

# Public Document Pack



To: Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Cooke, Fairfull, Farquhar, Grant, Greig, Houghton, Hutchison, Macdonald, Nicoll, Radley and Watson.

Town House,  
ABERDEEN 21 March 2023

## **FINANCE AND RESOURCES COMMITTEE**

The Members of the **FINANCE AND RESOURCES COMMITTEE** are requested to meet in **Council Chamber - Town House** on **WEDNESDAY, 29 MARCH 2023 at 10.00 am**. This is a hybrid meeting and Members may also attend remotely.

The meeting will be webcast and a live stream can be viewed on the Council's website. <https://aberdeen.public-i.tv/core/portal/home>

JENNI LAWSON  
INTERIM CHIEF OFFICER - GOVERNANCE

### **BUSINESS**

#### **NOTIFICATION OF URGENT BUSINESS**

1.1. Urgent Business

#### **DETERMINATION OF EXEMPT BUSINESS**

2.1. Determination of Exempt Business

#### **DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS**

3.1. Declarations of Interest and Transparency Statements

#### **DEPUTATIONS**

- 4.1. Deputations

### **MINUTE OF PREVIOUS MEETING**

- 5.1. Minute of Previous Meeting of 1 February 2023 (Pages 5 - 12)

### **COMMITTEE PLANNER**

- 6.1. Committee Planner (Pages 13 - 24)

### **NOTICES OF MOTION**

- 7.1. Notice of Motion by Councillor Crockett - City Region Deal (Pages 25 - 26)

### **REFERRALS FROM COUNCIL, COMMITTEES AND SUB COMMITTEES**

- 8.1. Referrals from Council, Committees and Sub Committees

### **BUDGETS**

- 9.1. Work Plan and Business Cases - COM/23/093 (Pages 27 - 40)

Exempt appendices are located within the Exempt Appendices section of this agenda.

- 9.2. Place Based Investment Programme - COM/23/096 (Pages 41 - 58)

- 9.3. UK Shared Prosperity Fund - COM/23/097 (Pages 59 - 80)

- 9.4. Credit Rating Annual Review - RES/23/092 (Pages 81 - 96)

- 9.5. Tillydrone Primary School - RES/23/095 (Pages 97 - 106)

- 9.6. Complex Care - Outline Business Case - RES/23/099 (Pages 107 - 110)

An exempt appendix is located within the Exempt Appendices section of this agenda.



## **SERVICE DELIVERY**

- 10.1. Performance Management Framework Report – Commissioning and Resources - CUS/23/094 (Pages 111 - 146)
- 10.2. Christmas Village Feedback Report - COM/23/098 (Pages 147 - 188)

Exempt appendices are located within the Exempt Appendices section of this agenda.

## **CITY GROWTH AND STRATEGIC PLACE PLANNING**

- 11.1. Heritage & Place Programme - Development Phase - COM/23/100 (Pages 189 - 202)
- 11.2. North East of Scotland Green Freeport – Update - COM/23/103 (Pages 203 - 216)
- 11.3. International Travel 2023/24 - COM/23/104 (Pages 217 - 228)
- 11.4. Energy Transition Zone Jobs and Skills Plan - COM/23/105 (Pages 229 - 268)

## **PROPERTY AND ESTATES**

- 12.1. No reports under this heading.

## **EXEMPT/CONFIDENTIAL BUSINESS**

- 13.1. Proposed Disposal of Surplus Site at Oscar Road, Torry - RES/23/091 (Pages 269 - 276)
- 13.2. Purchase of Ground - Wellington Road – March 2023 - RES/23/113 (Pages 277 - 280)

## **EXEMPT APPENDICES**

- 14.1. Work Plan and Business Cases - Exempt Appendices (Pages 281 - 302)
- 14.2. Christmas Village Feedback Report - Exempt Appendices (Pages 303 - 306)

14.3. Complex Care - Outline Business Case - Exempt Appendix (Pages 307 - 348)

EHRIAs related to reports on this agenda can be viewed [here](#)

To access the Service Updates for this Committee please click [here](#)

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

Should you require any further information about this agenda, please contact Mark Masson, [mmasson@aberdeencity.gov.uk](mailto:mmasson@aberdeencity.gov.uk) or 01224 067556

## FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 1 February 2023. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Cooke, Fairfull, Farquhar, Grant, Greig, Houghton, Hutchison, Macdonald, Nicoll, Radley and Watson.

The agenda and reports 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 EXEMPT BUSINESS

1. The Convener proposed that the Committee consider item 14.1 (Work Plan and Business Cases – Exempt Appendices) and item 14.2 (Events 365 Plan 2023-2026 – Exempt Appendix) with the press and public excluded from the meeting.

#### The Committee resolved:-

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the above items so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act:- article 12 (paragraph 8) and article 13 (paragraphs 6 and 8).

### DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

2. Members were requested to intimate any declarations of interest or transparency statements in respect of the items on today's agenda, thereafter the following were intimated:-

- (1) The Convener advised that he had a connection in relation to item 10.1 (Scotland Excel (ACC) Annual Value Report) by virtue of him being a Council representative on the Scotland Excel Board. He considered that the nature of his interest would not require him to leave the meeting prior to consideration of the item;
- (2) Councillor Grant declared an interest in relation to agenda items 10.2 (Events 365 Plan 2023-2026) by virtue of him being an employee of Aberdeen Inspired. He considered that the nature of his interest would require him to leave the meeting prior to consideration of the item;
- (3) Councillor Houghton advised that he had a connection in relation to item 9.1 (Council Financial Performance – Quarter 3, 2022/23) by virtue of his spouse being an employee of NHS Grampian. He considered that the nature of his interest would not require him to leave the meeting prior to consideration of the item; and
- (4) The Vice Convener advised that he had a connection in relation to item 9.1 (Council Financial Performance – Quarter 3, 2022/23) by virtue of him being a Council representative on the NHS Grampian Board. He considered that the nature of his interest would not require him to leave the meeting prior to consideration of the item.

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### **MINUTE OF PREVIOUS MEETING OF 7 DECEMBER 2022, FOR APPROVAL**

3. The Committee had before it the minute of meeting of the Finance and Resources Committee of 7 December 2023.

**The Committee resolved:-**

to approve the minute.

### **COMMITTEE PLANNER**

4. The Committee had before it the Committee Business Planner prepared by the Interim Chief Officer - Governance.

**The Committee resolved:-**

- (i) to note the reason for deferral in relation to item 6 (Proposals for Investment for Works at Riverbank School to Accommodate the Relocation of St. Peter's School), item 7 (Torry Heat Network), item 12 (Ness Landfill Site - Use as a Solar Farm), item 13 (Wellington Road) and item 37 (Annual Committee Effectiveness Report);
- (ii) to remove item 10 (Bucksburn Academy Extension – Outline Business Case) and item 11 (Aberdeen Hydrogen Hub - Site Selection) from the planner for the reasons outlined therein; and
- (iii) to otherwise note the information contained within the planner.

### **NOTICE OF MOTION BY COUNCILLOR KATE BLAKE**

5. At the commencement of this item, the Committee received an update from Ms Kirsten Foley, Employee Relations and Wellbeing Manager on the current position.

The Committee had before it a Notice of Motion by Councillor Blake in the following terms:-

“That the Committee:-

- (1) Notes with concern that notification of strike action has been received from four of the teacher's unions;
- (2) Agrees that young people's education has been severely impacted by the pandemic and that teachers are key to successful recovery;
- (3) Agrees that hard working teachers across Scotland have gone above and beyond as a result of the pandemic but also as a result of years of mismanagement and neglect by the Scottish Government;
- (4) Recognises that this is a national dispute which can only be resolved by SNP Ministers at Holyrood;
- (5) Calls for COSLA to press the Cabinet Secretary for Education and Skills urging them to do everything possible to avoid or minimise industrial action and its impact upon our children, young people, parents and guardians; and

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- (6) Instructs the Chief Executive to formally write to the Cabinet Secretary for Education and Skills noting the Council's concerns for the education of our children and young people if the Scottish Government cannot reach a settlement in this dispute and to urgently produce a fair deal for teachers."

Councillor Blake moved her motion and explained the rationale behind her request.

### **The Committee resolved:-**

- (i) to agree points 1 and 2 of the motion;
- (ii) to note that CoSLA, and the Scottish Government, continue to work with Trade Unions for the pay element of the current offer to be paid as soon as possible in lieu of a finalised settlement;
- (iii) to note that, as instructed by Full Council on 11 January 2023, a letter had been sent to both the Prime Minister and the Chancellor of the Exchequer asking them to provide all devolved nations with increased, sustainable and recurring funding;
- (iv) to agree that the Council had no additional funding for pay, and therefore any enhanced pay offer to the Scottish Negotiating Committee for Teachers and workforce must be fully funded by the Scottish Government and include sufficient funding to maintain parity for other bargaining groups; and
- (v) to instruct the Chief Executive to write to the Cabinet Secretary for Education and Skills noting the Council's concerns for the education of our children and young people, if all parties cannot reach a settlement in this dispute and to urgently produce a fair deal for teachers.

### **COUNCIL FINANCIAL PERFORMANCE - QUARTER 3, 2022/23 - RES/23/049**

6. The Committee had before it a report by the Director of Resources which provided an update on the financial position of the Council as at Quarter 3 (31 December 2022) and the full year forecast position for the financial year 2022/23, including:-

- General Fund and Housing Revenue Account (HRA) and capital accounts; and associated Balance Sheet; and
- Common Good revenue account and Balance Sheet.

