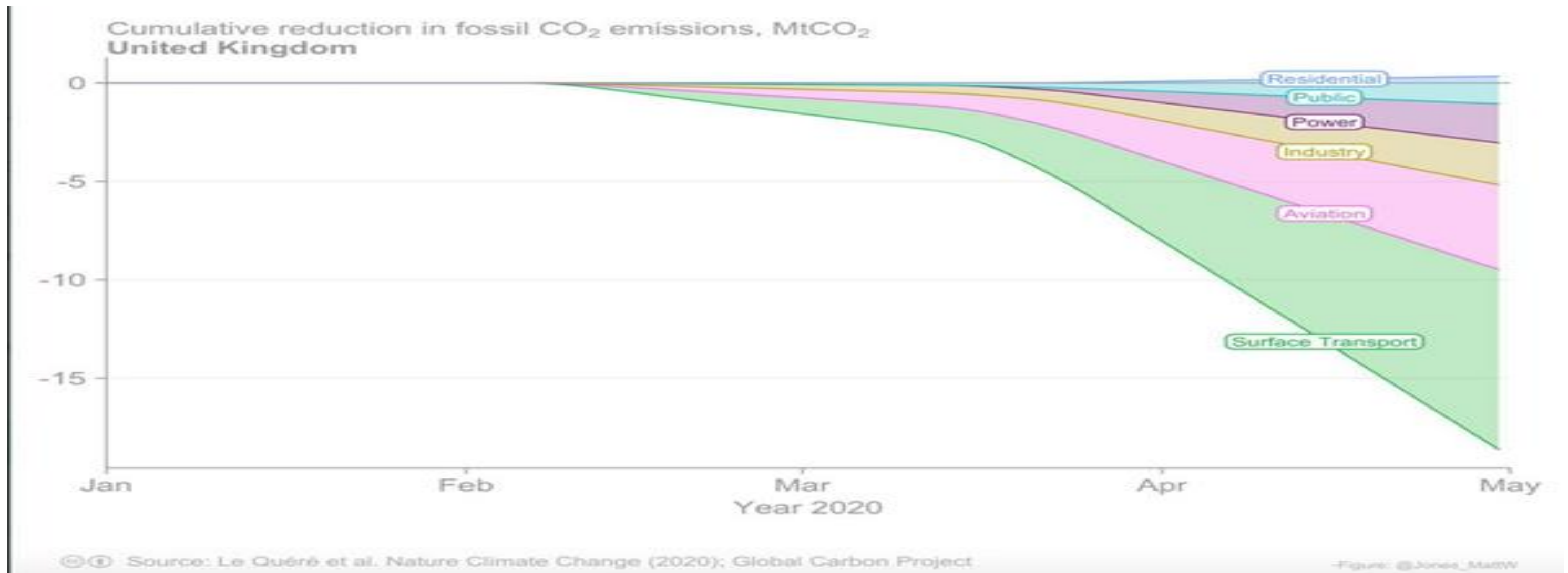
There have been huge improvements in air quality across Aberdeen.

Mean Nitrogen Dioxide concentrations (NO₂ ug/m³): 1 Apr-31 May 2019 & 2020

01 April - 31 May	Anderson Drive	Errol Place	King Street	Market Street	Union Street	Wellington Road
2019	16.3	12.9	16.3	41.1	36.7	44.4
2020	8.6	8.3	10.6	17.2	18.1	18.1
Decrease	47%	36%	35%	58%	51%	59%

Place Impacts: Greenhouse Gases

Under lockdown, UK greenhouse gas emissions have seen their lowest level in nearly a century, dropping by around a third nationally. The large part of this decrease is due to massive reductions in surface and air transport. This decrease is against a backdrop of a 17% decrease globally. Emissions will begin to rise as lockdown eases and behaviours change.



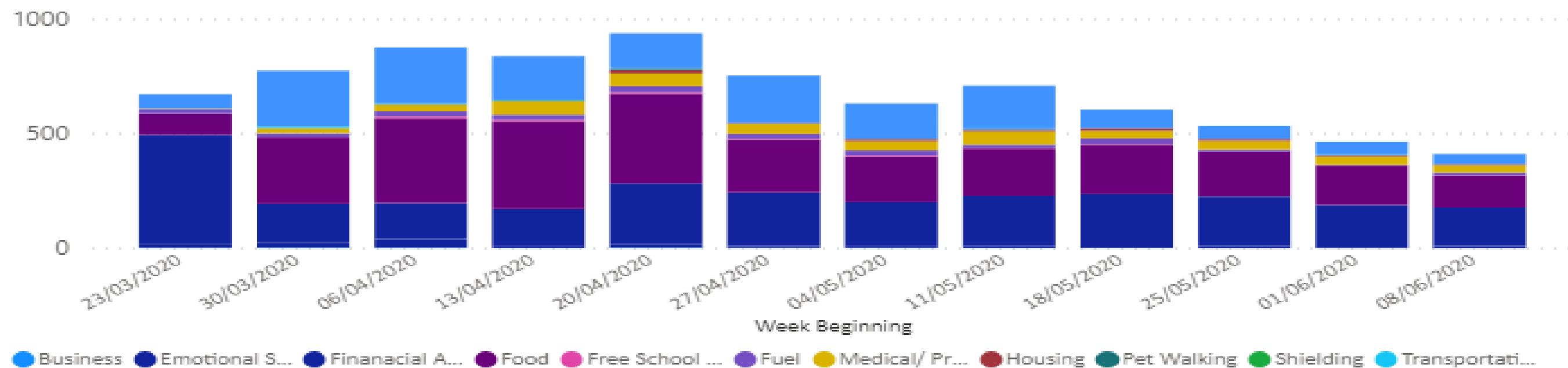
ACC: Crisis Line Contacts

Crisis Line Contacts: As at 8th June, there had been 18,270 Crisis Line contacts responded to and 11,260 requests for assistance received, of which calls about Food, Financial Assistance and Shielding were the most common enquiries.

In the category covering Food Need, a significant proportion (2,335) had an urgent need and 2,162 of these (83%) noted that they had no funds available.

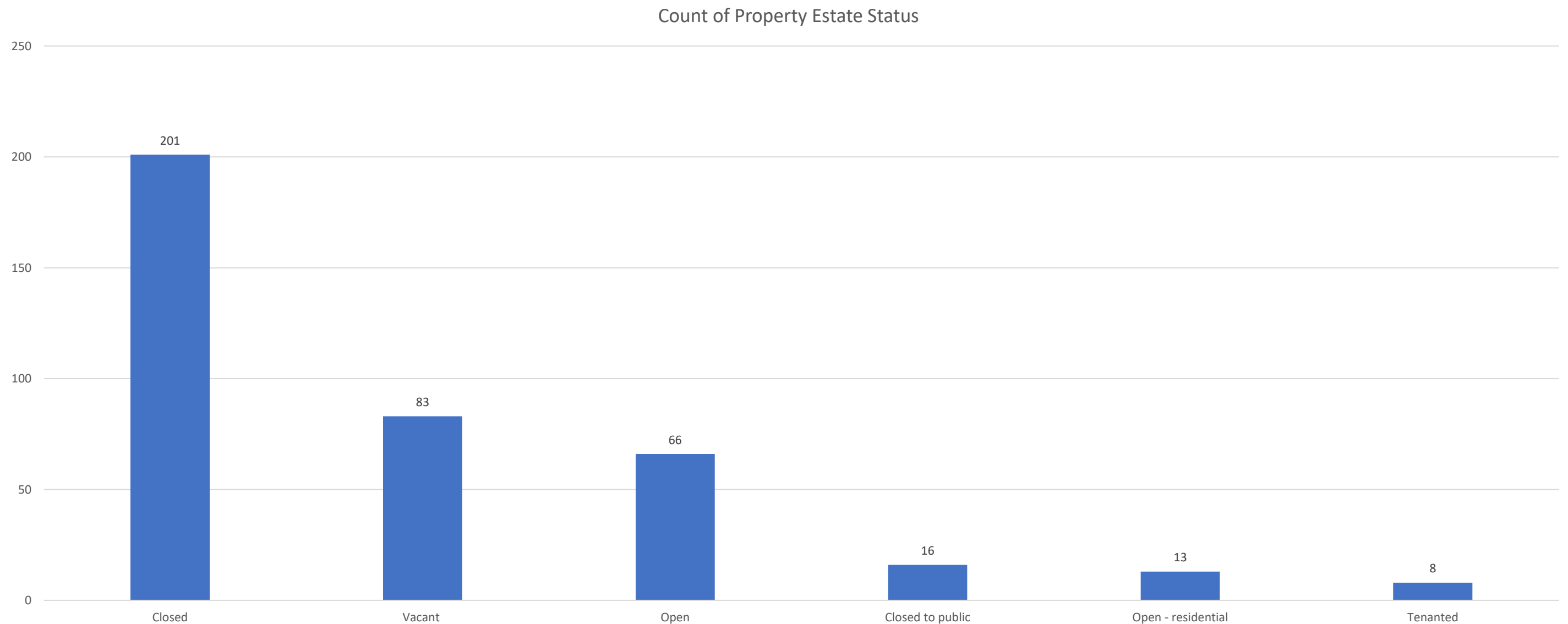
Crisis Grants: As at 5th June 2020, there had been 5,033 Crisis Grant applications received (an average of 85 per day) with peak demand during early to mid-April, and funding to the value of £223,958 has been released to date.

Requests for Assistance by Category (Weekly)



ACC: Asset Management

The most recent data records that of 387 properties on the Asset Estate. 201 Council owned premises were closed due to current COVID-19 provisions, with a further 16 closed to the public, including event venues, libraries, community centres, workshops, depots and all ALEO sites.



ACC: Social Tenancies

At the end of May, the total number of tenancies that had contacted Aberdeen City Council to notify the Housing service of an inability to meet rental costs as a result of the impact of COVID-19, was 301.*

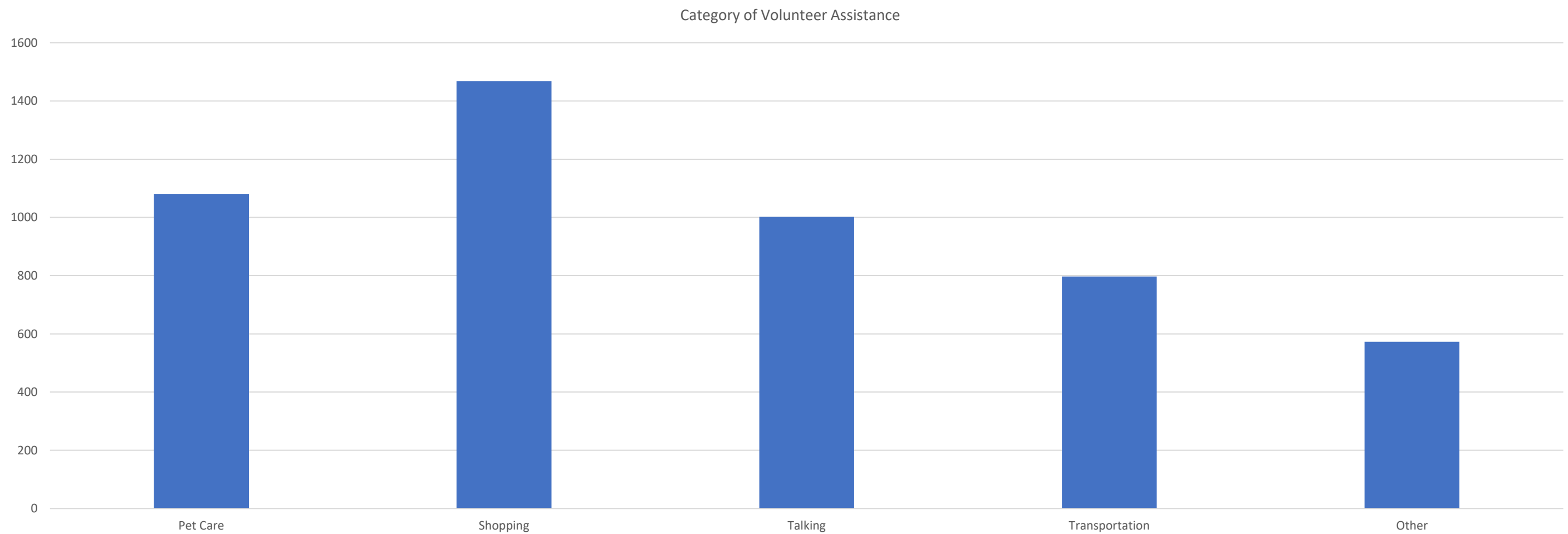
Area data, as at 12th June, including the arrears position of those 295* tenancies which, through self-notification, were in the cohort of those continuing to experience difficulty in meeting rental payments is outlined below.

*These figures should not be taken to represent the number of tenancies in the City experiencing essential financial tenancy pressures as a result of COVID-19, including meeting rental and other costs.

	Area Team Central	Area Team North	Area Team South	<u>Citywide Total</u>
Number of tenancies notifying impact	164	79	52	295
Number in Arrears:	155	75	50	280
% in Arrears:	92.3%	94.9%	92.6%	93.0%
Total Arrears Balance:	£142,210	£85,092	£40,590	£267,892
Average Debt:	£917	£1,135	£812	£957

ACC: Volunteering

As at 1st June, 1,725 people have contacted the Council to volunteer during the current circumstances, covering a range of 'duties' that provide support. The nature of support offered is highlighted below and the response team are presently matching these with the needs of those residents who have contacted the Council or been signposted to the response provision through other channels.



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SOCIO- ECONOMIC RESCUE PLAN

2020/21



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Foreword by the Co-Leaders of Aberdeen City Council

We find ourselves in an unprecedented situation in Aberdeen as we work through the effects of the Covid-19 health crisis, and its wider implications on our economy, people, businesses and our city.

The Council has responded immediately to ensure as far as possible we are continuing to provide critical services to our citizens. We have seen a phenomenal response, across all of our services, and we are proud of the efforts of all of our staff in continuing to respond. While we steel ourselves for what is ahead, we should take huge encouragement from how we have responded to date.

All of us have seen over the last 12 weeks how the pandemic has changed the way we work together and we are fortunate that the transformation envisaged by the Local Outcome Improvement Plan is well underway and was making excellent progress before we went into lockdown. Although COVID-19 has altered our social and economic landscape, perhaps irrevocably, it has also confirmed that the path we were following is the correct one – focussing on economic, people and place-based outcomes.

Our history shows that Aberdeen has always adapted well to external economic opportunities and shocks, and we believe that we continue to show resilience in response to the current challenges the city faces. COVID-19 has given the world a massive jolt, revealing our vulnerabilities and climate change is doing the same. So as we adjust to a new way of living, we must also continue the pace with which we respond to climate change challenges and the energy transition we need to make if we are to become a net zero city.

A Net Zero Vision for the city was approved by the Council in May 2020. That vision, supported by a new Strategic Infrastructure Plan for Energy Transition also provides us with a framework for ensuring that our economic recovery is also a 'green recovery'. Covid-19, in our view, strengthens the case for progressing these plans as part of Aberdeen and the north east's medium and long term economic recovery.

Building on the Council's track record in delivering the European Offshore Wind Deployment Centre and Hydrogen Aberdeen, we will continue to argue for Aberdeen's position as an internationally competitive location for investment in renewables. We will continue to seek the backing of national government to support our net zero ambitions that could reduce Aberdeen's exposure to the economic impacts of COVID-19, and the separate, but coinciding collapse in hydrocarbon prices.