### **The report recommended:-**

that the Committee –

- (a) note the cash position that has been achieved for the General Fund and HRA to the end of Quarter 3 as detailed in Appendix 1;
- (b) note the Common Good financial performance to the end of Quarter 3 as detailed in Appendix 3, specifically the £1.1m reduction in cash balances due to investment volatility;
- (c) note that the General Fund full year forecast position has moved positively since the Quarter 2 report was considered by the Committee as detailed in Appendix 2, and is now expected to show a deficit of £2.1m for 2022/23, and that the Chief Officer – Finance has instructed that budget holders act to delay, stop or reduce

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- expenditure wherever possible to mitigate this deficit; and note that any remaining deficit will be mitigated from the use of earmarked reserves;
- (d) note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget;
  - (e) note that the Council relies on the Integration Joint Board (IJB) achieving a balanced budget, and that the IJB retains reserves to mitigate unplanned additional costs arising during the year;
  - (f) note that the forecast for General Fund and Housing capital expenditure is that there will be lower spend than had been budgeted in 2022/23 as described in Appendix 2; and
  - (g) note that the Council has introduced new processes in respect of a recruitment freeze, and has recently promoted the Voluntary Severance/ Early Retirement scheme, these actions are designed to assist in the management of the pay bill both this year and going forward;

The Convener, seconded by the Vice Convener moved:-

that the Committee approve the recommendations contained within the report.

Councillor Grant, seconded by Councillor Macdonald, moved as an amendment:-

that the Committee:-

- (1) approve the recommendations in the report; and
- (2) note that the Scottish Government granted local authorities flexibility to make use of capital receipts to help offset the costs associated with Transformation Projects, including qualifying severance and VSER costs, but that this is currently set to expire in March 2023. Agrees that extending this flexibility would help to meet the financial costs of transforming and redesigning our services and instructs the Chief Officer - Finance to write to the Depute First Minister and Cabinet Secretary for Covid Recovery to seek an extension to enable the council to continue to make use of capital receipts towards achieving recommendation (g).

On a division, there voted:- for the motion (8) – the Convener, the Vice Convener and Councillors Cooke, Fairfull, Greig, Hutchison, Nicoll and Radley; for the amendment (5) – Councillors Farquhar, Grant, Houghton, Macdonald and Watson.

### **The Committee resolved:-**

- (i) to approve the motion; and
- (ii) to request that the Chief Officer – Finance circulate further details to members of the Committee in relation to the income figures for car parking charges.

### **WORK PLAN AND BUSINESS CASES - COM/23/039**

7. The Committee had before it a report by the Director of Commissioning, which presented procurement work plans where expenditure was included for the Customer and Operations Functions to Committee for review and sought approval of the total

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estimated expenditure for the proposed contracts as contained in the Procurement Business Cases appended to the report.

The procurement business cases were for the following:-

- Travel Purchase Solutions; and
- Roads Framework (Capital Infrastructure Works).

### **The report recommended:-**

that the Committee –

- (a) note the workplan as detailed in the Appendices for the Customer and Operations Functions;
- (b) approve the procurement business cases, including the total estimated expenditure for the proposed contract; and
- (c) note the content of Appendix 3 - 3.10 Memos (Exemption Urgency).

### **The Committee resolved:-**

to approve the recommendations.

## **PLACE BASED INVESTMENT PROGRAMME AND UK SHARED PROSPERITY FUND - COM/23/042**

8. The Committee were advised that this report had been withdrawn and would be submitted to the next meeting of the Committee.

### **TRANSPARENCY STATEMENT**

**At this juncture, the Vice Convener advised that he had a connection in relation to the following item of business by virtue of his sister's partner who was employed by a Sub Contractor working on the Milltimber School development (raised during discussion of the report). Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.**

## **CAPITAL PROGRAMME DELIVERY PROJECTS UPDATE - RES/23/043**

9. The Committee had before it a report by the Director of Resources which (1) summarised the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts; and (2) highlighted those issues considered worthy of particular note which were specific to individual programmes/projects.

### **The report recommended:-**

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that the Committee –

- (a) note the status of delivery of the Section 3.0 highlighted programmes/projects contained within the approved Capital Programme; and
- (b) instruct the Chief Officer - Capital to report to the next appropriate Finance and Resources Committee his findings following a review of next steps options for the delivery of the new housing sites at Craighill and Kincorth.

### **The Committee resolved:-**

- (i) to approve the recommendations; and
- (ii) to request that the Director of Resources liaise with the Director of Children's and Family Services to circulate to members a Briefing Paper on the engagement process taken with pupils/parents in relation to school uniform, interior design and furnishings etc prior to pupils transferring to a newly constructed school.

### **SCOTLAND EXCEL (ACC) ANNUAL VALUE REPORT - COM/23/040**

**10.** The Committee had before it a report by the Director of Commissioning which presented the Scotland Excel Annual Value Report for Aberdeen City Council covering period 01 April 2021 to 31 March 2022 in accordance with the Committee's terms of reference, to provide assurance on value achieved through the membership agreement.

### **The report recommended:-**

that the Committee note the Scotland Excel Annual Report as set out in Appendix 1.

### **The Committee resolved:-**

- (i) to approve the recommendation; and
- (ii) that the Head of Commercial and Procurement provide details to Councillor Cooke in relation to the total expenditure figure in terms of the overall spend of 38% for local suppliers in the last year.

**At this juncture, in accordance with Article 2 of this minute, Councillor Grant left the meeting prior to consideration of the following item of business and Councillor Crockett joined the meeting as his substitute.**

### **TRANSPARENCY STATEMENTS**

**At this juncture, Councillor Macdonald advised that she had a connection in relation to the following item of business by virtue of her being a Board Member of Mela. Having applied the objective test, she did not consider that she had an interest and would not be withdrawing from the meeting.**

**Also at this juncture, Councillor Radley advised that she had a connection in relation to the following item of business by virtue of her being a Council**



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**representative on the Board of Visit Aberdeenshire. Having applied the objective test, she did not consider that she had an interest and would not be withdrawing from the meeting.**

### **EVENTS 365 PLAN 2023-2026 - COM/23/044**

**11.** With reference to article 20 of the minute of the meeting of the Finance Policy and Resources Committee of 7 December 2016, the Committee had before it a report by the Director of Commissioning which provided an update on (1) the delivery of the 2016 365 Events Strategy including some headline events; and (2) the plan for the three years 2023-2026 as the framework for the work of the Events 365 Group.

#### **The report recommended:-**

that the Committee –

- (a) note the update on delivery of the 365 Events Strategy;
- (b) agree the proposed 365 Events Plan for 2023-2026 (Appendix 1 to this report);
- (c) instruct the Chief Officer - City Growth to re-convene the Event 365 Group as outlined in Section 3.19-3.21 in this report and to report annually to this Committee on the progress to implement the Event Plan; and
- (d) instruct the Chief Officer - City Growth to work with government, national and local partners to explore new events opportunities at the local, regional, national and international level.

In terms of Standing Order 29.4.1, the Convener waived his right and allowed the Vice Convener to have the prior right to the motion.

The Vice Convener, seconded by the Convener moved:-

that the Committee approve the recommendations contained within the report.

Councillor Macdonald, seconded by Councillor Watson, moved as an amendment:-

that the Committee:-

- (1) approve recommendations (a) and (d);
- (2) note that specific reference of an event or festival within the Events 365 Plan could help organisers to apply for and improve opportunities to secure local and national funding;
- (3) approve recommendation (b) subject to an instruction to the Chief Officer - City Growth to include specific reference to any other “known” events that are scheduled or being planned for 2023 and beyond but which are not currently mentioned in the draft plan; and
- (4) approve recommendation (c) with the addition that one elected member from each political group is invited to sit on the Event 365 Group.

On a division, there voted:- for the motion (10) – the Convener, the Vice Convener and Councillors Cooke, Fairfull, Farquhar, Greig, Houghton, Hutchison, Nicoll and Radley; for the amendment (3) – Councillors Crockett, Macdonald and Watson.

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**The Committee resolved:-**

- (i) to approve the motion; and
- (ii) to note that the Chief Officer – City Growth would raise the issue of inviting the Aberdeen City and Shire Hotels Association to Event 365 Group meetings at their next meeting.

**In accordance with the decision taken at Article 1 of this minute, the following items were considered with the press and public excluded.**

**WORK PLAN AND BUSINESS CASES - EXEMPT APPENDICES**

12. The Committee had before it exempt appendices relating to the Work Plan and Business Cases report.

**The Committee resolved:-**

to note the information provided within the exempt appendices.

**EVENTS 365 PLAN 2023-2026 - EXEMPT APPENDIX**

13. The Committee had before it an exempt appendix relating to the Events 365 Plan 2023-2026 report.

**The Committee resolved:-**

to note the information provided within the exempt appendix.

- **COUNCILLOR ALEX MCLELLAN, Convener**

	A	B	C	D	E	F	G	H	I
1	<b>FINANCE AND RESOURCES COMMITTEE BUSINESS PLANNER</b>								
	The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	<b>Report Title</b>	<b>Minute Reference/Committee Decision or Purpose of Report</b>	<b>Update</b>	<b>Report Author</b>	<b>Chief Officer</b>	<b>Directorate</b>	<b>Terms of Reference</b>	<b>Delayed or Recommended for removal or transfer, enter either D, R, or T</b>	<b>Explanation if delayed, removed or transferred</b>
3			<b>29 March 2023</b>						
4	Christmas Village Feedback Report	To provide feedback on the 2022 Christmas Village, and make recommendations for the 2023 and beyond		Matthew Williams	City Growth	Commissioning	2.1 & 3.2		
5	City Centre Multi Storey Blocks - Progress on Full Options Appraisal	<p>Council on 10/03/21 agreed (1) to approve £250,000 from the Housing Capital Programme to undertake a full option appraisal on the city centre multi storey blocks to consider future development and investment opportunities; and (2) to instruct the Chief Officer - Corporate Landlord to report back the outcome from the option appraisal of (1) above to the City Growth and Resources Committee no later than March 2022</p> <p>The CG&amp;R Committee on 3/2/22 agreed to defer this whilst further consideration of the outcome of the Council's appeal regarding the listing of these blocks is undertaken. The report will be submitted (likely June 2022) once a way forward has been established.</p>		Bill Watson/Ian Perry	Corporate Landlord	Resources	4.1	T	This report is to be presented to the Communities Housing and Public Protection Committee, following its recent establishment, as it best fits this committee's terms of reference, most notably 1.1.1, 1.1.2, 1.1.5 and 1.1.6
6	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.		Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		
7	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1	R	Now being reported quarterly and aligned to the quarterly Council Financial Performance report, with specific projects being reported separately by exception
8	Complex Care - Outline Business Case	The F&R Committee on 7/12/22 agreed to instruct the Chief Officer – Capital to progress the Outline Business Case and to report back the outcome to this Committee in March 2023.		John Wilson/ Kay Diack	Capital	Resources	1.1.4		
9	Performance Management Framework Report – Commissioning and Resources	To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions		Alex Paterson/Louise Fox	Data & Insights	Customer	2.1.3		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
10	North East of Scotland Green Freeport – Update	The CG&R Committee on 11/5/21 agreed to instruct the Chief Officer - City Growth to report back to this Committee on the development and outcome of any proposals if they progress.		Julie Wood	City Growth	Commissioning	3.2 & 3.4		
11	Energy Transition Zone Jobs and Skills Plan	To evaluate the Energy Transition Zone Training and Jobs Plan and report back to the Council's Finance and Resources Committee		Angela Taylor	City Growth	Commissioning	3.2		
12	Place Based Investment Programme	To seek approval of funding from the Place Based Investment Fund		Stuart Bews	City Growth	Commissioning	1.1.8, 1.1.11 & 3.4		
13	UK Shared Prosperity Fund	To seek approval of funding from the UK Shared Prosperity Fund		Stuart Bews	City Growth	Commissioning	1.1.8, 1.1.11 & 3.4		
14	International Travel 2023/24	To seek approval for proposed international travel and conference attendance by officers and elected members that is required to support relevant City Growth activities in 2023/24.		Jim Johnstone/Jen Lawie	City Growth	Commissioning	2.1.1 & 3.4		
15	Credit Rating Annual Review	To provide an overview of the recent credit rating annual review and report the outcome of the review.		Neil Stewart	Finance	Resources	1.1.12		
16	Tillydrone Primary School	To update the Finance & Resources Committee following conclusion of the recent tender process and any relevant outcomes from that process.		Ian Flett	Capital	Resources	1.1		
17	Heritage & Place Programme - Development Phase funding	To seek delegated authority (subject to receiving grant offers) to accept grant from the National Lottery Heritage Fund and/or Historic Environment Scotland for the development phase of a Heritage & Place Programme.		Sian Loftus	Strategic Place Planning	Commissioning	1.1, 3.2 & 3.4		
18	Proposed Disposal of Oscar Road Site	To advise the committee of recent disposal negotiations for the sale of the surplus site on Oscar Road, Torry.		Peter Thatcher	Corporate Landlord	Resources	4.1 & 4.4		

	A	B	C	D	E	F	G	H	I
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2									
19	Wellington Road	<p>Council on 24/8/22 agreed to instruct the Chief Officer - Corporate Landlord to enter in discussions with the Scottish Government to acquire the land at Wellington Road and to report back the outcome of those discussions at the next City Growth and Resources Committee</p> <p>The F&amp;R Committee on 7/12/22 noted that Officers have made initial contact with Scottish Government in relation to possible acquisition of the ground. Due to other pressures within ACC these are not a sufficient stage to report back to committee. it is intended that these will be presented to the next committee.</p>		Stephen Booth	Corporate Landlord	Resources	4.1		
20			<b>17 May 2023</b>						
21	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	There may not be a need to present a report for each meeting, this would be dependent on submission of business cases required.	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		
22	School Estate Plan: Hazlehead/ Countesswells Secondary School Provision - Outline Business Case	To seek approval of an outline business case for establishing new secondary school provision for Hazlehead and Countesswells, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
23	School Estate Plan: Bucksburn/Newhills Primary School Provision - Outline Business Case	To seek approval of an outline business case for establishing new primary school provision for Bucksburn/Newhills, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
24	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
25	Council Financial Performance - Quarter ,4 2022/23	to present the Council Financial Performance - Quartely report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		

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	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
26	Proposals for Investment for Works at Riverbank School to Accommodate the Relocation of St. Peter's School	<p>Council on 3 March 2020 agreed to 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.</p> <p>Council on 10 March 2021 agreed to note that also included within the General Fund Capital Programme is £500,000 for the relocation of St Peters RC School to the current Riverbank School site is added to the Capital Plan and instruct the Chief Officer - Corporate Landlord to take forward design development to allow the full business case and construction costs to be reported to the City Growth and Resources Committee in advance of the 2023 budget process.</p> <p>Education Operational Delivery Committee on 8th September 2022 agreed to instruct the Chief Officer Capital to submit the refurbishment of the Riverbank School building project as a priority project for LEIP phase 3 funding and to report back to the Education and Children's Services Committee with an update on the outcomes of the funding bid and recommendations on next steps.</p>	Delayed from Jnauary meeting - The F&R Committee on 01/2/23 noted that The LEIP Phase 3 funding announcement was postponed to January 2023. An update will be provided to Education and Children's Services Committee on the outcomes of the funding bid and recommendations on next steps. It is estimated that a subsequent report will be provided to Finance and Resources Committee in May 2023.	Andrew Jones/Maria Thies	Corporate Landlord	Resources	1.1, 1.1.4, 1.1.9 & 4.1		
27	Craighill and Kincorth Housing Delivery	The Committee on 1/2/23 agreed to instruct the Chief Officer - Capital to report to the next appropriate Finance and Resources Committee his findings following a review of next steps options for the delivery of the new housing sites at Craighill and Kincorth.		John Wilson	Capital	Resources			
28	Belmont Cinema and Media Centre Options	To provide the Committee with an update on the Belmont Cinema feasibility study, presenting options and recommendations for the future of the venue.		Mark Bremner	City Growth	Commissioning	1.1 & 4.1		
29	Property Auction-alternative avenue of surplus asset disposal pilot project	To request committee approval to undertake a pilot project to take surplus assets to property auction for disposal.	A report is likely to be submitted to the meeting in May 2023 (update provided by Peter Thatcher on 3/3/23)	Peter Thatcher	Corporate Landlord	Resources	4.1 & 4.4		
30			<b>05 July 2023</b>						
31	Cluster Risk Registers - Governance / SPP / City Growth / Finance / Commercial & Procurement Services / Capital and Corporate Landlord	To present and report the Cluster Risk Registers in accordance with Committee TOR		Ronnie McKean	Governance	Governance	2.1.4		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	There may not be a need to present a report for each meeting, this would be dependent on submission of business cases required.	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		
32	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1	R	Now being reported quarterly and aligned to the quarterly Council Financial Performance report, with specific projects being reported separately by exception
33	City Centre Six Monthly Update - Streetscape Programme	Council on 14/12/22 agreed the Streetscape Full Business Case (Appendix B) and to instruct the Director of Resources, following consultation with the Chief Officer - Commercial & Procurement and Chief Officer - Capital, to proceed with the negotiation and execution of contracts for delivery of the following programmes in the first instance and to report progress to the Finance and Resources Committee on a 6 monthly basis from the date of this report: (a) Union Street Central; (b) Market Streetscape Phase 1; and (c) Schoolhill/Upperkirkgate		Sandy Beattie/Craig Innes	Commercial and Procurement	Resources			
34	Performance Management Framework Report – Commissioning and Resources	To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions		Alex Paterson/Louise Fox	Data & Insights	Customer	2.1.3		
35									
36			<b>13 September 2023</b>						
37	Fleet Replacement Programme (Annual Report)	To present the current position of the programme for Fleet Vehicles and Assets		John Weir	Operations and Protective Services	Operations	1.1.6		
38	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	There may not be a need to present a report for each meeting, this would be dependent on submission of business cases required.	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		

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2									
39	School Estate Plan: Northfield ASG Primary Schools Excess Capacity Outline Business Case	To seek approval of an outline business case for reducing the number of primary schools in the Northfield ASG, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
40	School Estate Plan: Oldmachar ASG Primary Schools Excess Capacity Outline Business Case	To seek approval of an outline business case for reducing the number of primary schools in the Oldmachar ASG, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
41	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
42	Council Financial Performance - Quarter 1, 2023/24	to present the Council Financial Performance - Quartely report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
43	Sustainable Drainage System (SUDS) Section 7	Maintenance of SuDS within the boundaries or curtilage of a private property, such as a residential driveway or a supermarket car park, is the responsibility of the land owner or occupier. The Scottish Environment Protection Agency's (SEPA's) preference is for SuDS constructed outside the boundaries or curtilage of a private property to be adopted by Scottish Water, the local authority or a public body, and as such SEPA seeks a guarantee for the long term maintenance and sustainability of any SuDS implemented.  The CG&R Committee on 3/2/22 agreed to defer this. Officers continue to liaise with Scottish Water, latest request for update was week commencing 10/1/22, however at this time officers are still in the same position as per the update in Column C	A Service Update was circulated on 25/8/22  This will be reported once ongoing discussions with Scottish Water are concluded (updated provided by David Dunne on 25/10/22)	Claire Royce	Operations and Protective Services	Operations	3.2 & 3.3		
44			<b>22 November 2023</b>						
45	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	There may not be a need to present a report for each meeting, this would be dependent on submission of business cases required.	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		