What hasn't changed, however, is the importance of considering the city's welfare in a holistic sense, a recurring theme of this year's budget. If anything, COVID-19 has brought into sharp focus the value of what we do as a local authority. We have seen at first hand the impact of the crisis on businesses and the consequential employment impacts. In the immediate term we have been focussing on providing financial support to businesses through grant schemes that have seen over £22m of grants to businesses.

And as the city begins to emerge from 'lockdown' we recognise that there are immediate steps we need to take to support the city's economy. This Socio Economic Rescue Plan is a short term response to the crisis and the immediate steps we need to take with partners and stakeholders working together. Collaboration will be important in the months and years ahead. The world has changed but Aberdeen City Council's purpose hasn't: putting people, place and business first.



Councillor Jenny Laing
Aberdeen City Council
Co-Leader



Councillor Douglas Lumsden
Aberdeen City Council
Co-Leader



The Immediate Effects on the Economy

Economy

While Covid19 is primarily a health concern it is also a threat to our economic wellbeing, which itself has considerable health impacts. How we respond to the crisis can determine both the scale of the impacts on health and the economy. So, where we are in the UK in some respects is a precarious balancing act.

We have seen the biggest shock to the economy since records began. UK output as measured by GDP fell by 20.4% in April 2020. As a sense of scale during the 2008-2009 recession the UK economy fell by no more than 1% in a single month.

The Scottish Government estimates the economy will contract by 12% in 2020 but there is considerable uncertainty around this as there is around any subsequent recovery. More optimistic scenarios see economic output recovering in 2021 but one gradual scenario suggests economic output will not recover to pre-crisis levels until 2023.

Sectors most likely to be impacted include hospitality, leisure, education and transport. These sectors are mostly affected by social distancing, but others such as administration have a high proportion of women with dependent children.

Business Finance

There has been huge government borrowing to finance emergency packages including the furlough scheme, and business and self-employed loans and grants to protect the economy.

As of 16th June, Aberdeen City Council had released over 2,000 Small Business and Newly Self-Employed Hardship grant payments of over £23m, from funding streams announced by the Scottish Government, to eligible businesses in the City. Almost a third of grants are to accommodation and food services, with around a fifth to the arts and entertainment sector and around a sixth to the retail sector.

Businesses in Scotland are also under considerable cash flow pressure. The Scottish Business Monitor Survey found that 54% of

businesses in Scotland said they have enough cashflow for 'less than three months' while a further 32% said they could survive for 'four to six months'.

There are fewer start-ups. There were over a third fewer businesses start-ups in Aberdeen City during the first four months of this year compared to the corresponding period last year.

Unemployment

The Centre for Cities found that Aberdeen is ranked 4th out of 63 UK cities for share of jobs exposed to the immediate effects of Covid-19. Over 30,000 jobs are estimated to be at risk in Aberdeen.

As of the beginning of June 9.1 million employees had been furloughed in the UK and 28,000 employees in Aberdeen (a quarter of the workforce) with high furloughed sectors include accommodation and food services, hospitality, manufacturing and retail.

Oil and Gas UK estimate 30,000 jobs in the sector in the UK could be lost as a result of the coronavirus pandemic and the low oil price with around 10,000 of these in the North East. Over 3,000 job loss notifications have been posted from PACE since the crisis began, several times higher than any other local authority.

There has been an increase of over 80% in numbers on universal credit from 8,000 to over 14,500 which is around 10% of the Aberdeen working age population in May. The unemployment rate is likely to rise considerably further beyond 10%, as furlough ends and some of these people will be made redundant.

Impact on Council Services

There has been a huge rise in demand for Council services around the inability to meet rental costs, calls for financial assistance and advice, free school meal entitlement, calls to crisis support lines, educational support, homelessness and the administration of business loans and grants.

A majority of the 387 Council owned premises are closed including event venues, libraries, community centres, workshops, depots.

City Mobility

City centre footfall has fallen seven-fold from over 70,000 a day to around 10,000 a day. With the exception of residential areas and parks, which have risen by around 15%, there has also been a huge fall in city mobility with a 74% reduction in people visiting retail and recreation areas, 65% reduction in public transport, 36% reduction in workplaces.

The number of people using public transport in Britain's cities could be around a third lower than normal after the end of the coronavirus lockdown so accessibility and travel could be a crucial component of any economic recovery.

Conclusion

In summary, there has been a huge fall in economic output in Aberdeen and a huge rise in unemployment and the demand for council services. Upward pressure on unemployment will likely continue once furlough ends and many businesses are at risk of going under particularly in the sectors most affected by the crisis.

Disproportionate economic impacts are also expected on young people, women, ethnic minorities, low earners and disabled people due to the sector they work in shut down, their caring responsibilities, their ability to work at home and their relatively low income increasing their vulnerability to income decline.

Approach

Since March 2020, and the lockdown measures were introduced, the immediate effects on business, people and place have been monitored to understand the overall scale of impact on Aberdeen. Not all data is immediately available and so analysis has relied on timely economic data that is available, feedback from business groups, and the Council's own management information on demand for its services. These data were used to inform the shape of a short term rescue response and immediate priorities in the short term, and as the lockdown measures ease.

A series of workshops and consultations were held under the themes of 'Business', 'People' and 'Place' internally with officers from across Council service areas and clusters. For each theme, a series of rescue action plans were developed. These proposals were then discussed with external partners and stakeholders so that the Plan reflects not just the Council's proposed response, but also activities that will be delivered by other organisations. These included, VisitAberdeenshire, Aberdeen Inspired, Federation for Small Business (FSB), Aberdeen & Grampian Chamber of Commerce (AGCC), Skills Development Scotland (SDS), Aberdeen Council for Voluntary Organisations (ACVO), Business Gateway and North East of Scotland College (NESCol).

Going beyond the 2020/2021 life of this Plan, there will be a shift in focus towards medium and longer term recovery actions, and, for Aberdeen, continuing to make the case for investment in a 'green recovery' as highlighted in the Strategic Infrastructure Plan – Energy Transition. For the city region, investing in areas of opportunity such as the oil and gas sector, that in turn will be the foundation for energy and renewables investment, will be an important part of the economic recovery plans to support the Regional Economic Strategy.

Governance

The Plan is an immediate and dynamic response to the impact of Covid19 and the coinciding decrease in oil and gas prices. It aligns to the Local Outcome Improvement Plan (LOIP) strategic themes of Economy, People, Place. It is therefore proposed that scrutiny and oversight of the implementation of the Plan is done through the Community Planning Aberdeen (CPA) Board.

The CPA Outcome Improvement Groups provide an established structure to drive delivery, while many of the actions may be delivered by members of Aberdeen Prospers, Integrated Children’s Services, Resilient Included, Supported Group or the Sustainable City Group. However delivery will need to have input from wider stakeholders that are not currently represented within these groups. In response, a ‘short life’ working group (the Socio-Economic Rescue Plan Implementation Group) is proposed to be formed from within organisations already on Aberdeen Prospers, augmented by representatives from the business groups in the city to drive delivery.

Figure 1: Socio Economic Rescue Plan - Governance Arrangements



Business Theme - Rescue Plan ACTIONS 2020/21

Scottish Government Route Map - Implementation Phase									
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders	
1. General Response									
1.1 Covid-19 Business Loans Programme		✓			City Growth	Working capital loans to business to support 'trading out' of current crisis	Repurpose Business Loans Scotland – none for Council	Scottish Government BLS Business Gateway Scottish National Investment Bank	
1.2 Aberdeen City Council Business Charter		✓			City Growth	Supportive business environment for companies in the city	None – staff time	ACC Chief Officers delivering business facing services Business Gateway FSB	
1.3 Planning, consenting and licensing systems to support business response/ diversification – eg temporary relaxation of planning controls – temporary uses eg surplus car parks or units into social spaces			✓		Governance Strategic Place Planning	Getting people back into work Support initiatives around recouping lost revenues within these key sectors and adapting to physical distancing rules and Spaces for People project	None	Business Gateway Aberdeen Inspired Traders Groups	

Scottish Government Route Map - Implementation Phase									
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders	
1.4 'Shop, Visit, Eat Local' – consider loyalty card scheme/ app			✓		VisitAberdeenshire	Enhanced and sustained spend in local hospitality, tourism, and retail Marketing Strategy and communications plan - incl. adverts on social media, PR, media partnership with local media outlet to extend reach. Content to include city initiatives, blogs from local people, businesses and celebrity. Promote and encourage local products and staycations.	None	Aberdeen Inspired – Heart of the City City Growth AGCC	
1.5 Tourism Business Recovery Programme			✓		Scottish Enterprise Business Gateway	A tiered approach. In-depth business programme for small numbers that achieves tangible outcomes; one-to-one product development advice; to one-to-many workshops; industry network building and community engagement.	None	VisitAberdeenshire VisitScotland	
1.6 Business Gateway Recovery Programme		✓			Business Gateway	'SME Redundancy to Recovery Programme' of 121 business advice - Sales & Supplier Recovery, Continuity Planning, Digital, Leadership, H&S & Risk assessment and HR	None	City Growth AGCC Scottish Enterprise	

Scottish Government Route Map - Implementation Phase								
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
1.7 Business Resilience Group Invest Aberdeen Advisory Board	✓				City Growth	Coordination between public and private sectors in terms of Covid-19 response and post lockdown Oversight by industry and investors of the In Invest Aberdeen Business Plan	None – staff time	AGCC, FSB, Aberdeenshire Council, ONE, OGUK, SE, SDS, Business Gateway/ Elevator Industry reps – property, banks, retail
1.8 Positive Procurement Programme		✓			Commercial & Procurement Services	Strengthening local supply chains and contributing towards local business growth. Provide more access to contracts for smaller businesses through lots. Engage local suppliers, SMEs, Voluntary Sector, Social Enterprises early on commissioning needs. Security of jobs, job creation, development of community benefits and social value outcomes through contracts.	None	City Growth AGCC – Buy North East Federation of Small Businesses Business Gateway (SME events) ACVO Social Enterprises
1.9 ACC Key Account Management				✓	City Growth	Regular engagement with local businesses by ECMT Relationship management with local business community and key employers	None	Chief Officers Key employers
2. Tourism, Leisure, Hospitality								
2.1 Extend planning rules for restaurants to keep up deliveries		✓			Strategic Place Planning	Flexibility of regulatory systems to accommodate physical distancing Maintain revenue stream for businesses in lockdown transition period	None	Governance City Growth Aberdeen Inspired Grampian Food Forum

Scottish Government Route Map - Implementation Phase								
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
2.2 Waive policy street occupation consents (eg on-street seating for cafes and bars, beer gardens and similar to accommodate physical distancing); consider 'nighttime economy zones' – eg Quad, Aberdeen Art Gallery			✓		Strategic Place Planning	Flexibility of regulatory systems to accommodate physical distancing rules and Spaces for People project Open Air, Pop up activity to mitigate concerns on social distancing	None	Governance City Growth Aberdeen Inspired
2.3 Creative Business Resilience Support - Outdoor exhibitions/ drive in events/ shows (City Centre / Neighbourhoods / Beachfront / Parks) that can provide social distancing				✓	Culture Aberdeen	Preparing creative/cultural businesses for post Covid-19 environment Building balance of content for digital and physical experiences.	None	City Growth Business Gateway (eg Digital for Creatives programmes) and work with North East Open Studios
2.4 Information, Advice & Guidance on physical distancing for tourism sector		✓			Environmental Health and Trading Standards	Specifically raised by businesses in response to VA survey	None	VisitAberdeenshire Business Gateway (food and drink clients)

Scottish Government Route Map - Implementation Phase								
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
2.5 Information, Advice & Guidance on physical distancing for tourism sector		✓			Environmental Health and Trading Standards	Business Awareness on details – embed in FAQ	Business Awareness on details Business Support	City Growth – Galleries, Museums, City events Digital Aberdeen Inspired
2.6 Pilot temporary green spaces/ markets – Pop Up				✓	Aberdeen Inspired	Spread city centre occupancy across city centre, repurposing currently ‘dead spaces’ Explore/pilot other models –rooftop gardens, community gardens/urban growing projects (LOIP alignment) Market space option – where business physical premises are too restrictive reopening, a market /collection point could be an alternative	To be confirmed by AI	Culture Aberdeen City Events VisitAberdeenshire Grampian Food Forum
3. Job Retention/ Creation								
3.1 City Centre Apprentice Scheme – Assess feasibility to reduce business rates as incentives for businesses retaining employees/ taking on trainees in city centre sectors – retail, tourism, hospitality			✓		Finance	Support business growth Skills and training and improved employability	Will be estimated as part of feasibility	City Growth SDS NESCoI

Scottish Government Route Map -
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
3.2 Grey Matters entrepreneurial training scheme for redundant executives		✓			Elevator	Supporting business start-up rates	Business Gateway contract	City Growth Scottish Enterprise
3.3 Local Export Partnership			✓		AGCC	Supporting the resilience of existing exporters given uncertainty around business continuity Supporting and sustaining £15bn of annual export value	Scottish Government	City Growth Scottish Enterprise Scottish Government
3.4 Elevator Centre for Entrepreneurship	✓				Elevator	Designated digital demonstration centre providing 'digitalboost' training and 121 support for businesses Responding to anticipated increase in demand as a result of Covid-19	None – may need to align Business Gateway contract	Business Gateway ONE Codebase
3.5 Hospitality Apprenticeship North-East scheme	✓				ONE	Job creation in hospitality centre	None	SDS Hotels Association

People Theme - Rescue Plan ACTIONS 2020/21

Scottish Government Route Map – Implementation Phase									
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders	
1. Supporting Young People into Positive Destinations									
1.1	Positive Destination Planning Sessions	✓				City Growth SDS	Data Hub of young people to destinations Employability of school leavers. Early identification of and support put in place for those at risk of leaving school without a positive destination.	None – staff time	ACC Schools, SDS, DYW-NE City Growth
1.2	Tailored ACC & Scottish Children’s Reporter Administration Internship for care experienced young people (LOIP Project – Priority Groups into Public Sector Jobs)				✓	People & Organisation City Growth	Good work experience CV improvement References Potential for some qualifications	None – staff time May be costs if accredited courses incorporated, however this may be at least partly met through No One Left Behind funding	City Growth, ACC Chief Officers, SDS, SCRA, ACHSCP, Community Planning Aberdeen, the Virtual headteacher, training providers NESCoI
1.3	Guaranteed job interview for ACC Internships for Care Experienced Children (LOIP - Project Priority Groups into Public Sector Jobs) where jobs are available	✓				People & Organisation City Growth	Potential work experience; Feedback;	None – staff time	ACC Chief Officers, ACHSCP, Community Planning Aberdeen
1.4	Skills 4.0 – Review emphasis based on employability pipeline			✓		SDS NESCoI	Shared understanding of skills required for local economy	None - staff time Potential for SDS Digital Skills Fund	SDS, DYW-NE Schools

**Scottish Government Route Map –
Implementation Phase**

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
1.5 Develop and pilot an accredited course for young parents to aid them back into education or employment using Google classroom as an online means of supporting pupils (LOIP Project – Young Women into Jobs)				✓	Community Planning NESCoI	Skills and training outcomes Employability	Potential for SDS Digital Skills fund	City Growth – Employability NESCoI SDS
1.6 Accelerate the Re-Boot programme - targeted at supporting winter leavers who are disengaging with education in the months prior to them leaving school.		✓			Education Aberdeen Foyer	Improved positive destinations	National Lottery funding secured	ACC, Aberdeen Foyer, Third sector training providers SDS
1.7 Session with DYW-NE to explore how opportunities to bed emerging industries and skills into education system		✓			DYW-NE Education	Identification of potential career routes for young people, post-Covid.	None – staff time	ACC Schools, SDS, DYW NESCoI Universities City Growth SDS

Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
2. Community Spaces								
2.1	Maximise Hubs in three priority areas Dee–Tulloch Community Wing, Don – Tillydrone Community Hub, West – Cummings Park Community Centre, using schools or community facilities as navigation of the benefits system.	✓			Children and Family Services	Wrap around eg financial resilience, positive mental health and employability and extending support to families Regular ‘case conferencing’	If capital cost, potential through Regeneration Capital Grant Fund. If revenue – possible via National Lottery.	City Growth Employability; DWP; Financial Inclusion Team, social work, CAB, CFINE, health service, support agencies, SDS, NESCoI
2.2	Homelessness presentations and No One Left Behind – employability wrap around		✓		Communities City Growth	Wrap around/ tailored approach to overcome personal challenges Improved employment prospects/ securing work and able to maintain tenancies	Realign No One Left Behind funding (SG approval) ESF	City Growth – No One Left Behind Housing, social work, FIT, health services, Cyrenians/Shelter,
3. Job Retention/ Creation								
3.1	City Centre Apprentice Scheme – Assess feasibility to waive/ reduce business rates as incentives for businesses taking on trainees in city centre sectors – retail, tourism, hospitality <i>See Business Ref 3.1</i>		✓		Finance SDS	Support business growth Skills and training and improved employability	Will be estimated as part of feasibility	City Growth SDS NESCoI DYW-NE

Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
3.2 Employability schemes for office-based occupations being displaced			✓		SDS	Job creation, skills development, skilled workforce with transferable skills	None – staffing Possible SDS	City Growth, PACE, DWP, AGCC, Scot Gov, UK Gov – Public Sector partners NESCol
3.3 Protocol on all capital projects and City Region Deal to create/secure jobs and apprenticeships.	✓				Capital Procurement Services	Skills/ Training outcomes Community Benefits needs realised	None	ACC City Growth Aberdeen City Region Deal – BioHub, OGTC and Food Hub) SDS NESTRANS
3.4 Work with CityFibre to capitalise on any potential job creation and training schemes resulting from its operations in the Aberdeen City Region, and on corporate social responsibility activities.		✓			City Growth	Job creation Skills development Targeted CSR activity to support socio-economic recovery Opportunity for digital sector to enable new ways of working in long-term	Staff time	City Fibre DWP SDS Employability Training Providers Forum Community Planning Partnership
4. Workforce Development								
4.1 Energy Transition Skills Academy		✓	✓		NESCol	Ensuring local people gaining skills around new opportunities in delivery of Net Zero Vision	Possibly ESF employability (see 5.1).	ACC Schools, City Growth Centre for Energy Transition (UoA); ONE, SDS, OGTC, DWP
4.2 Employment mentoring for adults – Career Ready model (prob unpaid to avoid impact on benefits)				✓	People & Organisation City Growth	Boost employment prospects	Staff time	SDS, DWP, AGCC, public sector partners, Aberdeen University ACVO

**Scottish Government Route Map –
Implementation Phase**

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
4.3 Adult volunteering scheme, enabling a whole system approach to volunteering to support people in need		✓	✓		ACVO	Boost employment prospects and tackle physical and mental health issues associated with unemployment. Support for people in need. Kinder communities	Capitalise on Covid community mobilisation, deliver service at minimal cost	ACVO/SCVO, GCAH, community orgs Employability and Skills team ACC City Events (Events 365)
4.4 Campaign to encourage hospitality workers to move into care sector, alongside upskilling provision		✓			SDS DWP Comms	Contribute to addressing care sector jobs People in work, transferrable skills recognized	Staff time, NOLB/PESF funds for upskilling eligible candidates. Potential for DWP funds for training. Seek to avoid costs through media campaign rather than paid-for activity.	Bon Accord Care, ACHSCP, NHS Grampian, Scot Gov, NESCoI, Aberdeen Employability Training Providers' Forum
4.5 Careers in Aberdeen Public Sector - Upskill staff to enable progression across public sector as vacancies arise, opening entry level jobs				✓	City Growth People and Organisation	Skilled workforce, right people in right jobs, employee retention/loyalty, opportunities	Parental Employability Support Fund can be used for this. Shared Workforce Development Officer with Aberdeenshire Council	Aberdeenshire Council, other public sector orgs – eg NHS, ACHSCP, Bon Accord Care, Sport Aberdeen, SDS, Police Scotland, Fire etc

Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
4.6 Digital skills challenge – Speak to industry to consider a pilot			✓		Customer	<p>Citizens with digital skills, access and ability to apply for jobs online, carry out digital roles in workplace, apply for and maintain benefits claims.</p> <p>Understanding of and ability to respond to changes in demand for and supply of labour in digital sector.</p> <p>Opportunity for digital sector to enable new ways of working in long-term.</p> <p>Reduced economic and social impact of poor connectivity.</p>	<p>Potential for Connecting Scotland monies.</p> <p>Need for devices, broadband/data costs.</p> <p>Corporate Social Responsibility</p> <p>Appeal for disused business kit</p> <p>SDS – online digital courses and skills funding</p>	<p>ACC Community Planning</p> <p>City Fibre/ Vodafone or other ISPs</p> <p>Business – AGCC</p> <p>SDS</p> <p>NESCoI</p>
4.7 Creation of local online jobs portal	✓				City Growth Aberdeenshire Council	<p>Access to jobs at all levels for city region residents, with links to employability and application support.</p> <p>Free promotion of jobs for businesses, with application support provided to applicants.</p> <p>Links people with employability teams and funded programmes.</p>	<p>None other than staff at this stage – Hanlon is providing free service. Potential for cost in future years, but split with Aberdeenshire Council and could be met via NOLB/PESF/ESF streams</p>	<p>ACC</p> <p>Aberdeenshire Council</p> <p>Training Providers</p> <p>Forums</p> <p>AGCC</p>

Scottish Government Route Map – Implementation Phase									
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders	
4.8 Joint promotional campaign about learning opportunities		✓			NESCol	Joined-up approach to ensure agreed collective messaging about learning and training opportunities is promoted. Access to education. Skilled workforce.	None	ACC SDS Schools NESCol University of Aberdeen RGU Business Gateway Aberdeenshire Council Aberdeen Employability Training Providers Forum	
4.9 Make the case for the need for additional funding for employability support for Aberdeen from the Scottish Government reflecting combined economic impact of Covid-19 and the oil and gas downturn on jobs.		✓			City Growth	Availability of funding to enable employability support to increased numbers of people in need of it	Staff time	Scottish Government Aberdeen City Council	

Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
5. Wellbeing Support								
5.1		✓			City Growth	Funding secured to deliver early stage engagement, financial and employability support. Skilled workforce	Need for match-funding, potentially could be partially realised through staff costs and NOLB/ PESF funds	ACC, Scottish Government, European Commission
5.2	✓				Communities	Charities providing support to individuals and communities in need have immediate access to funds to do so.	£189,921 at the time of writing. Fundraising ongoing.	Third Sector Lord Provost's Charitable Trust Seven Incorporated Trades, Hampton Associates
5.3	✓				Community Planning	Building on work initiated before the pandemic to align support from responsible businesses across Aberdeen to LOIP/ areas of need	Minimal (costs relate to staff time and future engagement events)	AGCC Community Planning Aberdeen Business in the Community Aberdeen member organisations (TBC) Individual partner organisations (e.g. Shell)
5.4	✓				Communities	Supports LOIP Stretch Outcome that no one will go without food due to poverty	Zero External funding team to support organisations to access funds for this activity	CFINE ACC

Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
5.5 Crisis Line/ Single Access Point for Vulnerable People in need	✓				Customer	Single access point for people vulnerable to harm as a result of Covid19 Emotional support	A proportion of the cost would come from HRA / IJB.	ACC/ ACHSCP
5.6 Roll-out of Mental Health First Aider scheme across public sector family, ALEOs and contractors. Add it to contract/tendering requirements so businesses benefiting from public sector money have to have something similar in place.			✓		People & Organisation	Emotional support for people at risk of self-harm	Staff time to identify organisations and support them to secure funding to deliver. Flexible Workforce Fund is currently used by ACC.	Public Sector organisations ALEOs Procurement service CPP ACHSCP
5.7 Introduce training for all front-facing staff/all staff on self-harm/suicide indicators and steps to take to protect people.			✓		People & Organisation	Early identification of potential harm to individuals Prevention of harm to individuals	Staff time to identify organisations and support them to secure funding to deliver.	ACC Customer Trades Unions

Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
5.8 Develop suite of suicide prevention measures to include: development and roll-out of suicide prevention app across NE councils; creation of suicide prevention team across three NE councils; creation of Lived Experience network or panel which influences suicide prevention activity, programmes and policy work and which supports, upskills and engages meaningfully and regularly with panel members; and increased promotion of availability of mental health support for adults.		✓			Communities Aberdeenshire Council Moray Council	<p>Range of suicide prevention activities carried out across NE. Reduction in number of suicides.</p> <p>Lived experience is part of thinking and development of suicide prevention and self-harm activity Emotional support for people at risk of self-harm as a result of ongoing/new mental health issues linked to Covid, unemployment, financial woes, etc</p>	£88,000 per annum, split across the three councils	ACC NHSG ACHSCP Police Scotland Moray Council Aberdeenshire Council



Scottish Government Route Map – Implementation Phase									
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders	
5.9 Increased support for victims of domestic abuse, improved and quicker access to counselling services		✓			Communities	Reduction of harm to adults and children. Reduction in no, of domestic abuse incidents. Better reporting of incidents and better outcomes for victims.	Pathways has secured some funding for counselling.	City Growth – External Funding Housing, AHSCP, Children’s Social Work Police Scotland NHS Grampian Pathways Cyrenians Grampian Women’s Aid	
5.10 Restructuring of individual debt to council, including housing, council tax and pre-existing penalty charge notices to reflect ability to pay post-Covid impact – but kept under review to reflect potential positive changes in individual’s financial situation.		✓			Communities	Citizens able to pay debt in manageable amounts, reduced impact on mental health, reduced poverty, reduced reliance on high-interest loans.	Staff time	Governance Customer Finance Financial Inclusion Team	
5.11 Instigate a Benefits Awareness Take Up Campaign, couple with increased promotion of/access to debt management support and counsellors		✓			CFINE	Citizens accessing all of the benefits they are entitled to, reduced poverty, reduced debt levels, reduced reliance on high-interest loans, reduced impact of debt on mental health.	Potential for PSI funds, lottery or other external funding stream	ACVO Third Sector DWP PACE ACC Communities CAB	

**Scottish Government Route Map –
Implementation Phase**

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
5.12 Creation of community food officer post to deliver the Food Growing Strategy				✓	Environmental Services	Additional resilience through local food growing schemes, access to green and open spaces, improved physical and mental health, development of skills and confidence, access to low cost food	Repurposing of Housing Revenue Account to cover staff costs	ACC – Environmental Services, Environmental Policy, Housing, Assets, CFINE.
5.13 Promotion of city's parks and open spaces, including nature sites and routes to them, as well as activities available in them.			✓		Comms	Improved mental and physical health, increased use of open spaces, local tourism boost, may attract tourists from further afield. Promotes Aberdeen as a destination.	Staff time	Countryside Rangers Environmental Policy Team Environmental Services NESBREC NESBIP Visit Aberdeenshire Friends groups
5.14 Citizen Engagement exercise to record sights and sounds linked to city's parks and open spaces, including nature sites to bring the outdoors indoors. Creation of 'virtual' tours of these spaces			✓		Comms	Citizen engagement, increased sense of public 'ownership' of and care for public spaces. Physical and mental health benefits for 'recorders' alongside associated benefits for those who can't access these areas for health or other reasons. Greater awareness of/improved biodiversity and improved reporting of local wildlife. Promotion of Aberdeen as a destination.	Staff time	Countryside Rangers Environmental Policy Team Environmental Services Digital / GIS NESBREC NESBIP Visit Aberdeenshire Friends groups Aberdeen Together

Place Theme - Rescue Plan ACTIONS 2020/21

Scottish Government Route Map – Implementation Phase									
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders	
1. Safe Zones – Social Distancing									
1.1	Creating Space to Move and Enjoy	✓	✓	✓		Strategic Place Planning	<p>Public health, Placemaking, Design</p> <p>Provide a safe operating environment and conditions for business and public spaces (parks, paths, etc.) to adapt to Covid 19</p> <p>Reduced traffic volumes; Increased air quality & health</p> <p>Use potential public art and other design led methods to provide an environment that is attractive, welcoming and engaging.</p>	<p>SUSTRANS bid</p> <p>Potential for other SG Funding (e.g. Town Centre Resilience Fund)</p> <p>Staff time</p>	<p>Capital City Growth Environmental Policy & Services</p> <p>NHS Grampian</p> <p>Nestrans</p> <p>VisitAberdeenshire</p> <p>Aberdeen Inspired Traders Associations</p> <p>Local Residents</p>
1.2	Supporting the above, waive policy street occupation consents – changes to facilitate physical distancing – see 1.4 and 2.2 Under Business Theme Plan	✓				Strategic Place Planning	<p>Flexibility of regulatory systems to accommodate physical distancing rules and Spaces for People project</p> <p>Maintain revenue stream for businesses in lockdown transition period</p>	None – staff time	<p>City Growth Roads</p> <p>Aberdeen Inspired Grampian Food Forum</p>

Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
1.3 Reopen Gallery as priority venue – allows socially distant visits due to capacity / one-way options			✓		City Growth	<p>Emphasise safe visits / space available / social distancing / trained & welcoming staff</p> <p>Share digital map showing route/ expected time/“free movement” areas/strict one-way routes – helps prepare visitors (explain way in which safe occupancy figures were calculated)</p> <p>Options for limited opening hours to start with to be explored. E.g 11-4 each day.</p> <p>Queueing system on street - (consider) timed free tickets to special exhibition and/or entry to the Gallery</p> <p>Focus on family audiences - downloadable / printable family tours / resources available on our website</p> <p>Smartify family tour - Socially-distanced family activities in the Cowdray Hall</p>	<p>No increase in staff costs – reallocated staff from other areas of service if required</p> <p>Expanding +music/ Smartify offer – costs tbc</p>	<p>Corporate Landlord Elior – Catering</p> <p>Commercial sponsors and funders</p>



Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
1.4 Review AAGM Estate – potential closure of Tollbooth; Reduced Maritime Museum; close Treasure Hub for General Tours		✓			City Growth	Resolution of small spaces and tourism Reduced opening/ private pre-sales Exclusive pre bookings	Impact on income generation	Visit Aberdeenshire Aberdeen Inspired
1.5 Update Aberdeen Event Guide on best practice		✓			City Growth	Manage and control external event bookings in order to ensure that there is a balance of the City Centre returning to businesses as (Almost) usual whilst the event industry looks to recover. Events delivered in-line with best practice around social distancing and hygiene factors to ensure public confidence.	Within existing resource	Aberdeen Safety Advisory Group Events365 Group
1.6 Review management and maintenance of green/ open spaces for social distancing, wildlife & costs (review grass cutting regimes / tree planting / biodiversity / etc.)			✓		Environmental Services	Protect / improve physical & mental health with safer access to outdoors and connection to nature Increase wildlife Reduced costs of management	Cost savings through reduced maintenance	Assets North East Scotland Biodiversity Partnership

Scottish Government Route Map – Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
2. Transport								
2.1	Bike Hire Scheme			✓	Strategic Place Planning	Health Benefits Lower emissions higher air quality Encourage use of green transport. Allow access to active travel opportunities for all our citizens	Transport Scotland Ebike fund	VisitAberdeenshire Aberdeen Inspired
2.2	Tourism Car Parking Ticket – new product to support domestic tourism and hotels		✓		VisitAberdeenshire	Capitalise on likely mode of travel for inbound tourists	Impact on income generation to be assessed	Operations to produce Aberdeen Inspired
2.3	Additional Cycle Parking / hubs			✓	Strategic Place Planning	Encourage active travel into the city centre and to key locations 10 locations have been identified	Budget amendment Civitas PORTIS waiting approval from EU Commission Project Officer to implement	VisitAberdeenshire Aberdeen Inspired
2.4	Smart Journey Planning Tool		✓		Strategic Place Planning	Can investigate gamification which in turn can potentially encourage purchase of local food and beverages, as well as advertisement of local events. Investigate inclusion of digital trails to encourage journeys to city centre and local shopping. (Would require additional budget to implement) Longer-term development of connected vehicles and Mobility as a Service (MaaS) which could allow purchase of ticketing through app and encourage multi-modal journeys.	Budget from Civitas PORTIS to develop app however any additional features or functionalities will require additional budget	City Growth Co Design Users VisitAberdeenshire

Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
3. Shop, Visit, Eat Local								
3.1	Campaign to maximise opportunities from local market – Aberdeen as a safe destination		✓		VisitAberdeenshire	<p>Promotion of local creative practitioners – eg creative space for artists;</p> <p>Buy AAGM and local independent produce using mobile device & pick up at Art Gallery shop</p> <p>Drive footfall to gallery and establish as hub for independent arts community</p> <p>Increased footfall and dwell time in city centre</p> <p>Physical distancing compliant product development –</p> <p>Marketing campaign highlighting how to spend a day <u>safely</u> in Aberdeen</p>	See Business Theme Actions	<p>City Growth</p> <p>Aberdeen Inspired</p> <p>Culture Aberdeen</p> <p>VisitScotland</p> <p>FSB</p> <p>Aberdeen Hotels Association</p> <p>Aberdeen Journals/</p> <p>Abzolutely</p>
3.2	Conversion of Digital uptake into footfall at the Art Gallery – streaming services eg Cowdray Hall			✓	City Growth	Promotional Visits	Within HLF support	<p>ACC Digital</p> <p>VisitAberdeenshire</p> <p>VisitScotland</p> <p>Culture Aberdeen</p>
3.3	Gallery retail space expanded (sacrifice collection display space) – managed inhouse		✓		City Growth	<p>Shop local</p> <p>Gallery visits</p> <p>Link to 4.2 below</p>	Within existing AAGM budget	<p>Culture Aberdeen</p> <p>Creative producers</p> <p>Lottery Funding</p>

Scottish Government Route Map – Implementation Phase									
Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders	
3.4	Develop digital City Centre & Open Space Tours – eg Nuart, heritage walking tours, coast & country, talking statues (convert offer planned for guided walks to digital offer)				✓	VisitAberdeenshire	Promotional Footfall to different city centre precincts	None	Aberdeen Inspired City Growth – Art Gallery
4. Economic Strategy, Net Zero Vision, City Centre Masterplan – Leading to Recovery phases									
4.1	Net Zero Vision & Strategic Infrastructure Plan – Governance		✓			City Growth	Lobby and promote the Vision and the ambition of the city ‘as one’ to the UK Government and the Scottish Government, making clear the scope and scale of the transition opportunity in Aberdeen and its contribution to UK and Scottish climate change targets.	None	Net Zero Vision Board members
4.2	Scotland’s Energy Transition Zone Business Case – including the ETZ Training & Jobs Plan	✓				City Growth	Business case for phase 1 of ETZ	Within existing resources	Torry Locality Planning & Lochside Academy NESCoI, SDS, ONE
4.3	H2 Aberdeen Business Case		✓			City Growth	Business case for H2 Hub and Bus Projects	Revenue budget/ SG funding	Scottish Enterprise Scottish Government Private sector
4.4	Review the pilot project on City Centre Living and the affordable housing waiver.			✓		Strategic Place Planning	Increase in city centre living opportunities and increased city centre population to support activity and retail.	Staff time	Strategic Place Planning Developer industry

Scottish Government Route Map –
Implementation Phase

Action	One	Two	Three	Four	Lead	Outcome	Financial Implications	Stakeholders
4.5 Events 365 / AAGM Exhibition Programme – spread out of events – curation of events & exhibitions to different zones of the city, including open spaces				✓	City Growth	Manage and control external event bookings in order to ensure that there is a balance of the City Centre returning to businesses as (Almost) usual whilst the event industry looks to recover.	None	Aberdeen Safety Advisory Group



Business Charter for Aberdeen City Council

June 2020

Introduction

This is a time of great uncertainty for businesses. The full impact of the Covid-19 pandemic on the wider economy is still unfolding and will continue to do so for some time. However it is already clear that the response by local government requires a different approach to any taken previously in the face of threats to the wellbeing of our City and its citizens.

Already we see that the impacts are wider and deeper – affecting all businesses, people and places across the city. The measures we take must therefore embrace a whole system approach to stimulate every aspect of our economy – learning, leadership, innovation, supply chains infrastructure investment, and environment.

A more inclusive approach will contribute to the aims of both the Regional Economic Strategy and the Local Outcome Improvement Plan, and will in turn benefit business and people.

The Council, and the wider public sector partners, have an important role to play in responding quickly to the immediate needs of businesses as they emerge from lockdown. This Charter sets out a clear and simple framework for the Council and businesses to adjust to a new economic reality.

Vision

Our collective vision is of a city that is central to UK and Scottish prosperity. Aberdeen is a place where all people can prosper and a great place to do business with renowned skills and expertise alongside a first-class cultural offer. We will continue to create opportunities for a strong and diverse company base that allows our people, of all ages, to flourish.



Business Charter

This clear vision can be achieved and sustained through lasting and meaningful partnership between the Council and business. For businesses wishing to actively support and develop this vision, the Council, in playing its part, sets out its Charter for Business and invites you to participate.

Our Charter expresses our support to businesses in Aberdeen:



Care

- We will support and connect you using our online services.



Accessible

- We will communicate with you, be approachable and listen to you.



Responsive

- We will be open and honest with you about what we can and can't do, and the reasons for this. We will aim to deliver the best services possible for you.



Empowered

- We will learn and improve from you.
- We will listen and act on your feedback, whether it's a complaint, comment or compliment.

Key Principles

We will deliver on our Charter by meeting the key principles of Planning and Infrastructure, our City Centre and Business Support:

Planning & Infrastructure

1. We will provide a dedicated project manager for all pre-applications and applications who will coordinate across council services, ensure the accuracy and fairness of all advice given, consistently record the outcomes of all pre-applications, consider all factors affecting an application and advise if further work is needed prior to giving final advice.
2. We will seek to minimise the risks and uncertainties to businesses and developers in the planning process for complex proposals and major applications, through a development team made up of appropriate council services, which will ensure an integrated response to development proposals.
3. We will keep you informed of progress with your application so that no decision should take business by surprise.

City Centre

4. We will capitalise on the investments by the Council in the city's tourism, culture and leisure sector, promoting the uniqueness of the city's arts and culture offer.
5. We will support, promote and encourage investment in business infrastructure, including property, housing, the city centre, roads, active travel and digital connectivity.
6. We will help all business and investors find business premises by working with appropriate council services and Invest Aberdeen activity.

Business Support

7. We will ensure that local people are benefitting from the ambitious plans for our city by using our spending power in a tactical way, to prioritise economic recovery.
8. We will provide advice to new businesses, with the support of Business Gateway, relating to the requirements of Environmental Health and Trading Standards legislation and support businesses through start-up, operation and expansion phases.
9. We will continue to promote contract opportunities from all public sector spend to SMEs, including third sector organisations, through various events, which will be critical to economic recovery.
10. We will support businesses to invest in Developing the Young Workforce by including training and community benefit clauses for major works, goods and services, by way of our purchasing power.
11. We will endeavour to adhere to the principles set out in the construction Charter signed by the Council on 31 May 2018. The Council expects all construction contracts to achieve the highest standards in respect of employment status, health and safety, standards of work and training and understands the necessity of timely cashflow to our suppliers.
12. We will endeavour to process all valid applications for licences as efficiently as possible and utilise delegated powers where legislation permits.



Your Pledge

To realise our vision and charter we need you to pledge your support:

Our People - employment standards and career development

1. Support our ambitions for Aberdeen City as a place where all people can prosper, ensuring that no one is left behind. You can do this by providing employment opportunities for those furthest removed from the labour market, where possible, and working with the Council through your corporate social responsibilities in supporting people into jobs.
2. Work with the Council in adopting the best employment standards which adhere to the principles of fair work and pay and join us in our Guaranteed Interview Pledge for all care experienced children.
3. Work with our schools in supporting young people, school leavers and career development by Developing our Young Workforce.

Our Place - quality, environmental standards and energy commitments

4. Provide us with good quality plans and supporting information about your proposals which are accurate, to the point and responds to the advice of relevant officers, as required by our regulatory processes.
5. Follow our guidance and procedures which are designed to ensure an efficient and fair process that allows us to determine planning applications as effectively as possible and in line with Development Management Customer Charter.
6. Ensure the use of processing agreements to allow planning applications to be efficiently project managed with clear time scales.
7. Support the Council in maintaining the public realm and supporting the upkeep of standards.
8. Demonstrate a commitment to reduce carbon emissions and energy consumption by supporting the Council's energy transition and its Net Zero Vision.

For more information please contact businessgrowthteam@aberdeencity.gov.uk



ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	30 June 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Net Zero Vision and Infrastructure Plan Governance
REPORT NUMBER	COM/20/099
DIRECTOR	Chief Executive
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Richard Sweetnam
TERMS OF REFERENCE	UBC 1

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to present the proposed governance model for the delivery of Aberdeen’s climate change ambitions as articulated through the Net Zero Vision for Aberdeen, and the Strategic Infrastructure Plan – Energy Transition.

2. RECOMMENDATIONS

That the Committee:-

- 2.1 approves the Terms of Reference and proposed membership for the Net Zero Vision Leadership Board as outlined in this report and instructs the Chief Officer City Growth to continue the approach to proposed members;
- 2.2 approves the Terms of Reference and proposed membership for the supporting Delivery Unit and instructs the Chief Officer City Growth to continue the approach to proposed members; and
- 2.3 notes that updates on progress will be provided by the Chief Officer City Growth to the City Growth and Resources Committee and also as part of the Council’s existing statutory annual Climate Change Report.

3. BACKGROUND

- 3.1 On 6 May 2020, the Council’s Urgent Business Committee approved a Net Zero Vision for Aberdeen and a supporting Strategic Infrastructure Plan for Energy Transition. The Vision recommended a new ‘City Leadership Board’ to have strategic oversight and lead the overall implementation of the plans and the Committee instructed the Chief Executive to report back to the Council’s Urgent Business Committee on 30 June on the proposed model, its composition and its terms of reference. This aligns with the previous Committee recommendation to establish citywide climate change governance model following approval of Powering Aberdeen and Aberdeen Adapts.

3.2 The Net Zero Vision for city is:

“We want Aberdeen to become a climate positive city at the same time, helping to lead the world on the rapid shift to a net zero future by leveraging its unique assets and capabilities to support the global energy transition.”.

3.3 The Vision document recognised the need for such a senior leadership group, recognising the scale of structural shift needed for a successful energy transition.

3.4 The Board would provide the leadership and strategic direction for the vision and would be led by the Council. Below that, a separate ‘Transition Delivery Unit’ would be formed to drive the implementation of the Infrastructure Plan itself, and having oversight of complementary programmes from the Council and other organisations, for example: Powering Aberdeen, Aberdeen Adapts and links with the Council’s own Energy and Climate Plan to reduce its carbon footprint and increase its climate resilience.

3.5 The Vision for the Strategic Infrastructure Plan – Energy Transition is:

“To outline infrastructure projects which will contribute to the city’s energy transition from fossil based to net carbon zero public sector; net carbon zero city and ultimately a climate positive city over the next few decades.”.

3.6 The Vision and the proposed governance model is important on a number of fronts, not least as a key part of the city region’s economic recovery from the impacts of Covid-19 and the recent fluctuating oil prices. How the city positions itself, and its energy assets including its track record, supply chain expertise, global reputation, technology, skills or R&D is key to that recovery and securing investment. If the UK Government and the Scottish Government are to meet their climate change targets, a successful Aberdeen will be a significant contributor.

3.7 The Board and the supporting Delivery Unit will need to be collaborative reflecting that the city and its stakeholders are all on a net zero journey’, and ensure that existing projects, plans and strategies are all catered for in the work of the unit to secure widespread buy-in and developing complimentary initiatives.

4. CITY LEADERSHIP GOVERNANCE MODEL

4.1 The purpose of the Board is to provide a platform for collective leadership of the drive to a net zero and climate resilient city, and to build consensus and champion the vision. It will lobby and promote the Vision and the ambition of the city ‘as one’ to the UK Government and the Scottish Government, making clear the scope and scale of the transition opportunity in Aberdeen. The UK and Scottish climate change targets will not be reached if cities like Aberdeen, as source of emissions, and in Aberdeen’s case a competitive advantage in energy production, technology and innovation, are not successful. The Board will promote the Vision as a national infrastructure and economic development priority, particularly in response to the challenges of Covid-19, fluctuating oil

prices and ensuring that the transition towards a net zero and climate resilient city is at the heart of national and regional economic recovery.

4.2 The Board should harness the excellent expertise, connections and relationships the city's stakeholders already provide in driving the overall ambition for a climate positive city. Further scope and a Terms of Reference for the proposed Board is provided in Appendix 1 to this report. The following organisations have responded positively to an informal approach to participate in the Leadership Board if it is approved by the Council. The Committee on Climate Change could not participate but was supportive of the proposed approach in the context of its work later this year on advice to cities on delivery of net zero. Four more have been contacted but have yet to respond (eg Climate & Energy Economist formerly with C40 Cities; University of Strathclyde's Centre for Energy Policy/ Just Energy Transition; Scottish Renewables).

- Centre for Cities;
- Opportunity North East (ONE);
- Crown Estate Scotland;
- Aberdeen Economic Policy Panel/ Fraser of Allander Institute;
- Scottish Hydrogen Fuel Cells Association (SHFCA);
- Offshore Renewable Energy Catapult;
- Scottish Gas Networks (SGN);
- BP;
- Oil and Gas Technology Centre.