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2									
46	School Estate Plan: Harlaw Academy Condition & Suitability Improvements - Outline Business Case	To seek approval of an outline business case for making improvements to the condition and suitability of the Harlaw Academy building, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
47	School Estate Plan: St Machar Academy Outdoor Space Improvements (Modular Classroom Buildings) Condition & Suitability - Outline Business Case	The EODC on 08/09/22 agreed to instruct the Chief Officer – Corporate Landlord to make arrangements to carry out a feasibility study to consider the options for the removal of unused modular classroom buildings at St Machar Academy, and for carrying out general improvements to the outdoor space at the school, and to present a costed outline business case to the Finance and Resources Committee for consideration.		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
48	School Estate Plan: Ferryhill School Condition & Suitability Improvements Outline Business Case	To seek approval of an outline business case for making improvements to the condition and suitability of the Ferryhill School building, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
49	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
50	Council Financial Performance - Quarter 2, 2023/24	to present the Council Financial Performance - Quartely report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
51	Performance Management Framework Report – Commissioning and Resources	To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions		Alex Paterson/Louise Fox	Data & Insights	Customer	2.1.3		
52	Annual Committee Effectiveness Report	To present the Annual Committee Effectiveness Report		Mark Masson	Governance	Governance	GD 8.5		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
53	Torry Heat Network	The CG&R Committee on 21/9/22 agreed to (1) authorise the Chief Officer Corporate Landlord to enter into commercial discussions with Grampian Housing Association with regard to the potential supply of heat to their proposed mixed-use re-development of the former Victoria Road school, and report the outcome to a future meeting of this committee; and (2) authorise the Chief Officer - Corporate Landlord to enter into commercial discussions with Ark Housing Association with regard to the potential supply of heat to their Balnagask Court premises and report the outcome to a future meeting of this committee.	Delayed at January meeting - The Committee on 1/2/23 noted that The Design works for the delivery of the design of Phase 2 of the Torry Heatnetwork is being progressed at this time. Delivery costs and Pricing is subject to more detail being available to allow commercial discussions with the 3rd parties mentioned. It is intended to Report the outcome of this to Committee in late 2023.	Stephen Booth	Corporate Landlord	Resources	4.1		
54			<b>2024</b>						
55	External Transportation Links to Aberdeen South Harbour	The CG&R Committee on 25/8/21 agreed that subject to approval by the UK and Scottish Governments, instruct the Chief Officer - Capital to progress the next stages of project delivery, including but not limited to, surveys and investigations, design development, obtaining all necessary approvals, permissions, licences, agreements and consents required to develop the design and an Outline Business Case for the project and to report back to this Committee and the City Region Deal Joint Committee upon completion in 2024, and to provide an update if not completed by that time.		John Wilson	Capital	Resources	1.1		
56	School Estate Plan: Victorian School Building Improvements - Outline Business Case	To seek approval of an outline business case for making improvements to the condition and suitability of Victorian school buildings, as detailed in the School Estate Plan	TBC - May 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
57	School Estate Plan: Sunnybank School relocation of additional services - Outline Business Case	To seek approval of an outline business case for relocation of additional services currently accommodated at Sunnybank School, as detailed in the School Estate Plan	TBC - May 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
58	School Estate Plan: Denominational Primary Schools	To seek approval of an outline business case for considering future arrangements for denominational primary school provision, as detailed in the School Estate Plan	TBC - July 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		

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	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
59	School Estate Plan: Loirston Loch Primary School Provision - Outline Business Case	To seek approval of an outline business case for establishing new primary school provision for Loirston Loch, as detailed in the School Estate Plan	TBC - July 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
60	School Estate Plan: Grandhome / Oldmachar / Bridge of Don Secondary School Provision - Outline Business Case	To seek approval of an outline business case for future secondary school provision for Grandhome, Oldmachar and Bridge of Don, as detailed in the School Estate Plan	TBC - September 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
61	School Estate Plan: Bucksburn and Dyce Secondary School Provision - Outline Business Case	To seek approval of an outline business case for future secondary school provision for Bucksburn and Dyce, as detailed in the School Estate Plan	TBC - September 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
62	Vacant Units on Union Street Action Plan	Council on 14/12/22 agreed to instruct the Chief Officer - City Growth to report back on progress of the plan to the Finance and Resources Committee in early 2024.	TBC - Early 2024	Richard Sweetnam	City Growth	Commissioning			
63	Public Art Guidance and Panel	The F&R Committee on 7/12/22 agreed to review the process after 12 months of operation and to report back to this committee after 12 months.	TBC - Early 2024	Elspeth Winram	City Growth	Commissioning	2.1.2		
64	Events Plan	The F&R Committee on 1/2/23 agreed to instruct the Chief Officer - City Growth to re-convene the Event 365 Group as outlined in Section 3.19-3.21 in this report and to report annually to this Committee on the progress to implement the Event Plan	Early 2024	Matthew Williams	City Growth	Commissioning	2.1.2 & 3.2		
65	Hazlehead/Countesswells Secondary School	Council at the Budget Meeting on 1/3/23 agreed to instruct the Chief Officer - Corporate Landlord to progress the new Hazlehead/Countesswells Secondary School to an Outline Business Case and to report back to the Finance and Resources Committee by the end of the financial year 2023/24	TBC - Early 2024	Stephen Booth	Corporate Landlord	Resources			
66	Review of all Grants Awarded by the Council - Alignment to 3 Tier Prevention Approach	Council at the Budget Meeting on 1/3/23 agreed to instruct the Director of Commissioning to undertake a review of all grants awarded by the Council in order to ensure alignment to the 3 Tier Prevention Approach, which included the Family Support Model, as per the Prevention Report and to report back to the Finance and Resources Committee before the end of the financial year 2023/24.	TBC - Early 2024	Gale Beattie		Commissioning			

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
67	Aberdeen City Business Charter Review	Council at the Budget Meeting on 1/2/23 agreed to instruct the Chief Officer - City Growth to undertake a review of the Business Charter and report back to the Finance and Resources Committee before the end of the financial year 2023/24.	TBC - Early 2024	Richard Sweetnam	City Growth	Commissioning			
68			TBC						
69	Marywell to A956 Wellington Road – Cycle Path (RCD5394) 19/20	The CG&R Committee on 6 June 2019 agreed to instruct the Chief Officer – Capital and Chief Officer – Strategic Place Planning to undertake detailed design and cost estimates of the Preferred Route and connections, and to report back to this Committee for approval to construct in due course.		Alan McKay	Capital	Resources	3.2	R	Further to ongoing work to prepare an Active Travel Network review with NESTRANS and Aberdeenshire Council, and discussions with SUSTRANS which have highlighted that the current design for this project is not suitable for SUSTRANS funding, it is proposed to remove this project from the planner until such time as the review is complete, and the project can be prioritised in the context of available funding and resources.(Request submitted by David Dunne)



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## **Notice of Motion by Councillor Crockett Referred from Council on 22 February 2023**

That the Committee:-

- (1) Notes the success of the Aberdeen City Region Deal, a 10-year deal signed in 2016 by the former Leader of Aberdeen City Council, noting the key themes within the Aberdeen City Region Deal are innovation, internationalisation and diversification. Its key projects areas are:-
  - Innovation - including NZTC (former name OGTC), Agri-Food and Nutrition Hub and Bio-Therapeutic Hub;
  - Digital Connectivity;
  - Road infrastructure supporting the Aberdeen South Harbour Expansion; and
  - Strategic Transport Appraisal of priority regional projects;
- (2) Agrees that Aberdeen has been let down by the Scottish and UK Governments who have made decisions detrimental to the North East economy despite Aberdeen having the skills, expertise and infrastructure which could accelerate the energy transition;
- (3) Agrees that it is now essential that the Council approaches the UK Government to start negotiating on a new Aberdeen City Region Deal or an extension of the Aberdeen City Region Deal which is due to expire in 2026 in order for the city to remain competitive as it moves towards Green and renewable energy; and
- (4) Therefore, agrees to the setting up of a cross party working group comprising the 4 group leaders to discuss and agree a Council strategy in order for the council to start the process to either extend or renew the Aberdeen City Region Deal with the UK Government.

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 March 2023
<b>EXEMPT</b>	This report is not exempt, but Appendices 2 and 5 to 8 are (paragraph 8)
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Work Plan & Business Cases
<b>REPORT NUMBER</b>	COM/23/093
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Mel Mackenzie
<b>TERMS OF REFERENCE</b>	1.1.5, 1.1.6

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present procurement work plans where expenditure is included for the Customer, Operations and Resources Functions 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

That the Committee: -

- 2.1 reviews the workplan as detailed in the Appendices for the Customer, Operations and Resources Functions;
- 2.2 approves the procurement business cases, including the total estimated expenditure for the proposed contract;
- 2.3 notes the content of Appendix 3 - 3.10 Memos (Exemption Urgency); and
- 2.4 notes the content of Appendix 4 – 4.1.3 Forms (Technical Exemption).