4.3 An effective delivery platform is also needed to leverage the collective expertise and resources of key stakeholders developing and delivering projects across Government, the wider public sector, industry and research and development. A separate Delivery Unit is proposed to coordinate the work required, and take appropriate operational responsibility, to progress the Priority Actions identified as part of the Net Zero Vision and Strategic Infrastructure Plan – Energy Transition.

4.4 In order to establish a robust baseline against which business cases and ultimate implementation of projects can be assessed, the Unit will develop an evaluation framework to monitor the *ex-ante* and *ex-post* environmental and socio-economic impacts of the interventions, and support the financing and investment plans for supporting development of the projects.

4.5 The work of the Unit would be overseen by the Leadership Board, with a core team of resources drawn from delivery organisations across the city, including the Council itself. Further scope and a Terms of Reference for the proposed Delivery Unit is provided in Appendix 2 to this report. The following organisations have responded positively to an informal approach to participate in the Delivery Unit if it is approved by the Council. Five more have been approached but have yet to be confirmed (eg Aberdeen Climate Action, Energy Transition Unit – RGU, Skills Development Scotland, Scottish Environmental Protection Agency, Aberdeen Heat and Power,).

- Centre of Energy Transition – University of Aberdeen;

- Opportunity North East (ONE);
- Scottish Enterprise;
- Aberdeen Renewable Energy Group;
- NESTRANS;
- Oil and Gas Technology Centre – Net Zero Solutions.

5. FINANCIAL IMPLICATIONS

5.1 At its meeting on 3 March 2020, the Council approved the General Fund Revenue Budget and Capital Programme 2020/2021 which contained a commitment to invest approximately £100 million towards achieving Net Zero emission targets. This budget programme contained funding for initiatives that will support work under this Vision and Plan. Given the scale and pace of change required, the implications therefore are that the case for funding by the UK Government and Scottish Government needs to be made and the a finance and investment plan will be developed as part of the business case exercise for development of the projects.

5.2 Therefore in financing the energy transition of the city, it is important that existing and new funding mechanisms are identified to respond to the challenge and opportunity, and priorities here may include:

- Any new fiscal measures or incentives being considered by UK Government;
- State Aid block exemptions that are flexible so that cities like Aberdeen can more effectively support economic growth – and in this case energy transition;
- Potential alignment of the UK Shared Prosperity Funds to the UK Industrial Strategy – emphasis on making clean technologies cost less than high carbon alternatives and specific reference to low carbon hydrogen production;
- Playing to a city region’s strengths and influence around decision making according to the economic recovery/ growth potential and not solely deprivation.
- The Infrastructure Commission and the Scottish National Investment Bank, and the emphasis on energy transition, or Green Growth incentives;
- Investment by the North East of Scotland Pension Fund in infrastructure.

5.3 There are no financial implications on the Council’s budget approved on 3 March 2020. Any other staffing implications would be considered within the Council’s established procedures.

6. LEGAL IMPLICATIONS

6.1 Work towards a Net Zero city and a Climate Resilient Aberdeen contributes to the Council’s and other public bodies duties under Part 4 of the Climate Change (Scotland) Act 2009 and the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.

6.2 It should be noted that the duty to report to timescales has been relaxed to a certain extent by the Coronavirus (Scotland) Act 2020

7. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	<p>Budget pressures - costs of developing/ implementing energy and climate actions.</p> <p>Lack of funding mechanisms to implement actions.</p> <p>Increase in costs for all from not implementing measures to address their climate risks.</p>	H	<p>Budget constraints across public and private sectors provide incentive to reduce resource consumption and carbon emissions.</p> <p>Unlock external funding opportunities, making the case that Aberdeen is key to the success of the UK Government and Scottish Government's reaching its climate change goals.</p>
Legal	<p>Failure to meet public sector climate duties.</p> <p>Failure to meet existing and emerging legislative and regulatory requirements on climate and energy in public and private sectors, as well as contribute to the delivery of national targets/ programmes.</p> <p>Failure to keep abreast of legislative changes.</p>	H	<p>Ensure that legal ramifications of regulatory changes are understood, communicated to relevant stakeholders and built into decision making processes.</p> <p>Respond to relevant strategic and legislative consultations.</p>
Employee	<p>Insufficient staff resources to progress action/ competing priorities.</p>	M	<p>Managed in collaboration with the Council's Energy and Climate governance framework and associated internal communications plan.</p>
Customer	<p>Lack of understanding about</p>	M	<p>City Leadership and Delivery Unit.</p>

	Risk	Low (L), Medium (M), High (H)	Mitigation
	<p>climate change and planned approach.</p> <p>Insufficient stakeholder engagement and involvement.</p>		Complementary business and public communications strategy.
Environment	<p>Failure to meet the Net Zero target. That the approach is not sufficiently robust to support the financing, delivery and monitoring of carbon reduction and adaptation projects.</p> <p>Failure to address environmental impacts associated with the development of energy infrastructure.</p>	H	<p>Establish governance framework to ensure time/ resource allocated to drive delivery.</p> <p>Establish clear monitoring and reporting procedures.</p> <p>Identify enough projects to deliver carbon savings and climate resilience.</p> <p>Undertake relevant environmental assessments.</p>
Technology	Failure to invest in renewable and nature-based technology to reduce emissions and manage climate risks.	M	Development and delivery of this Vision and Plan.
Reputational	<p>Failure to lead with ambition in tackling the climate and associated economic risks and opportunities. Risk if commitment conflicts with other ambitions and decisions.</p> <p>Risk of delays to establishing governance/ progress</p>	H	<p>Establish strong citywide leadership and governance framework.</p> <p>Ensuring elements of the Net Zero Infrastructure Plan are delivered</p>

	Risk	Low (L), Medium (M), High (H)	Mitigation
	<p>with Plan, i.e. Covid-19.</p> <p>Failure to deliver a commitment to the Vision, and associated action may risk Aberdeen's ability to attract talent to drive economy and higher education</p> <p>Covid-19 recovery – and the challenges now facing the oil and gas industry and the implications for the city region's economy</p>		

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	<p>The proposals within this report support the delivery of following Policy Statement objectives:</p> <p>Economy 14. Work with both governments in order to unleash the non-oil and gas economic potential of the city</p> <p>People 11. Reduce fuel poverty across our most deprived communities through combined heat and power schemes including the Energy from Waste Plant</p> <p>Place 1. Build up existing strength in hydrogen technology 2. Support efforts to develop inward investment</p>
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The development and delivery of net zero and resilience actions directly support the delivery of LOIP Stretch Outcome 1 – 10% increase in employment across priority and volume growth

	<p>sectors by 2026. The overall outcome target must be to maintain and grow 36,000 jobs in the energy sector, including renewables.</p> <p>At the heart of the Energy Transition Zone project is the commitment to develop an ‘academy’ approach to developing vocational skills around energy transition involving schools, localities and North East Scotland College.</p>
Prosperous People Stretch Outcomes	The proposals in this report support the delivery of stretch outcome 11 - Healthy life expectancy (time lived in good health) is five years longer by 2026. Actions to reduce carbon emissions; and protect and improve the environment can have a positive impact on health and wellbeing.
Prosperous Place Stretch Outcomes	The proposals in this report support and go beyond the delivery of stretch outcome 14 - carbon emissions reduction by 42.5% by 2026 and adapting to the impacts of our changing climate. It can contribute to stretch outcome 15 – 38% of people walking and 5% of people cycling as main mode of travel by 2026
Regional and City Strategies	The net zero vision and infrastructure plan within this report support the Regional Economic Strategy, the Strategic Development Plan, Local Development Plan and Regional Transport Strategy by recommending the proposals and projects to meet objectives delivery an energy transition that supports economic development, reduction in carbon emissions and addressing climate change.
UK and Scottish Legislative and Policy Programmes	<p>The report sets out the City’s response to the Intergovernmental Panel on Climate Change set under the Paris Agreement Annual Child Poverty Action report and the UK Governments ambition to have Net Zero emission by 2045.</p> <p>The report also set out the City’s plans to me the Scottish Government’s Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, which amends the Climate Change (Scotland) Act 2009</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Not required

Data Protection Impact Assessment	Not required
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10. BACKGROUND PAPERS

- 10.1 Urgent Business Committee, 6 May 2020 - Net Zero Vision and Infrastructure Plan - PLA/20/088

11. APPENDICES

- 11.1 Appendix 1 – Net Zero Vision City Leadership Board – Terms of Reference
- 11.2 Appendix 2 – Net Zero Vision Delivery Unit – Terms of Reference.

12. REPORT AUTHOR CONTACT DETAILS

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Net Zero Vision – City Leadership Board – Proposed Terms of Reference

This document sets out a Terms of Reference for delivery of the Net Zero Vision and the Strategic Infrastructure Plan – Energy Transition. It proposes a membership and objectives for the Board.

<p>Vision</p> <p>The Net Zero Vision for city is: <i>We want Aberdeen to become a climate positive city at the same time, helping to lead the world on the rapid shift to a net zero future by leveraging its unique assets and capabilities to support the global energy transition.</i></p> <p>The vision for the Strategic Infrastructure Plan - Energy Transition is: <i>To outline infrastructure projects which will contribute to the city’s energy transition from fossil based to net carbon zero public sector; net carbon zero city and ultimately a climate positive city over the next few decades.</i></p> <p>To achieve these visions, Aberdeen City Council, working with leading experts in the field from across the United Kingdom and the world , will provide a renewed focus and strength of leadership that will see the city lead the way in managing the energy transition of a city as well as leading the way in the transition of our economy from one reliant on oil and gas to one leading the way in alternative energies.</p>
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The City Leadership Board - Proposed Membership
Aberdeen City Council - Chair
Centre for Cities
ONE
Crown Estate Scotland
Fraser of Allander Institute
Scottish Hydrogen Fuel Cells Association (SHFCA)
Offshore Renewable Energy Catapult
SGN
Oil & Gas Technology Centre
BP

Terms of Reference

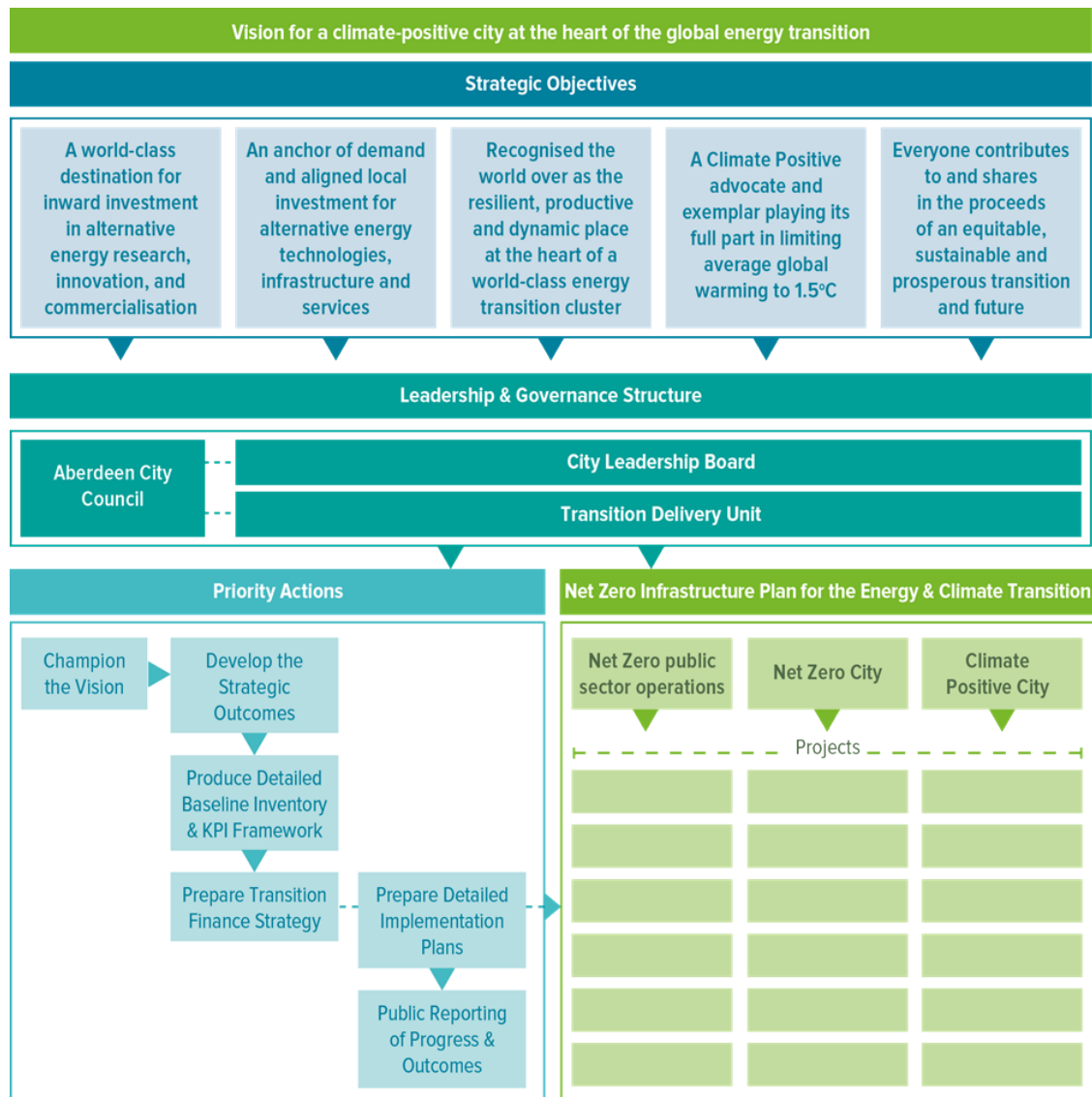
The terms of reference will be kept under review by the members.

1. Name of Group – City Leadership Board – Net Zero Vision

2. Purpose

To provide a platform for collective leadership of the drive to a net zero city, and to build consensus and champion the vision. It will lobby and promote the Vision and the ambition of the city ‘as one’ to the UK Government and the Scottish Government, making clear the scope and scale of the transition opportunity in Aberdeen. The UK and Scottish climate change targets will not be reached if cities like Aberdeen, as source of emissions, and in Aberdeen’s case having a competitive advantage in energy production, technology and innovation, are not successful. The Board will promote the Vision as a national infrastructure and economic development priority, particularly in response to the challenges of Covid-19, fluctuating oil prices and ensuring that the transition towards a net zero city is at the heart of national and regional economic recovery.

The diagram below illustrates the proposed City Leadership Board and its links to the proposed Delivery Unit.



3. Scope

The City Leadership Board will provide its leadership and expertise to:

- To ensure that Aberdeen is at the forefront of the UK and Scotland’s return to growth and is bringing a pipeline of projects forward for fiscal or innovative financial instruments that are likely to come on stream eg Green Growth Accelerator Model (GGAM) for local authorities;
- Articulate the case for investment in Aberdeen’s transition to a climate positive city, engaging all potential sources of investment capital;
- Ensure that all strategies, plans, investments and operational decisions affecting the city are conceived and executed with carbon emissions reduction, climate positive and energy transition outcomes at their heart;
- Raise a collective and unified voice on the transition opportunity in Aberdeen by encouraging all partners and stakeholders to align their activities with, and act as ambassadors for, the Vision;

- Raise awareness of the transition opportunity in Aberdeen with the UK Presidency of COP-26 and the rescheduled conference and supporting events in November 2021;
- Agree delivery milestones and work plans of the Delivery Unit;
- Monitor the effectiveness of implementation and delivery of the Strategic Infrastructure Plan towards the achievement of the overall vision.

4. Membership and Frequency of Meetings

The City Leadership Board will meet quarterly, taking place in Aberdeen and/ or virtually to accommodate attendance from all members. All meetings will be chaired by Councillor Laing, Co Leader of Aberdeen City Council.

5. Resources

The Board will be supported by officers of Aberdeen City Council, with resources from a range of stakeholders will be required to support the operational activity delivered by the workstreams within the Delivery Unit's work plans. Meeting agendas and minutes will be provided by Aberdeen City Council, including preparing agendas and supporting papers/ information.

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Aberdeen Net Zero Vision – Transition Delivery Unit – Proposed Terms of Reference

This document sets out a Terms of Reference for delivery of the Net Zero Vision and the Strategic Infrastructure Plan – Energy Transition. It proposes a membership and objectives for the Transition Delivery Unit.

<p>Vision</p> <p>The Net Zero Vision for city is: <i>We want Aberdeen to become a climate positive city, at the same time, helping to lead the world on the rapid shift to a net zero future by leveraging its unique assets and capabilities to support the global energy transition.</i></p> <p>The vision for the Strategic Infrastructure Plan - Energy Transition is: <i>To outline infrastructure projects which will contribute to the city’s energy transition from fossil based to net carbon zero public sector; net carbon zero city and ultimately a climate positive city over the next few decades.</i></p> <p>To achieve these visions, Aberdeen City Council, working with leading experts in the field from across the United Kingdom and the world , will provide a renewed focus and strength of leadership that will see the city lead the way in managing the energy transition of a city as well as leading the way in the transition of our economy from one reliant on oil and gas to one leading the way in alternative energies.</p>

Transition Delivery Unit - Proposed Membership
Centre of Energy Transition
Aberdeen Climate Action
RGU – Energy Transition Unit
Opportunity North East (ONE)
Scottish Enterprise
Skills Development Scotland
Oil and Gas Technology Centre – Net Zero Solutions
Scottish Environmental Protection Agency
NESTRANS
Aberdeen Renewable Energy Group
Aberdeen Heat and Power
Project and Industry Partners (where applicable)

Terms of Reference

The terms of reference will be kept under review by the members.

1. Name of Group – Net Zero Transition Delivery Unit

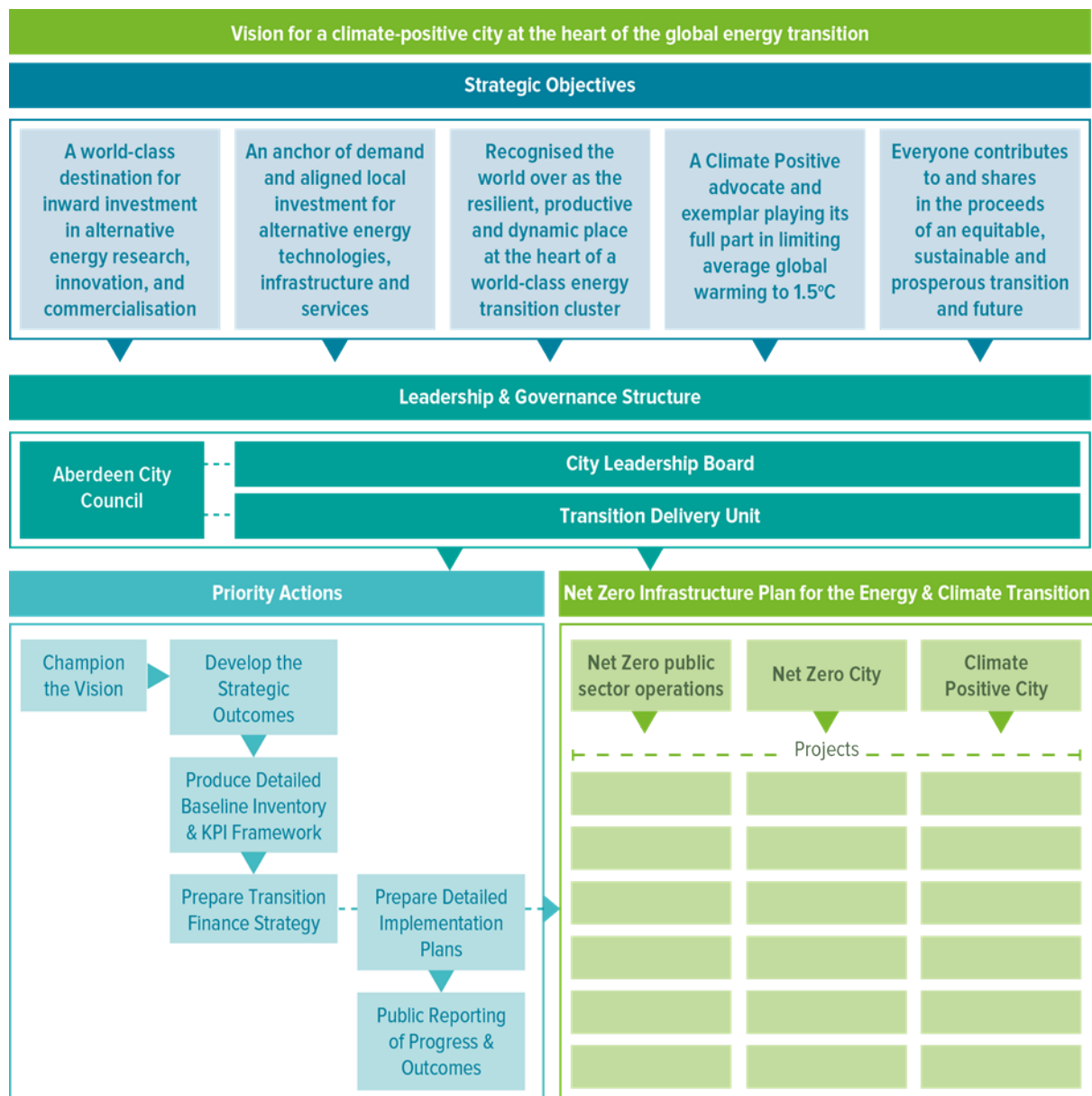
2. Purpose

The purpose of the Transition Delivery Unit is to coordinate the work required, and take appropriate operational responsibility, to progress the Priority Actions identified as part of the Net Zero Vision and Strategic Infrastructure Plan – Energy Transition, which sits alongside the Vision.

In doing so co-ordinating and delivering place-based actions to drive emission reduction and build climate resilience. Including implementation of related activity to tackle climate change, through city mitigation and adaptation programmes, such as Powering Aberdeen and Aberdeen Adapts.

It is essential the transition is underpinned by robust accurate data. The Transition Delivery Unit will develop and oversee an 'Advisory Group' to produce the baseline inventory and KPI framework and oversee and work with them to monitor the contribution of projects in terms of environmental KPIs and benefits.

The diagram below illustrates the proposed Transition Delivery Unit and its links to the proposed City Leadership Board.



3. Scope

- Coordinates and takes appropriate operational responsibility for the work needed to progress and deliver the Priority Actions:
 - Champion the Vision
 - Develop the strategic outcomes
 - Produce detailed baseline inventory and KPI framework
 - Prepare transition finance strategy
 - Prepare detailed implementation plans
 - Public reporting of progress and outcomes
- Promoting the vision and objectives within their own organisations.
- Develop an 'Advisory Group' to produce the baseline inventory and KPI framework and oversee and work with them to monitor the benefits of the transition
- Support development of outline and full business cases on priority projects
- Oversee delivery of the detailed implementation plans.
- Provide direction and make decisions on any emerging risks and issues in relation to the delivery of the plans.

- Provide technical competencies required to support the ongoing analysis and delivery of the transition.
- Produce an Annual Progress & Impact Report showing the steps taken to implement the vision and strategic outcomes.
- Report progress to the City Leadership Board.

4. Membership and Frequency of Meetings

The Transition Delivery Unit will aim to meet at least four times per year, additional meetings may be scheduled, as necessary. The meetings will be called by the chair and will take place in Aberdeen and/ or virtually to accommodate attendance from all members.

5. Resources

The Transition Delivery Unit will be supported by officers of Aberdeen City Council, with resources from a range of stakeholders required to support the operational activity delivered by the workstreams within the Delivery Unit's work plans. It is anticipated that the University of Aberdeen would lead on the establishment of a baseline and monitoring framework.

ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	30 June 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Covid-19 - Governance Arrangements Update
REPORT NUMBER	COM/20/094
CHIEF OFFICER	Fraser Bell
REPORT AUTHORS	Fraser Bell and Martyn Orchard
TERMS OF REFERENCE	UBC 1

1. PURPOSE OF REPORT

- 1.1 To provide an update on the governance arrangements put in place to facilitate decision-making during the Covid-19 pandemic.

2. RECOMMENDATIONS

That the Committee:-

- 2.1 notes that the governance arrangements put in place are positively contributing to the Council's response to the Covid-19 pandemic;
- 2.2 notes the Scottish Government's advice for the easing of restrictions as contained within its Covid-19 Framework for Decision Making;
- 2.3 notes that at the meeting of the Urgent Business Committee on 20 March 2020, the Committee agreed to review the retention or otherwise of the temporary Standing Order providing for remote participation and whether Full Council, committee, sub-committee and working group meetings should proceed from 24 August 2020;
- 2.4 approves the proposed diary of meetings for the remainder of 2020 and 2021 (Appendix 1);
- 2.5 determines whether or not to continue with the current membership of the Urgent Business Committee;
- 2.6 determines whether or not to maintain the Standing Order providing for remote participation;
- 2.7 approves the amendments to the Aberdeen City Region Deal Joint Committee Standing Orders as set out in paragraph 5.2 of the report; and
- 2.8 appoints one elected member as the Council's representative on KIMO with immediate effect.

3. BACKGROUND

- 3.1 On 16 March 2020, the Chief Executive established strategic and tactical decision-making structures to respond to the development of the Covid-19 pandemic. The structures followed the principles of the Council's approved Generic Emergency Plan. The Urgent Business Committee met on 20 March 2020 and received an update from the Chief Executive on the arrangements put in place both within the Council and across the Grampian Local Resilience Partnership (LRP) to manage the implications of the pandemic.
- 3.2 The Urgent Business Committee also considered a report by the Chief Officer - Governance. The Committee agreed several measures to facilitate decision-making in light of the Covid-19 pandemic and the UK and Scottish Government advice for people to restrict social contact. The changes included:
- a) with exceptions, cancelling Full Council, Committee and Sub-Committee meetings between 23 March 2020 and 21 August 2020;
 - b) revising the membership of the Urgent Business Committee to five members;
 - c) permitting participation in Council meetings from 'remote' locations; and
 - d) updating the Powers Delegated to Officers.
- 3.3 The Committee also agreed to review whether Full Council, committee, sub-committee and working group meetings should proceed from 24 August 2020 and delegated authority to the Chief Officer – Governance to determine any necessary arrangements. It also agreed to review the changes made to Standing Orders to provide for remote participation. This report provides an update on the operation of the arrangements to date.

4. THE RESPONSE

- 4.1 The Council's response to the Covid-19 pandemic can be categorised against three stages:
- a) rescue;
 - b) transition; and
 - c) long term recovery.

Rescue

- 4.2 Since the Urgent Business Committee met on 20 March 2020, the organisation has largely been in the 'rescue' stage of the response. During this stage, the Corporate Management Team (strategic level) and the Incident Management Team (tactical level) have met weekly. During the initial weeks of the rescue stage, the Incident Management Team (IMT), chaired by the Duty Emergency Response Coordinator (DERC), met daily and often more frequently at very

short notice in order to make the necessary decisions to protect the health and wellbeing of the public as the situation evolved rapidly. Each decision made by the DERC under the Scheme of Governance, following consultation with the IMT, has been logged against any relevant guidance and legislation at the time. In accordance with the Scheme of Governance, it is intended that these decisions will be reported to a future meeting of Full Council or an Urgent Business Committee. This is expected to be following the country's move to Phase 4 when it is anticipated that the emergency response structures will be able to step down.

- 4.3 During the rescue stage, an Urgent Business Committee meeting was held remotely on 6 May 2020. This operated with the reduced membership of five as agreed by the committee on 20 March 2020. There have also been two remote meetings of the Planning Development Management Committee and a remote meeting of the Licensing Sub Committee. The ability to participate remotely has been essential to allow elected members and staff to participate in committee meetings whilst complying with the UK and Scottish Government legislation. All meetings, which had a membership of between five and nine, operated successfully. The committee may therefore wish to review the current membership of the Urgent Business Committee with a view to reinstating it to nine elected members.
- 4.4 The footage of each meeting was uploaded to the internet after each meeting was closed. Previously, only meetings of Full Council were uploaded to the internet. Initial testing for the 'livestreaming' of council meetings has taken place. Should the Council require to livestream meetings and the committee instructs officers accordingly, it is anticipated that this could be put in place for meetings from 24 August 2020. This would allow time for the recommencement of further testing within the Town House premises and for the completion of training in line with the committee's decision.
- 4.5 The reduced number of committee meetings during the rescue stage has provided the organisation with the necessary capacity to take the action required to prioritise the health and wellbeing of the public. Any decisions of an urgent nature during the response stage have either been made by the DERC or have been brought to the relevant committee meeting that has taken place to date since 20 March 2020.
- 4.6 The Improvement Service recently carried out an analysis of the political governance arrangements put in place in Scottish Councils. 24 of the 32 local authorities provided information on their response to the pandemic. Key findings included:
 - a) 23 councils were holding at least one committee or sub-committee meeting remotely. These were either entirely remote or a hybrid of physical and remote attendance.
 - b) 9 councils had not restarted formal meetings with decisions being taken by officers under delegated authority following consultation with relevant members.
 - c) 2 councils had allowed the public to attend and participate in remote meetings. Most councils are exploring options for, or plan to allow members

of the public/media to attend remotely, watch live or participate in some way in future meetings. Others had made provision for, or were exploring, making video or audio recording available following meetings.

- 4.7 The Improvement Service summarised that Councils are best placed to determine themselves what political governance arrangements to put in place based on their particular needs, culture, political composition, available technology, skill base and resource.