### 3. CURRENT SITUATION

- 3.1 The ACC Procurement Regulations 2022 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 Finance and Resources Committee (approval of contracts with a value under £1,000,000) and to Council (approval of contracts with a value over £1,000,000). The approval of the applicable Committee is required prior to the procurement being undertaken.

3.2 Committee is asked to review the Customer, Operations and Resources Functions work plans and to approve the expenditure detailed in the Procurement Business Cases appended to the report.

#### 4. FINANCIAL IMPLICATIONS

4.1 The indicative value of the proposed contract is shown within the workplan and 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 robust 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, legal commentary has been sought and is included within each Procurement Business Case.

#### 6. ENVIRONMENTAL IMPLICATIONS

6.1 Consideration is included within each Procurement Business Case as to how the proposed contract will support the Council's climate commitments. If these are not to be included, officers are asked to confirm why this is the case. Standard wording is included in procurement templates to ensure this is captured at tender stage through to awarded contract.

#### 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	Contract expectations not being monitored or managed.	Contract Management consideration in business cases, guidance and training available for officers	M	Yes

<b>Compliance</b>	Failure to comply with internal procurement regulations and procurement legislation	Robust process for review of individual business cases and proposed approach to procurement.	L	Yes
<b>Operational</b>	Unable to control demand	Robust process and focus on demand reduction strategies, contract terms developed to be more flexible.	L	Yes
<b>Financial</b>	Escalation of costs  Differing market conditions depending on commodity or service	A strong focus on value for money in all commissioning activities and market engagement or use of Business Intelligence to engage with market / ascertain changes/trends.	M	Yes
<b>Reputational</b>	Insufficient information provided by officers, lack of transparency.	Robust process for review of individual business cases and proposed approach to procurement.	L	Yes
<b>Environment/ Climate</b>	Failure to consider sustainable options.	Environmental consideration within business cases and environmental clauses within tender documents.	L	Yes

## 8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Stretch Outcomes (Prosperous Economy/People/Place)	Community Benefits, Fair Work and Climate requirements are incorporated into all ACC Procurement Activity, consideration is given to the Stretch Outcomes within the LOIP at the development phase.
<b>Regional and City Strategies</b>	Details of anticipated outcomes and how they support key strategies are contained within the business case attached.
<b>UK and Scottish Legislative and Policy Programmes</b>	Details of the legislative and policy programmes to be complied with is contained within the business case attached.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	Not required
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

None

## 11. APPENDICES

### Public

Appendix 1- Final Revenue Work Plans- PUBLIC\_FR\_290323  
Appendix 3 - 3.10 Memos (Exemption Urgency)\_PUBLIC\_FR\_290323  
Appendix 4 – 4.1.3 Forms (Technical Exemption)\_PUBLIC\_FR\_290323

### Private

Appendix 2 - Final Revenue Work Plans PRIVATE\_FR\_290323  
Appendix 5 - Business Case Bioliners 2023\_PRIVATE  
Appendix 6 – Business Case Structural Engineer Capital\_PRIVATE  
Appendix 7 – Business Case Occupational Health\_PRIVATE  
Appendix 8 - Local Heat and Energy Efficiency Strategy LHEES  
Consultancy\_PRIVATE

## 11. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Melanie Mackenzie
<b>Title</b>	Strategic Commercial Manager
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Customer Work Plan	Committee: Finance and Resources	Date of Committee: 29 March 2023
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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
TBC	Customer	People & Organisational Development	Occupational Health	Revenue	03/08/2023	02/08/2025	24	02/08/2027	<p>The contract for provision of Occupational Health services will include health surveillance programmes to ensure compliance with the Health and Safety at Work Act, for roles where there is an identified known health risk as a result of work undertaken e.g. exposure to noise, vibration and medicals required i.e. LGV Drivers.</p> <p>This contract would also cover the requirement for medical opinion for the Ill Health Retirement Process and will make provision for professional medical advice for employees and managers for those with health conditions impacting on their work.</p>

Operations Work Plan	Committee: Finance and Resources	Date of Committee: 29 March 2023
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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
000-KMWP3576	Operations	Operations & Protective Services	Bioliners 2023	Revenue	01/07/2023	30/06/2024	12	30/06/2025	The contract will allow the Council to purchase food waste bags for issue, providing food waste bags increases service participation and yield (the amount of waste recycled, rather than disposed of). This in turn, helps reduce costs by diverting food waste from disposal (via energy from waste or landfill), which is more expensive.



Resources Work Plan	Committee: Finance and Resources	Date of Committee: 29 March 2023
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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
000-EEJW1877	Resources	Capital	Structural Engineering Consultancy	Revenue, Capital, HRA	01/10/2023	30/09/2025	24	30/09/2027	The Framework for the provision of structural engineering consultancy, will ensure the Council can access these services to support meeting its statutory duty to provide safe and secure homes and public buildings, free from serious disrepair.
TBC	Resources	Corporate Landlord	Local Heat and Energy Efficiency Strategy LHEES Consultancy	Revenue	30/03/2023	29/01/2024	3	29/04/2024	The scope of consultancy service required to produce ACC LHEES includes domestic and non-domestic data analysis and options appraisals, socio economic modelling, low carbon heat, storage, zoning and costing of phases and their local economic and wider benefits.

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**Appendix 3 - 3.10 Memo's (Exemption Urgency)**

Function	Cluster	Description of Contract	Estimated Start date of Contract	Estimated End date of Contract	Total Estimated Contract Value £	Summary of explanation of why the contract was urgently required and justification for suspension of procurement regulations, in whole or in part:
Commissioning	City Growth	<p>Employability and Skills Provision- Multiple contracts to secure employability and skills services across the city for residents of working age and at all levels of work readiness, including individuals furthest away from the labour market facing multiple barriers to employment. Services to contribute to providing a diverse offer of services, example could include: confidence building activities; barrier removal (this could include support to overcome a range of barriers e.g. mental health, substance related issues, criminal convictions); vocational programmes; accredited training; digital skills; CV and job searching.</p>	01/02/2023	01/08/2023	489,732	<p>This exercise is required urgently to ensure a continuation of service around employability and skills for those that need it and this group represents those furthest from the labour market, often experiencing multiple, complex barriers to employment therefore includes some of our most vulnerable citizens. It is essential that this group can access the support and training required to progress into work which can benefit their financial position but there is also evidence that promotes the wider outcomes linked to gaining employment around health and wider issues such as a reduction in criminal activity.</p> <p>The start of this financial year saw the roll-out of the second phase of the No One Left Behind agenda which sees changes to how employability funding is distributed in Scotland, with more being invested through Local Employability Partnerships of which the Local Authority is the lead accountable body. As a result of this, the funding streams of Employability Fund and Community Jobs Scotland came to an end, creating some gaps in provision in the city which must be addressed urgently, particularly as over the summer months there is an increase in demand from young people having left school and there are rising referrals coming from other groups, for example Ukrainian refugees arriving in the city.</p> <p>Following the City Growth and Resources Committee in June, Elected Members approved the creation of a longer term solution for commissioning through the development of a dynamic purchasing system. This was developed by the service working alongside CPSS colleagues with the intention that it would be available to go live from Q3. The development and onboarding of potential providers to the dynamic purchasing system has taken longer than had been anticipated with the result that the service has been unable to use it to procure services.</p> <p>This request, is to cover contract extensions until the first round of activity through the framework has been completed and contracts awarded. This will ensure that employability support services can continue to be delivered to Aberdeen's most vulnerable residents, without any break in service.</p>

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Appendix 4 - 4.1.3 Forms (Technical Exemption)

Function	Cluster	Description of Contract	Estimated Start date of Contract or Extension	Estimated End date of Contract	Total Estimated Contract Value £	Reason for seeking approval under 4.1.3 Technical Exemption:
Operations	Education	Charanga Music- Music lesson resources, live integrated video rehearsals, integrated resources hub, digital professional learning resources, digital teaching resources, scalable infrastructure to support platform for all ACC pupils and teaching staff in a single resource.	09/01/2023	08/01/2028	£90,662.90	<p>Charanga has an unrivalled 25-year track record of helping organisations improve access, inclusion, equity, and standards in music and expressive arts education. Over 2.5 million students in 64 countries use a Charanga-supported music lesson every week.</p> <p>No other learning platform offers the number of resources, a complete music technology offer provided every pupil in a Charanga school and an integrated professional learning programme to support inclusive music making in schools and across instrumental music services. These are requirements which the Council expects the supplier to be able to fulfil.</p> <p>Research into other offers was conducted by the music service, through dialogue with other local authorities and an online search of offers from other providers, and only Charanga provides the central resources hub, a bespoke Aberdeen City Learning hub, professional learning support and a technology platform that supports all aspects of delivery. These are requirements which the Council expects the supplier to be able to fulfil. Tests of change were carried out at Kirkill and Hazlehead Primary Schools with Charanga and other products. Charanga was found to provide the complete solution to support music education. Other providers offer only components of the solution offered by Charanga and a near equivalent service could only be created by mixing services from multiple providers and would result in a poorer quality offer without the range of services available within the Charanga platform.</p>
Digital & Technology	Customer	Microsoft Services to Support Transformation Programme- Design of digital services to enable Aberdeen City Council's objectives for transformation and customer experience. Design is based on re-use and development of core technologies that are Microsoft's intellectual property.	01/01/2023	01/01/2024	£948,000	<p>Design of digital services to enable Aberdeen City Council's objectives for transformation and customer experience. Design is based on re-use and development of core technologies that are Microsoft's intellectual property.</p>

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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 <sup>th</sup> March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Place Based Investment Programme
<b>REPORT NUMBER</b>	COM/23/096
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Stuart Bews
<b>TERMS OF REFERENCE</b>	1.1.8, 1.1.11, 3.4

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to secure the Committee's approval for the allocation of grant funding from the Place Based Investment Programme (PBIP) Fund 2022/2023 and 2023/24.

### 2. RECOMMENDATION(S)

That the Committee:-

#### Place Based Investment Programme 2022/23

- 2.1 Notes the withdrawal of the commitment to the Woodside Gateway project which had been allocated £100,000;
- 2.2 Notes that in line with the Committee decision on 07/12/2022 an additional £10,987 was awarded to Fersands Fountain Community Project following consultation with Convener of Finance and Resources;
- 2.3 Approves an initial award of £90,994 to Aberdeen City Council for the Tolbooth Museum External Improvements and Structural Repairs project, and agrees that any funds which become available from previously approved PBIP 2022/23 projects, be re-allocated to this project;
- 2.4 Notes that any PBIP 2022/23 funds allocated to the Tolbooth project will reduce the value of UK Shared Prosperity Funds allocated to the project by the same value;
- 2.5 Agrees to transfer the allocation of £253,981 to Tillydrone Community Development Trust for the Benholms Gateway project from the 2022/23 programme to the 2023/24 programme;

## Place Based Investment Programme 2023/24

- 2.6 Approves an award of up to £155,615 to Aberdeen City Council for The Street Design – Woodside Gateway project;
- 2.7 Rejects the application from Camphill School Aberdeen for the Murtle Market project; and
- 2.8 Rejects the application from Aberdeen Social Centre for the Aberdeen Alternative Arts Festival project.

### **3. CURRENT SITUATION**

- 3.1 The 2020-21 Programme for the Scottish Government announced the creation of a PBIP with £275m of capital funding to support community led regeneration, town centre revitalisation, community wealth building and 20 minute neighbourhoods. It is a multi-annual capital fund with the Scottish Government distributing £38m this financial year to local government, of which £847,000 was allocated to Aberdeen City Council to be administered locally.
- 3.2 The main objectives of the Fund are:
  - to link and align place-based initiatives and establish a coherent local framework to implement and embed the Place Principle;
  - to support place policy ambitions such as town centre revitalisation, community led regeneration, 20-minute neighbourhoods and Community Wealth Building;
  - to ensure that all place-based investments are shaped by the needs and aspirations of local communities;
  - to accelerate ambitions for net zero, wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership.
- 3.3 Under the five-year Programme Councils will receive an annual share of the fund of the following values: £38m in 2021/22, £33m in 2022/23, £23m in 2023/24, £23m in 2024/25 and £23m in 2025/26. For 2022/23 Aberdeen City Council received an allocation of £847,000.
- 3.4 Officers promoted the fund on the Aberdeen City Council website including an application form and supporting guidance documents. Four applications received are summarised within the tables below. Further detail on each project is also provided within Appendix 1 to this report. All applications have been assessed by officers against the fund criteria. Where a project is proposed to be unsuccessful, or only partially successful in their grant request, the reasons are summarised within the officer review outcome column of table 1 for 2022/23 projects and table 2 for 2023/24 projects.
- 3.5 The Woodside Gateway project has had its commitment withdrawn. The Invitation to Tender process returned a cost higher than initially anticipated. Due to timescales, it was not possible to source additional funding and sign off the contracts by 31 March 2023, a condition of the funding. A revised



application for this project has been received for 2023/24, which if approved, would allow the project to proceed.

- 3.6 A condition of the PBIP from the Scottish Government is that any uncommitted funds on 31 March 2023 will require to be returned to Scottish Government. To ensure full use of the funding is made, it is recommended that any funds which become available can be re-allocated to the Tolbooth project. The External Funding Team previously secured funds for the Tolbooth project from the UKSPF, and the intention is to reduce that allocation in line with any additional funds provided from PBIP. The total allocation of funding to Tolbooth project will remain the same.
- 3.7 An application was received from Camphill School for the Murtle Market project, summarised within Appendix (1), seeking £75,000 of capital grant funding. A business case was provided with the application and on review officers identified that if the capital award were to be approved there would be associated revenue implications for Aberdeen City Council which cannot be met from this fund. Officers sought clarification from Camphill who confirmed that the project would lead to the Council incurring additional revenue fees in 23/24 of £165,000 and in 24/25 of £207,000. In consultation with education service it has been agreed that the capital grant request should be recommended for rejection, whilst officers work with Camphill to identify alternative sources of revenue funding necessary to complete the funding package within the business case.
- 3.8 Tillydrone Community Development Trust are progressing their Benholm Gateway project, however there have been some delays. As instructed by Committee in December 2022 the Council has petitioned the court to seek authority for the disposal of this common good property to Tillydrone Community Development Trust and enable the community asset transfer to progress. The tender process is nearly complete and it may be possible to sign main works contracts by 31<sup>st</sup> March 2023, however it would be beneficial to allow more time and move the award from 2022/23 to 2023/24.

#### **Table 1: Place Based Investment Programme 2022/23**

<b>Applicant</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>Grant Requested</b>	<b>Officer Review Outcome</b>	<b>Grant Proposed to award from PBIP 22/23</b>
ACC	Tolbooth Museum External Improvements and Structural Repairs	£1,360,000	£660,000	Recommended for approval – Project supports PBIP aims and objectives. Supports a historically significant building in the city centre creating jobs and supporting wellbeing	£90,994

**Table 2: Place Based Investment Programme 2023/24**

<b>Applicant</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>Grant Requested</b>	<b>Officer Review Outcome</b>	<b>Grant Proposed to award from PBIP 23/24</b>
ACC	Street Design Project – Woodside Gateway project.	£155,615	£155,615	Recommended for approval – Projects supports PBIP objectives community involvement and ownership. Officers will seek to find external funding sources of funding to reduce the PBIF contribution	£155,615

Aberdeen Social Centre	Aberdeen Alternative Arts Festival	£12,000	£8,000	Reject – Project not eligible with PBIP criteria. PBIP can only fund capital costs. Officers will support Aberdeen Social Centre to find alternative sources of revenue funding.	£0
Camphill School Aberdeen	Murtle Market	£570,154	£75,000	Reject – due to revenue implications on ACC budget.  If the capital ask of UKSPF was approved it would lead to unexpected 23/24 ACC revenue budget implication of £165,000, and 24/25 ACC revenue budget implication of £207,000 due to existing SLA's	£0

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The Council has been allocated £847,000 from the PBIP in 2022/23 by the Scottish Government. Appendix 2 provides a summary of the full allocation of funds to date by Committee.
- 4.2 The full £847,000 must be committed by 31<sup>st</sup> March 2023 (evidenced by a fully awarded contract or commencement of works). The eligible costs for which the grant can be used are capital costs incurred by the local authority or third parties which are in line with the main objectives of the fund.
- 4.3 It is essential that the projects from PBIP comply with the set requirements to avoid issues around eligibility and potential repayment of grant to the Scottish Government.
- 4.4 Confirmation of the PBIP grant allocation for 2023/24 is still to be received, however based upon the agreed five year programme plan, it is expected to be £590,000.

## 5. LEGAL IMPLICATIONS

- 5.1 Grant Agreements will require to be put in place between Aberdeen City Council and those external organisations which are awarded grant funding.
- 5.2 Officers will undertake Subsidy Control risk assessments for all external applicants, and ensure that any awards are made in compliance with the relevant legislation

## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

## 7. RISK

Category	Risk	Primary Controls/Control Actions to achieve Target Risk level	Target Risks Level Low (L) Medium (M) High (H)	Does target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	No risks identified	None	L	Yes
<b>Compliance</b>	Non-compliance with grant conditions will require return of grant	External Funding team are familiar with the compliance requirements and will advise and monitor projects as required to ensure compliance	L	Yes
	Subsidy Control	To ensure all external grants awarded are compliant	L	Yes
<b>Operational</b>	No risks identified	None	L	Yes
<b>Financial</b>	As per the grant conditions the money must be committed by the end of Financial Year 2022/23 for all Place Based Investment Programme Projects	Projects recommended to be awarded funding have demonstrated their ability to deliver within the required timescales within the application.	L	Yes

	Any unspent, or unallocated funds will require to be returned to Scottish Government/UK Government	Close project monitoring will take place throughout to ensure these timescales will be met.	L	Yes
<b>Reputational</b>	Risk of reputational damage if funds are not spent in accordance to the grant conditions	Officers will work with projects to ensure proposals and applications meet the conditions of grant	L	Yes
<b>Environment / Climate</b>	No risks identified	None	L	Yes

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	All applicants were requested to detail the contribution of their project to Aberdeen City Council policy and strategies.
<a href="#"><u>Working in Partnership for Aberdeen</u></a>	Work constructively with the Scottish Government to seek additional funding for Aberdeen.  Seek to gain the maximum benefits for Aberdeen's people and businesses from the Scottish Government
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Prosperous Economy Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous People Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous Place Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Integrated Impact Assessment</b>	Full impact assessment not required

<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

- 10.1 COM/21/176 External Funding report to City Growth And Resources Committee on 21<sup>st</sup> June 2022.
- 10.2 COM/22/205 Place Based Investment Programme report to City Growth and Resources Committee on 21<sup>st</sup> September 2022
- 10.3 COM/22/277 Place Based Investment Programme report to Finances and Resources Committee on 7<sup>th</sup> December 2022

## 11. APPENDICES

- 11.1 Appendix 1 – Place Based Investment Programme – Summary of applications received
- 11.2 Appendix 2 – Place Based Investment Programme 2022/23 Grant Allocations

## 12. REPORT AUTHOR CONTACT DETAILS

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### **ACC - Tolbooth Museum External Improvements and Structural Repairs**

The Tolbooth Museum has been closed since the start of the pandemic. Unlike other cultural venues (such as Aberdeen Art Gallery and Maritime Museum) it has not reopened. The primary reason for this is due to a large crack to an internal archway on the ground floor, which is considered a potential risk to health and safety. Furthermore, there are extensive repairs required to external areas, including the roofs, stonework, parapets and pointing. These requirements have now been initially assessed and a scope of work has been established.