Transition

- 4.8 On 21 May 2020, the First Minister presented the Scottish Government's Covid-19 Framework for Decision Making. This Framework indicates that the response to the pandemic nationally is beginning to move from the 'rescue' stage to the 'transition' stage; that is the stage bridging 'rescue' with 'recovery'. The Framework sets out a route map against four phases through which the Scottish Government will aim to ease existing restrictions. The four phases are gradual and incremental, and each phase will be triggered following careful monitoring of the virus. The route map provides an indication of the order in which the government will seek to lift current restrictions but at this point does not specify dates for all of the different phases. Instead, every three weeks the government will review and report on whether, and to what extent, it can move from one phase to another. It may be that not everything currently listed in a single phase will happen at the same time. The First Minister confirmed on 28 May 2020 that the country was moving to Phase 1 with the easing of restrictions taking place with effect from 29 May 2020. At the second review on 18 June 2020, the First Minister announced that the country was moving to Phase 2. At the second review, the First Minister indicated that not all measures set out in Phase 2 of the Scottish Government's Route Map would come into effect immediately. This demonstrates that a flexible approach will be taken to the easing of restrictions against the Route Map and that there is no absolute certainty on when specific restrictions will be lifted. The next review date will be on 9 July 2020 (when the country may move to Phase 3) followed by another review on 30 July (when the country may move to Phase 4).
- 4.9 Phases 1 and 2 stipulate that remote working is to remain the default position for those who can. Phase 3 also stipulates that remote working is to remain the default position for those who can, however indoor office workplaces can reopen once relevant guidance has been agreed and with physical distancing. Phase 4 stipulates that remote and flexible working remains encouraged and that all types of workplaces can be open in line with public health advice. It is anticipated that the advice at Phase 4 will include a requirement to have some form of physical distancing in place.
- 4.10 At the time of writing, plans are being developed for the reopening of the Council's buildings in response to the Scottish Government's Route Map. The gradual opening of the Council's buildings will require to be fully risk assessed prior to opening. It is likely that these assessments, taking account of government guidance, will require a significant reduction in the capacity of the Council's buildings to provide for physical distancing measures. This could have a significant impact on the capacity of the Council's buildings. The current

priorities are to develop and implement solutions for those buildings which are essential to stepping up those critical services impacted by Phases 1 and 2. This includes preparations to re-open the education estate. It is anticipated that the re-opening of the Town House will begin during Phase 3. As set out above, it is not clear when the government will move into Phase 3 but it is likely to be 9 July at the earliest.

- 4.11 Taking into account the above, it is not anticipated that meetings will be able to take place in the Town House until at least Phase 3. As set out above, when the Town House eventually re-opens, physical distancing will likely be in place and this will reduce the capacity of the building. It is likely that all meetings would need to be held in larger meeting rooms to enable members, officers and the public to comply with physical distancing. This can be done relatively easily for most Committee, Sub-Committee and Working Group meetings, although consideration would need to be given to the Education Operational Delivery Committee which has a larger membership than other committees. However, Full Council meetings would present more of a logistical challenge, with social distancing impossible within the Council Chamber if all 44 elected members were in attendance, along with officers. If Full Council meetings are to recommence from 24 August 2020 onwards as currently scheduled (see Appendix 1), and take place in the Town House, it would likely necessitate that a number of elected members and officers attend the meeting remotely to enable social distancing to be maintained. This would require Standing Order 16 on remote participation to be retained. The Council Chamber would need to be assessed and measured under such circumstances but initial estimates are that a maximum of 15 elected members (including the Lord Provost) would be able to be seated in the Chamber, and a maximum of 4 officers given a dedicated seat with a microphone (one either side of the Lord Provost and two in the well). Restrictions would also need to be put in place in the public and press galleries. Should members retain the ability to provide for remote participation through Standing Order 16, further testing will be carried out in the Town House to ensure the effective operation of 'hybrid' meetings where some members are present and others are participating remotely.
- 4.12 The Council Diary for 2021 is the only item of business currently scheduled for Full Council on 24 August 2020. It is proposed that the Urgent Business Committee, in considering whether to recommence the committee structure in full, also consider the 2021 diary. This will allow a more holistic approach to be taken when determining the political governance arrangements from 24 August 2020. Should members approve the 2020/2021 diary today, there would be no business scheduled for Full Council on 24 August 2020 at the time of writing.
- 4.13 The organisation's emergency response structures will continue to operate to oversee the transition stage as services are reinstated. All proposals to reinstate services are being fully risk assessed against the route map and the rapidly developing government guidance. This includes testing against the context of the financial challenges which are set out in the Financial Resilience report on this agenda. This will help to ensure that services are reinstated in a safe, timely and affordable manner and in accordance with the decisions of the Urgent Business Committee today.

- 4.14 The precise timing of when the emergency response structures will step down will be kept under review and will depend on the Government guidance. It is, however, anticipated that the emergency response structures may be able to step down in August when the country may be entering Phase 4 of the Scottish Government's Route Map. It is therefore recommended that committee meetings re-commence in August as set out in Appendix 1. The Council's 'business as usual' structures would continue to monitor the ongoing risk posed by Covid-19 thereafter.

Long Term Recovery

- 4.15 The Grampian Local Resilience Partnership (LRP) recently adjusted its Covid-19 strategic objectives. Most notably, one of the LRP's newer objectives is to, 'identify, learn and adapt for early recovery'. Consistent with the LRP's approach, the Corporate Management Team has overseen a 'lessons learned' exercise carried out by the Chief Officer - Governance in respect of the Council's approach to the 'rescue' stage. This work, together with the government's route map, is helping to inform the approach to be taken to safely step down the Covid-19 response structures set out above as the country gradually transitions to long term recovery.
- 4.16 In stepping down the response structures (anticipated to be in August) and moving to a degree of normality, the Council will also have to account for the significant demands placed on the organisation to support the long term recovery from the pandemic. For example, at the end of May, the government launched the 'Test and Protect' initiative. This is Scotland's approach to implementing the 'test, trace, isolate and support' strategy. It is a public health measure designed to reduce transmission of Covid-19 in the community. Test and Protect is critical to the country's ability to move through the four phases into long term recovery. CoSLA recently approved to support the 'isolate' and 'support' aspects of the approach. At the time of writing, further guidance is anticipated from the government on the role of local government. At this stage, no clarity has been given on any financial support that may be available to support local government. However, it is anticipated that the 'Test and Protect' initiative will be in place for 24 months. This could significantly increase demand on the Council's resources, including its finances and our staff, at a time when the organisation is managing the delicate task of recovery. At the time of writing, and as set out in the Financial Resilience item on this agenda, it is difficult to anticipate the precise impact on the organisation. There may also be an impact on the organisation should employees or elected members need to self-isolate in accordance with the Test & Protect process. With the committee structure scheduled to recommence from 24 August 2020, it is anticipated that several items of business as set out in committee business planners will be deferred, withdrawn or consolidated with other items of business as the organisation continues to prioritise available resource to meet the continuing demands and risks to the organisation.
- 4.17 As members will be aware, Covid-19 enquiries are currently being raised through Group Leaders. However, as the organisation steps down the emergency response structures and moves into long term recovery, it is anticipated that members' enquiries, including those relating to Covid-19, can

again be pursued through the usual channels. As set out in the Member Officer Relations Protocol, where information is required from a service for case work, this will be sought through the members' enquiries online portal. This will allow for performance tracking. Where a member wishes to raise a request for a service on behalf of a constituent, then this could be done so through the appropriate channel, for example online (<https://www.aberdeencity.gov.uk/services/have-your-say/online-services>) where possible, or telephone. It is anticipated that an optimum time for all such enquiries to go through the portal is when the country moves to Phase 4. This will provide an opportunity to manage the transition of team managers back to Customer Feedback without negatively impacting the Crisis Support Line. Further information will be distributed to members in due course.

- 4.18 The Council's governance arrangements will be kept under continuous review as the country and the organisation transitions to recovery. It will be important to ensure that the arrangements agreed today remain proportionate and effective to the developing demands and available resource and do not have an adverse impact on the transition and recovery stages of the Council's response. Account will also have to be given to the easing of restrictions through the government's Route Map and associated guidance. For example, if the government opts not to sequentially proceed through the Route Map this could have implications for the governance arrangements and the decisions made today. It is noted that an Urgent Business Committee may be called to revisit the governance arrangements following consideration of this report should circumstances change.

5. ABERDEEN CITY REGION DEAL JOINT COMMITTEE STANDING ORDERS

- 5.1 The Aberdeen City Region Deal Joint Committee on 5 June 2020 approved a report which contained recommendations to facilitate and enable full remote decision-making to include confidential and exempt information for the Aberdeen City Region Deal Joint Committee in light of the Covid-19 pandemic and UK and Scottish Government guidance. The Joint Committee's governance arrangements specify that amendments to its Standing Orders require to be approved by the constituent authorities, i.e. Aberdeen City Council and Aberdeenshire Council. Aberdeenshire Council are due to consider the matter at their Full Council meeting on 25 June 2020.
- 5.2 The recommendations approved by the Joint Committee are as follows:-
- a) Agrees in principle an amendment to the Joint Committee's Standing Order 22 to enable the Chairperson and Vice Chairperson to cancel meetings;
 - b) Agrees in principle an amendment to the Joint Committee's Standing Order 32 and 33 to enable remote access for full meetings, including any confidential and exempt business;
 - c) Agrees in principle to delegate authority to the Chief Officer - City Growth, Aberdeen City Council and the Head of Economic Development and Protective Services, Aberdeenshire Council, following consultation with the Chair and Vice Chair of the Joint Committee, to submit performance reports as required by the

Scottish Government in exceptional circumstances where a meeting of the Joint Committee cannot be held. Any such action to be notified to members of the Joint Committee; and

- d) Agrees that the situation be kept under review and that a report be submitted to the Joint Committee at the appropriate time.

5.3 It is recommended that the Urgent Business Committee approves these changes.

6. MEMBERSHIP OF KIMO

6.1 At the Full Council meeting on 2 March 2020, appointments were made to outside bodies. An appointment was sought for an elected member to be the Council's representative on KIMO (Kommunenenes Internasjonale Miljøorganisasjon), however the position was left vacant at that meeting.

6.2 KIMO was founded by local municipalities with a shared concern for the state of the environment, in response to a series of emerging environmental threats. KIMO is a local authorities international environmental organisation designed to give municipalities a political voice at regional, national and international level.

6.3 The Council is still a member of KIMO and officers and colleagues from KIMO have requested that an elected member be appointed. The KIMO International Conference and Annual General Meeting is due to take place (legislation and guidance permitting) within Aberdeenshire in October 2020, therefore the Council would be expected to be represented at the event.

7. FINANCIAL IMPLICATIONS

7.1 Approval of the recommendations contained within the report will have no direct financial implications.

8. LEGAL IMPLICATIONS

8.1 The governance arrangements put in place reflect the Council's Generic Emergency Plan and have enabled the Council to comply with its duties under the Civil Contingencies Act 2004 in response to the pandemic.

8.2 The Coronavirus (Scotland) Act 2020 came into force on 7 April 2020. Schedule 6, paragraph 13 provides that "the public are to be excluded from a meeting of a local authority whenever it is likely that, if members of the public were present, there would be a real and substantial risk to public health due to infection or contamination with coronavirus". It is anticipated that members of the public may be able to attend Council meetings from Phase 3, subject to government guidance at the time, including physical distancing. In the meantime, all committee meetings held remotely to date have been recorded and uploaded to the internet. This has helped to increase online accessibility to all Council meetings. Previously only meetings of Full Council were available to watch online.

9. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	N/A		
Compliance	Implementation of a course of action which is not recommended or has not been sufficiently checked may be in breach of the relevant legislation	L	Any alternative proposals will need to be raised sufficiently far in advance to be investigated in terms of both feasibility and compliance with the relevant legislation.
Operational	A return to meetings in a fixed location without due regard to guidance would be a risk to public health. Cyber security risks associated with online committee meetings.	M M	Continuation of Standing Order 16 would enable members and staff to attend meetings remotely. Detailed consideration of physical distancing measures will be required if/when meetings return to a fixed location. Appropriate local guidance to be developed and implemented. Rigorous testing and checks have been carried out.
Financial	N/A		
Reputational	Failure to provide the public access to meetings which were previously publicly accessible could expose the Council to criticism.	M	Publication of recordings of committee meetings immediately following the meeting. Previously only Full Council meetings available online.
Environment / Climate	An increase in carbon emissions from elected members and officers travelling to the city centre for meetings in fixed places.	M	Remote participation may reduce the need for elected members and officers to travel into the city centre to attend Council meetings.

10. OUTCOMES

The proposals in this report have no direct impact on the Local Outcome Improvement Plan.

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The proposals in the report have no direct impact on the Policy Statement.
Regional and City Strategies	Recommendation 2.7 specifically relates to the Aberdeen City Region Deal Joint Committee which oversees the City Region Deal Programme. Approval of this recommendation would enable the smooth operation of the Joint Committee's governance arrangements and by extension the City Region Deal Programme.
UK and Scottish Legislative and Policy Programmes	The report complies with the Coronavirus (Scotland) Act 2020, as referenced in the legal implications.

11. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Not required
Data Protection Impact Assessment	Not required

12. BACKGROUND PAPERS

12.1 Scottish Government, 'Scotland's Route Map Through and Out of the Crisis'

13. APPENDICES

Appendix 1 - Council Diary July 2020 to December 2021

14. REPORT AUTHOR CONTACT DETAILS

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APPENDIX 1

JULY

2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
			1 Community Planning Aberdeen Board (2pm)	2 Planning Development Management Committee (10am) Pre Application Forum (2pm)	3	4
5	6	7	8	9 Planning Development Management Committee (visits) (9.30am if required)	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

2020

AUGUST

2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
						1
2	3	4	5	6	7	8
9	10	11 SCHOOLS DUE BACK	12 Community Planning Aberdeen Management Group (2pm)	13	14	15
16	17	18 Licensing Board (10.30am)	19	20 Planning Development Management Committee (10am) Pre Application Forum (2pm)	21 Grampian Joint Valuation Board (Woodhill House 10.30am)	22
23	24 Council (10.30am)	25 Risk, Audit and Performance Committee (10am Health Village)	26 Local Review Body (10am)	27 Planning Development Management Committee (visits) (9.30am if required) Strategic Commissioning Committee (2pm)	28	29
30	31 OFFSHORE NORTH SEA - STAVANGER					

2020

SEPTEMBER

2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
		1 OFFSHORE NORTH SEA - STAVANGER Licensing Committee (10am)	2 OFFSHORE NORTH SEA - STAVANGER	3 OFFSHORE NORTH SEA - STAVANGER	4	5
6	7	8 Integration Joint Board (Health Village 10am)	9	10 Operational Delivery Committee (2pm)	11 Pensions Committee and Board (10.30am)	12
13	14	15	16 Community Planning Aberdeen Board (2pm)	17 Education Operational Delivery Committee (10am)	18 <u>SCHOOL</u> <u>HOLIDAY</u>	19
20	21 <u>SCHOOL</u> <u>HOLIDAY</u>	22	23 Capital Programme Committee (2pm)	24 Planning Development Management Committee (10am) Pre Application Forum (2pm)	25	26
27	28 Elected Members Development Day	29 Staff Governance Committee (2pm)	30 Local Review Body (10am)			

2020

OCTOBER

2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
				1 Planning Development Management Committee (visits) (9.30am if required)	2	3
4	5	6	7 Public Protection Committee (10am)	8 Audit Risk and Scrutiny Committee (2pm)	9 SCHOOL TERM ENDS	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26 SCHOOLS BACK Elected Members Development Day	27 Licensing Board (10.30am)	28 City Growth and Resources Committee (2pm)	29 Community Planning Aberdeen Management Group (2pm)	30	31

2020

NOVEMBER

2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
1	2	3 Risk, Audit and Performance Committee (10am Health Village)	4 Local Review Body (10am)	5 Planning Development Management Committee (10am) Pre Application Forum (2pm)	6 Grampian Joint Valuation Board (Woodhill House 10.30am)	7
8	9	10 Licensing Committee (10am)	11	12 Planning Development Management Committee (visits) (9.30am if required) Strategic Commissioning Committee (2pm)	13	14
15	16	17	18 Capital Programme Committee (2pm)	19 Operational Delivery Committee (2pm)	20 IN SERVICE DAY	21
22	23	24 Staff Governance Committee (2pm)	25 Local Review Body (10am)	26 Education Operational Delivery Committee (10am)	27	28
29	30 Elected Members Development Day					