Parts of the Tolbooth Museum date back to 1615 and is one of the oldest buildings in Aberdeen. It is a grade A-listed building located on Castle Street. The Council has a duty to maintain Listed Buildings in its ownership. Failure to maintain the exterior would create a risk of falling masonry, slates and leadwork. The internal condition of the building is also being affected by the water penetration. Lack of action would see further deterioration of internal finishes. The work will protect a historically important asset and allow it to be brought back into use.

The proposed works to be completed are as follows:-

- Structural repairs to archway.
- Loose surfaces to stonework to be brushed down.
- Removal of rusting embedded metal in stonework.
- Removal of previous mortar repairs and replace with lime based mix.
- Repointing.
- Lead covered spire to be stripped and new sheeting installed.
- Repair or replacement of flat roof.
- Renewal of timber louvre infills.
- Refurbishment of clockfaces.

This work will require an extensive scaffolding system to be put in place for a number of months to allow the work to be carried out. Listed building consent will be required. Officers within the Capital team have extensive experience of working with Historic Environment Scotland with regards to projects associated with listed buildings.

The key benefits of the project would be the protection of a Grade A-listed building and the reopening of the museum, part of the City's cultural offering. A reopened popular visitor venue enhances the heritage portfolio of the city, making the Broad Street end of the city centre a key location for visitor flow, advancing post-covid city centre economic recovery and the emerging cruise market offer, as well as increasing city dwell.

### **ACC – The Street Design Project - Woodside Gateway**

The Tilly-Wood Street Design Project was led by The Street Design Steering Group, Sustrans and Aberdeen City Council. The project area focusses on Hayton Road and Don Street with the aim of making Tillydrone and Woodside a more attractive place to live, work and move around independently by strengthening the corridor between Great Northern Road and Tillydrone Avenue.

The Street Design project encompasses a larger design area to that applied for and this is summarised briefly below to help with understanding the context.

After 12 months of engagement, the initial designs are split into key areas:

**Design Overview:** reduce vehicle speeds to 20pmh; discourage through traffic calming improvements; improved safety crossing the road; improve and widen pavements; and enhance the public space

**Woodside Gateway:** create a slower, welcoming entrance into Don Street and Western Road from Great Northern Road that prioritises walking, cycling, and wheeling

**Don Street Bridge:** the design options for this aim to remove or reduce to an absolute minimum through traffic but maintain residential and business access across the neighbourhood. (Preferred options highlighted)

- Option 1: modal filter (no vehicle access over bridge)
- Option 2: one-way (eastbound)
- **Option 3: split road**
- **Option 4: traffic lights**

**Hayton Road Underpass:** The design for this area looks at improving visibility for people crossing, entrance into and aesthetic improvements to the passageway through the railway underpass from Hayton Road.

**Hayton Road Centre:** The design for this area looks to create a vibrant destination for the community and businesses.

**Hayton Road Gateway:** The design for this area looks to create a slower, welcoming entrance into Hayton Road from Tillydrone Road that prioritises walking, cycling, and wheeling.

**Tillydrone Gateway Project:** proposed sculpture located at the Diamond Bridge on the NCR1 route to promote traffic calming, raise awareness of entry to residential area and increase walking and cycling.

The summary below illustrates one of the main non-infrastructure elements of the project.



## 1. The Woodside Gateway



feature,



The above design was identified in partnership with residents and community groups who helped to develop the concept design. The main aim is to make Woodside a more attractive place to live, work and move around in through streetscape and infrastructure improvements.

It is worth noting that the stakeholder involvement in the community engagement delivered was significant for locality areas as described in the brief summary below:

[https://commonplace-cloudfront.s3-eu-west-1.amazonaws.com/resources/projects/tillywoodproposals/SDABN\\_SESS4\\_Round+the+room\\_for+Web-compressed.pdf](https://commonplace-cloudfront.s3-eu-west-1.amazonaws.com/resources/projects/tillywoodproposals/SDABN_SESS4_Round+the+room_for+Web-compressed.pdf)

Please note the above link which summarises the responses from the wider community on the design proposals.

- Over 3,000 people engaged during the project through 38 events and activities.
- 3000 Postal survey – 164 responses returned and 14 online responses
- During **March and April 2019**, we held a 6-week consultation on the initial designs for the project. During this time, we engaged with 1,200

people and collated 452 feedback forms and 157 comments through our project website which helped refine and shape the design proposals.

<https://tillywood.commonplace.is/>

(Please note the consultation link above which was used to gather online responses)

**Bold highlights below indicate the Woodside specific organisations**

**Community organisations involved:**

The Street Design Steering Group (local reps and residents)

Riverbank Primary School

St Machar Academy

Local Councillors

Tillydrone Community Council

**The Woodside Network**

**Woodside Community Council**

**Woodside Nursery**

Tillydrone Community Flat

Donside Village Association

**Clifton Court Sheltered Housing Complex**

**Health Walks Group**

**NHS Health and Support**

**Printfield Project Management Committee**

**Printfield Forum**

Aberdeen Lad's Club

**Fersands and Fountain Community Project**

**Station House Media Unit**

Over 55's lunch club

Tillydrone Community Centre Management Committee

Tidier Tilly Group

The project has already secured £41,000.00 for phase 1 of the project which covered the design and creation of the poles The project still requires funding for the Woodside gate which aims to:

- Phase2: to cover tender package, installation works, hard & soft landscaping including moving and installation of the fountain light to its original location.
- The above will help create a slower, welcoming entrance into Don Street and Western Road from Great Northern Road that prioritises walking, cycling, and wheeling.

## **Aberdeen Social Centre – Aberdeen Alternative Arts Festival**

The Aberdeen Alternative Arts Festival is a two-day event to enrich Aberdeen's local art scene by providing an alternative art of local Aberdeen-based early career artists and performers and creating highly accessible cultural experiences. It is a distinctive showcase celebrating a variety of art forms and alternative ideas from and or Aberdeen. It brings together emerging artists and thinkers together to inspire each other and audiences in an extensive programme of public events. Discussion, performance and interactive events will be prominent features of the festival,

complementing the more traditional interview-style conversations, presentation and talks. The festival aims to be a powerful forum for the public to exchange views with artists, activists and experts on a wide range of issues: social, ethical and political as well. At the heart of the Aberdeen Alternative Art Festival approach is an integrated approach to creative learning and education, with the aim of expanding participation in democratic discussion, fostering community wellbeing and developing engaged, knowledgeable audiences of all ages and backgrounds.

The Aberdeen Social Centre, with its track-record of bringing together local activists and communities, has partnered with early career artists and performers from RGU working closely with local organisations to create events and activities tailored to the area and the needs of Aberdeen's local communities. We are planning to use one of the empty store fronts to revitalise Aberdeen's city centre and make the Arts Festival accessible for a public that is disenfranchised from traditional art venues and events.

### **Camphill School – Murtle Market**

Camphill School Aberdeen (CSA) will retrofit a disused building on the North Deeside Road (on Murtle Estate) using a sustainable approach and transform this into new sustainable social enterprise Murtle Market -a zero-waste organic produce and refillery store, takeaway café, and heritage hub –open to the public 5 days a week (targeting the 20-minute neighbourhood of Cults Bieldside and Milltimber - 18,000 residents).

In addition to the above it will also create meaningful training, work experience and skills development for an additional 40 young people (aged 16 to 25) with learning disabilities and very complex additional support needs who are not currently accessing services (increasing access to our vocational workshops to over 100, including those from priority neighbourhoods.) By creating the right access to opportunities as young people transition to adulthood, we want to reverse the statistic that only 4.1% of adults with a learning disability are in employment – delivering a truly inclusive approach to the development of the wellbeing economy. Not only will this project be transformational for the young people, but it will have a lasting impact on their families (by supporting parents back into work and reducing poverty risk), the local 20-minute neighbourhood (by providing sustainable circular economy goods and services and promoting behaviour change towards net zero) and the environment (by reducing the communities carbon footprint and promoting active travel and the circular economy).

We have attached a robust business plan for Murtle Market (giving further details on its operations and long-term financial viability)

The young people will be central in all operational aspects including working in the store (serving customers, stock checks, handling cash, etc) and in the supply chain (growing fruits and vegetables, making craft products, baking breads and home

bakes, packing and labelling goods, placing/collecting orders, and delivering supplies).

#### **Murtle Market will offer:**

- Zero-waste organic fruit, vegetables and meat grown/reared at CSA and locally
- A Refillery for dry goods and environmentally friendly household products (e.g. pasta, pulses, detergent)
- Organic preserves, bakes and other secondary produced goods (mostly made by young people in our workshops and some partnerships with like-minded, zero-waste, local producers).
- Takeaway coffee and tray bakes (made by young people in the Kitchen Workshop).
- A community heritage hub for CSA, promoting our vibrant 80-year history, values, services and ethos, whilst showcasing the traditional arts and crafts made by young people.
- Bike maintenance and upcycling with the potential for bike hire. Deliver local produce to businesses/public using electric bicycles.