2020

DECEMBER

2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
		1 Integration Joint Board (Health Village 10am)	2 Public Protection Committee (10am)	3 Community Planning Aberdeen Board (2pm)	4	5
6	7	8 Licensing Board (10.30am)	9 Audit Risk and Scrutiny Committee (2pm)	10 Planning Development Management Committee (10am) Pre Application Forum (2pm)	11 Pensions Committee and Board (10.30am)	12
13	14 Council (10.30am)	15	16 Local Review Body (10am)	17 Planning Development Management Committee (visits) (9.30am if required)	18 SCHOOL TERM ENDS	19
20	21	22	23	24	25	26
27	28	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
					1	2
3	4	5 <u>SCHOOLS</u> <u>BACK</u>	6 Local Review Body (10am)	7	8	9
10	11	12 Clinical and Care Governance Committee (10am)	13 Operational Delivery Committee (2pm)	14	15	16
17	18	19 Licensing Committee (10am)	20 Education Operational Delivery Committee (10am)	21 Planning Development Management Committee (10am) Pre Application Forum (2pm)	22	23
24	25 Elected Members Development Day	26 Risk, Audit and Performance Committee (10am Health Village)	27	28 Planning Development Management Committee (visits) (9.30am if required) Capital Programme Committee (2pm)	29	30
31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
	1 Staff Governance Committee (2pm)	2 Licensing Board (10.30am)	3 City Growth and Resources Committee (2pm)	4	5 Grampian Joint Valuation Board (Woodhill House 10.30am)	6
7	8	9	10 Local Review Body (10am)	11 Strategic Commissioning Committee (2pm)	12	13
14	15 MID TERM HOLIDAY	16 IN SERVICE DAY	17 IN SERVICE DAY	18 Planning Development Management Committee (10am) Pre Application Forum (2pm)	19	20
21	22	23 Integration Joint Board (Health Village 10am)	24 Audit Risk and Scrutiny Committee (2pm)	25 Planning Development Management Committee (visits) (9.30am if required)	26	27
28						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
	1	2 Council Budget (2pm)	3 Council (10.30am)	4 Community Planning Aberdeen Board (2pm)	5	6
7	8	9 Public Protection Committee (10am)	10 Local Review Body (10am)	11 Operational Delivery Committee (2pm)	12	13
14	15	16 Licensing Committee (10am)	17 Education Operational Delivery Committee (10am)	18 Planning Development Management Committee (10am) Pre Application Forum (2pm)	19	20
21	22 Elected Members Development Day	23 Integration Joint Board (Health Village 10am)	24 Capital Programme Committee (2pm)	25 Planning Development Management Committee (visits) (9.30am if required)	26 Pensions Committee & Board (10.30am) SCHOOL TERM ENDS	27
28	29	30	31			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
				1	2 <u>GOOD FRIDAY</u>	3
4	5 <u>EASTER MONDAY</u>	6	7	8	9	10
11	12 <u>SCHOOL BACK</u> Staff Governance Committee (2pm)	13 Licensing Board (10.30am)	14 Local Review Body (10am)	15 Strategic Commissioning Committee (2pm)	16	17
18	19 <u>LOCAL HOLIDAY</u>	20	21	22 Planning Development Management Committee (10am) Pre Application Forum (2pm)	23	24
25	26 Elected Members Development Day	27	28 Public Protection Committee (10am) Community Planning Aberdeen Board (2pm)	29 Planning Development Management Committee (visits) (9.30am if required)	30	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
						1
2	3 <u>MAY DAY HOLIDAY</u> OFFSHORE TECHNOLOGY CONFERENCE - HOUSTON	4 IN SERVICE DAY OFFSHORE TECHNOLOGY CONFERENCE - HOUSTON	5 OFFSHORE TECHNOLOGY CONFERENCE - HOUSTON Local Review Body (10am)	6 OFFSHORE TECHNOLOGY CONFERENCE - HOUSTON	7	8
9	10	11 City Growth and Resources Committee (2pm)	12 Audit Risk and Scrutiny Committee (2pm)	13	14	15
16	17	18 Licensing Committee (10am)	19	20 Planning Development Management Committee (10am) Pre Application Forum (2pm)	21	22
23	24 Elected Members Development Day	25 Integration Joint Board (Health Village 10am) Licensing Board (10.30am)	26 Capital Programme Committee (2pm)	27 Local Review Body (10am) Operational Delivery Committee (2pm)	28 Planning Development Management Committee (visits if required 9.30am)	29
30	31					

2021

JUNE

2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
		1	2	3 Education Operational Delivery Committee (10am)	4	5
6	7 Staff Governance Committee (2pm)	8	9	10	11	12
13	14 Elected Members Development Day	15	16 Local Review Body (10am) Strategic Commissioning Committee (2pm)	17 Planning Development Management Committee (10am) Pre Application Forum (2pm)	18 Grampian Joint Valuation Board (Moray 10.30am)	19
20	21 Council (10.30am)	22 Integration Joint Board (Health Village 10am)	23 Public Protection Committee (10am)	24 Planning Development Management Committee (visits if needed 9.30am) City Growth and Resources Committee (2pm)	25 SCHOOL TERM ENDS Pensions Committee and Board (10.30am) Pension Board Annual Meeting (following Committee)	26
27	28	29 Licensing Committee (10am)	30 Audit Risk and Scrutiny Committee (2pm)			

2021

JULY

2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
				1	2	3
4	5	6 Integration Joint Board (Health Village 10am)	7 Community Planning Aberdeen Board (2pm)	8	9	10
11	12 <u>LOCAL HOLIDAY</u>	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
1	2	3	4	5	6	7
8	9 Elected Members Development Day	10 City Growth and Resources Committee (2pm)	11	12	13	14
15	16 IN SERVICE DAY	17 <u>SCHOOL BACK</u> Licensing Board (10.30am)	18	19 Planning Development Management Committee (10am) Pre Application Forum (2pm)	20 Grampian Joint Valuation Board (Woodhill House 10.30am)	21
22	23 Council (10.30am)	24 Integration Joint Board (Health Village 10am)	25 Local Review Body (10am)	26 Planning Development Management Committee (visits) (9.30am if required)	27	28
29	30	31 Licensing Committee (10am)				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
			1	2	3	4
5	6	7 OFFSHORE EUROPE – P&J LIVE	8 OFFSHORE EUROPE – P&J LIVE	9 OFFSHORE EUROPE – P&J LIVE	10 OFFSHORE EUROPE – P&J LIVE	11
12	13	14	15 Local Review Body (10am) Community Planning Aberdeen Board (2pm)	16 Operational Delivery Committee (2pm)	17 Pensions Committee and Board (10.30am)	18
19	20	21	22 Capital Programme Committee (2pm)	23 Education Operational Delivery Committee (10am)	24 <u>SCHOOL HOLIDAY</u>	25
26	27 <u>SCHOOL HOLIDAY</u> Elected Members Development Day	28 Staff Governance Committee (2pm)	29 Audit, Risk & Scrutiny Committee (2pm)	30 Planning Development Management Committee (10am) Pre Application Forum (2pm)		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
					1	2
3	4	5 Licensing Board (10.30am)	6 Local Review Body (10am) Strategic Commissioning Committee (2pm)	7 Planning Development Management Committee (visits) (9.30am if required)	8 SCHOOL TERM ENDS	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25 SCHOOLS BACK Elected Members Development Day	26 Licensing Committee (10am)	27 Public Protection Committee (10am)	28	29	30
31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
	1	2 Integration Joint Board (Health Village 10am)	3 City Growth and Resources Committee (2pm)	4 Planning Development Management Committee (10am) Pre Application Forum (2pm)	5 Grampian Joint Valuation Board (Moray 10.30am)	6
7	8	9	10	11 Planning Development Management Committee (visits) (9.30am if required)	12	13
14	15	16	17 Local Review Body (10am)	18 Operational Delivery Committee (2pm)	19 IN SERVICE DAY	20
21	22	23 Staff Governance Committee (2pm)	24	25 Education Operational Delivery Committee (10am)	26	27
28	29 Elected Members Development Day	30 Licensing Board (10.30am) Community Planning Aberdeen Board (2pm)				

2021

DECEMBER

2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
			1 Capital Committee (2pm)	2 Audit Risk and Scrutiny Committee (2pm)	3	4
5	6	7 Public Protection Committee (10am)	8 Local Review Body (10am) Strategic Commissioning Committee (2pm)	9 Planning Development Management Committee (10am) Pre Application Forum (2pm)	10 Pensions Committee and Board (10.30am)	11
12	13 Council (10.30am)	14 Licensing Committee (10am)	15	16 Planning Development Management Committee (visits) (9.30am if required)	17	18
19	20	21 SCHOOL TERM ENDS	22	23	24	25
26	27	28	29	30	31	

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ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	30 June 2020
EXEMPT	Not exempt: Covering Report; Appendix 1 – Workplan, Summary of business cases Exempt: Yes – Paragraph 8 - Appendix 2 The report refers to the amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services provided that disclosure to the public of the amount there referred to would be likely to give an advantage to a person or organisation entering, or seeking to enter, a contract with the Council.
CONFIDENTIAL	No
REPORT TITLE	Workplan & Business Cases – Revenue
REPORT NUMBER	COM/20/096
DIRECTOR	Rob Polkinghorne
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Craig Innes
TERMS OF REFERENCE	Remit 1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present procurement workplans where expenditure is included for the Resources Function to Committee for review and to seek approval of the total estimated expenditure for the proposed contracts as contained in the Procurement Business Cases appended to the report.

2. RECOMMENDATIONS

It is recommended that the Committee: -

- 2.1 reviews the workplans as detailed in the Appendices;
- 2.2 approves the procurement business cases, including the total estimated expenditure for the proposed contracts; and
- 2.3 approve the direct awards of contract where there are special circumstances outlined in each of the respective procurement business cases which justify not issuing a tender or calling off from a framework agreement.

3. BACKGROUND

- 3.1 The ACC Procurement Regulations 2020 require that authority to incur expenditure must be sought prior to any invitation to tender or contract entered into. The method of authorising depends upon the contract value, with contracts above £50,000 (supplies/services) or £250,000 (works) to be listed on a workplan with an associated Procurement Business Case and submitted

by the relevant Chief Officer to the Strategic Commissioning Committee (Revenue budget only), and/or to City Growth and Resources Committee (Capital and Capital with Revenue implications). The approval of the applicable Committee is required prior to the procurement being undertaken.

- 3.2 Due to the current COVID-19 arrangements, on this occasion the business cases are presented to the Urgent Business Committee for approval.
- 3.3 Committee is asked to review the Resources Function workplans and to approve the expenditure detailed in the Procurement Business Cases appended to the report.
- 3.4 Approval of the appended Business Cases is sought to enable the areas of business to continue however, considering the current dynamic situation, it is prudent for all procurements to be reviewed by Head of Commercial and Procurement following tender returns and prior to entering into a formal contract. Should the Head of Commercial and Procurement Services deem it not to be in the best interests of the authority to continue with the procurement at that time, the procurement will not progress and the Head of Commercial and Procurement Services will notify the Urgent Business Committee accordingly.
- 3.5 There are no business cases for the Commissioning, Customer or Operations Functions.

4. FINANCIAL IMPLICATIONS

- 4.1 The indicative value of the proposed contracts is shown within the workplan in the Appendices. The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach. The refreshed approach to governance ensures that all contracts are aligned to the approved budget provision for each financial year with controls in place for flexibility if required. This also assists the Council in meetings its statutory duty to keep a Contracts Register.

5. LEGAL IMPLICATIONS

- 5.1 The contracts shall be procured in accordance with procurement legislation and the Commercial Legal Team within C&PS shall provide legal advice where necessary.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Contract expectations not being monitored/managed	M	Employees involved in Procurement Activity are required to complete online training modules in

			Contract Management.
Compliance	Failure to comply with internal procurement regulations and procurement legislation	L	Engagement with the Commercial Legal Team within the Commissioning Function.
Operational	Unable to control demand	M	Ongoing focus on demand reduction strategies, contract terms developed to be more flexible
Financial	Escalation of costs	L	A strong focus on value for money in all commissioning activities.
	Differing market conditions depending on commodity/service	M	Use of Business Intelligence to help predict market changes and trends.
Reputational	Insufficient information provided by officers, lack of transparency	M	A scrutiny process has been established to ensure sufficient/relevant information is provided.
Environment/Climate	Failure to consider sustainable options.	L	Ensure all contracts consider environmental considerations.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
Aberdeen City Council Policy Statement	The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.

Aberdeen City Local Outcome Improvement Plan	
Stretch Outcomes (Prosperous Economy/People/Place)	Community Benefits requirements are incorporated into all ACC Procurement Activity, consideration is given to the Stretch Outcomes within the LOIP at the development phase.
Regional and City Strategies	The proposals within the business cases appended to this report support Key Regional and City Strategies, details of anticipated outcomes are contained within each the business cases.
UK and Scottish Legislative and Policy Programmes	Each of the business cases appended to the report contains details of the legislative and policy programmes to be complied with.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Not required
Data Protection Impact Assessment	Not required

9. BACKGROUND PAPERS

None.

10. APPENDICES

Public

Appendix 1 Resources Summary Workplan

Exempt

Appendix 2 Resources Workplan, and business cases

11. REPORT AUTHOR CONTACT DETAILS

Name	Craig Innes
Title	Head of Commercial & Procurement Services
Email Address	CInnes@aberdeencity.gov.uk
Tel	01224 665650

Reference	Function	Cluster	Description of Requirement	Type of Budget	Estimated Start date of Contract or Extension	Estimated End date of Contract (Excluding extension)	Maximum Extension Period (months)	Estimated End date of Contract (Including extension)	Summary
RES032	Resources	Corporate Landlord	Emergency Generator Maintenance & Repairs	Housing Revenue	07/09/2020	06/09/2022	24	06/09/2024	Generator maintenance works to back-up generators housed within generator plant houses/rooms, positioned adjacent to or within multi-storey and low rise housing blocks. This contract will ensure the Council meets its duty to ensure a safe home environment for Tenants and Building Users.
RES035	Resources	Corporate Landlord	Bird Hazard Management (TECA)	Revenue	03/08/2020	29/02/2024	24	28/02/2026	This contract is for a Bird Hazard Management service for the The Event Complex Aberdeen Development. The contract allows the Council to ensure a safe environment at the site.
RES036	Resources	Corporate Landlord	Cyclical Maintenance - Public Buildings	Revenue	01/07/2020	31/03/2024	24	31/03/2026	The Council have around 300 operational assets all of which require to have a range of statutory inspections, servicing and maintenance undertaken to remain safe for users and statutorily compliant. A range of Services is included such as: Public Clocks Lift Plant Boiler Plant/Automatic Controls Refrigeration Plant Portable Appliance Testing Fixed Appliance Testing Emergency Lighting/Fire Alarms Fire Fighting Equipment Patient Handling Equipment Asbestos Removal and survey Automatic Doors & Barriers Pipe Insulation Intruder & CCTV system maintenance & breakdown Lightening Protection Systems

Resources Procurement Work Plan	Committee: Urgent Business Committee	Date of Committee: 30th June 2020
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