#### **Refurbishment of Murtle Lodge -Construction and Design**

With planning permission granted from Aberdeen City Council Planning Department (Application Reference: 220533/DPP) and Building Warrant submitted, we will have contracts signed for the building construction March 2023, the construction programme will last six months. The appointed architectural team specialise in creating healthy, integrated environments and inclusive design for people with additional support needs. The retrofit will complement the building's limewashed façade, incorporating a sympathetic marriage of heritage design and modern construction. It will not alter the external walls of the original cottage nor disrupt the current mature trees; all in line with Historic Environment Scotland case studies and guidance. We plan to remove the currently dilapidated extension and replace it with a well-insulated fit-for-purpose Scottish larch timber construction reusing the current foundations. The design incorporates a large outdoor south facing meeting area which is sheltered from the road by the new building. The space will be fully accessible under the DDA standards with wheelchair access and toilet facility. The design also includes disability parking and excellent public access on foot along with bike storage. The key focus of the build will be to couple sustainability with accessibility; designing a space that will continue to deliver now and into the future. Heat demand for the building will be sustainably delivered by an air source heat pump into a well-insulated, triple glazed building envelope. A 'fabric first' approach has been adopted, carefully considering the future of the building by including flexible use/longevity of materials (long life / loose fit) if there is ever a requirement for deconstruction, expansion or repurpose. The design utilises low carbon materials throughout including limecrete, recycled geotextiles and hemp insulation; offsetting some carbon from the construction work (please see attached plans).

#### **Community Involvement**

This project was developed as a result of participation and engagement exercises conducted with beneficiaries, the wider community and local stakeholders between 2020 and 2022. The people involved in shaping this project came from our community of purpose (children and young people with learning disabilities, Gap Year volunteers and staff) and our 20-minute neighbourhood (places that are designed so residents can meet their day to day needs within a 20-minute walk/cycle or public transport commute from their home. This concept is a flagship policy for the 2020 Programme for Government (Scottish) to deliver the net-zero targets and deliver a wellbeing economy of inclusive growth).

## **About CSA**

Established in 1940 we were the first shared living community in the UK for children with learning disabilities and we are proud to have started the Worldwide Camphill movement that now consists of over 120 independent charities globally. This is something the citizens of Aberdeen can be very proud of. We are a community of purpose based in Lower Deeside which is made up of children with profound learning disabilities, long term volunteers and staff (circa 450)

The mission of our social care charity is to transform the lives of children and young people with learning disabilities and very complex additional support needs, 83% from Aberdeen and Aberdeenshire. Our unique approach integrates education, lifelong learning, expert care, and therapies as part of a sustainable shared living community. We currently empower over 100 young people aged 3 to 25 years to grow in confidence, skills, and independence –helping to reach their fullest potential. Many staff and volunteers live on-site, creating a vibrant family environment, generating positive mutual relationships which enhance the quality of our education and care. Our services include: integrated nursery, primary and secondary school (extending the formal curriculum with a therapeutic approach to education), 10 residential homes, 15 vocational workshops (Learning for Life Services and STARS Awards 16-25 years), therapies, leisure and recreational facilities alongside onsite medical care. Our workshops include an organic farm and walled garden, heritage arts and crafts, kitchen, bike mechanics and a zero waste refillery and organic farm shop (Fruver) which distributes to all our services.

Set over 50 hectares of open space and peaceful woodlands, our unique model delivers unparalleled outcomes for our young people in a safe and nurturing setting. An integral part of our shared living community is mutual care and respect for each other and the environment enabling healthy sustainable lifestyles. This includes growing our own organic produce, reducing waste, decreasing carbon emissions and practising principles of the circular economy.

Our skilled and diverse board leads an experienced Management Team, supported by 250 staff and 60 gap year volunteers. We are consistently recognised for our high standards of care through the Care Inspectorate and have been accredited with the National Autistic Society since 2005 as well as holding the Eco-School Status for over 10 years. We were also shortlisted for the National SCVO Awards (2022) in the “Pioneering Project Category” for our pop-up COVID-19 vaccination centre -a testament to our quality and innovative approaches.

## **Tillydrone Community Development Trust SCIO - Benholm's Tower and Gateway**

The overall project vision is to revitalise the derelict Benholm's Tower by community ownership and developing it into a facility with a community café on the ground floor, a multipurpose meeting/exhibition hall on the first floor and flexible workshop/office space on the upper floor. The hall will be available for hires, community groups, events etc., and the office space is intended for small business, start-ups or artists to be able to have affordable workspaces within the community, helping to develop the local economy.

The area around the tower will be developed to include a sensory, all-inclusive play trail – the first of its kind in the North of Scotland. By opening the Tower and providing facilities within Seaton Park this also allows the community and visitors to remain in the park area for longer and to make use of the greenspace and the proposed sensory play trail equipment.

At this point funding is sought for the development of the café space, restoration of utilities to the tower and construction of a glazed extension to the rear of the building, as well as regrading to the tower grounds to allow outside seating. Works to develop the rest of the plans will require additional funding but as the groundfloor facility, the Café can be operational and self contained in the initial development phase and by being delivered first will drive the financial viability of the rest of the project. With entrances in both the main door and at the rear of the extension area, the café will be wheelchair accessible with the exception of a small mezzanine floor in the extension. It is intended that the café will be managed by a franchise company and expressions of interest have been received from prospective franchisees This proposal has been developed by Tillydrone Community Development Trust over several years and has attracted significant media and community interest resulting in letters of support from Tillydrone and Old Aberdeen Community Councils, Donside Village, Friends of Seaton Park, The University of Aberdeen and St Machars Cathedral.

A planning permission application has been made, but has been temporarily withdrawn to allow further reports to be produced following advice from planners on additional investigations required. A Community Asset Transfer application has been submitted and a response is expected in the Summer.

The Tower is now on a main arterial route since the opening of the Diamond Bridge and given the high traffic past the site this is very much a Place-making opportunity with the intent to help Benholms Tower identify the community of Tillydrone, help in economic regeneration and define the area as a destination, not just a transit corridor.

Organisation	Project	Total awarded	Expected spend	Committee	Date
ACC	Quarry centre	£50,000	£50,000	CG&R	21/06/2022
ACC	Huberdeen	£40,500	£40,500	CG&R	21/06/2022
ACC	The Street Design Project - Woodside Gateway	£0	£0	CG&R	21/06/2022
Castlegate Arts	2022 Access Improvements	£75,000	£75,000	CG&R	21/06/2022
Donside Village Community SCIO	Tillydrone Gateway Feature Sculpture Trail	£69,400	£69,400	CG&R	21/06/2022
Greyhope Bay	Greyhope Bay Renewable Power	£44,132	£44,132	CG&R	21/06/2022
Scottish Womens Institue	Hub Upgrade	£11,474	£9,493	CG&R	21/06/2022
KCF - The Bridge Centre - Torry	The Bridge Centre - Torry	£76,500	£76,500	CG&R	21/06/2022
Tillydrone Community Development Trust SCIO	Benholm Tower and Gateway	£253,981	£253,981	CG&R	21/06/2022
ACCAAGM	Aberdeen Art Gallery Auto Opening Doors	£43,000	£43,000	CG&R	21/09/2022
St Marys Church	West End Peace Garden Project	£11,000	£11,000	CG&R	21/09/2022
Ferryhill Railway Heritage Trust Incorporating Mens Shed	Restoration of Historic Office Building and Water Tower	£50,000	£50,000	F&R	07/12/2022
Fersands Fountain Community	Nursery Garden Improvements	£33,000	£33,000	F&R	07/12/2022
ACC	Tolbooth Museum External Improvements and Structural Repairs	£0	£0		
	<b>Total</b>	£757,987	£756,006		
	<b>Available</b>	£89,013	£90,994		
	<b>PBIP 22/23 allocation</b>	£847,000	£847,000		

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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 <sup>th</sup> March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	UK Shared Prosperity Fund
<b>REPORT NUMBER</b>	COM/23/097
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Stuart Bews
<b>TERMS OF REFERENCE</b>	1.1.8, 1.1.11 & 3.4

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the Committee's approval for the proposed allocation of grant funding of UK Shared Prosperity Fund (UKSPF) 2023/25.

### 2. RECOMMENDATION(S)

That the Committee:-

#### UKSPF Communities And Place

- 2.1 Defers decision on the application for up to £167,112 to Tillydrone Community Development Trust for the Benholms Tower Project to the meeting of Finance and Resources Committee on 5<sup>th</sup> July 2023;
- 2.2 Awards up to £79,506 to Greyhope Bay for the Phase 2 Feasibility Project;
- 2.3 Awards up to £124,800 to VisitAberdeenshire for a Make a Day of it in Aberdeen Campaign; and
- 2.4 Awards up to £82,468 to Home-Start Aberdeen to support additional vulnerable families.
- 2.5 Rejects the application for up to £300,000 to Aberdeen Performing Arts at this time for the Lemon Tree Redevelopment project due to lack of information on funding sources for proposed main capital works.

#### UKSPF People & Skills

- 2.6 Awards up to £275,000 to Aberdeen City Council for additional employability keyworker support for economically inactive people; and

- 2.7 Awards up to £355,000 to Aberdeen City Council to provide additional courses for economically inactive people, Green Skills courses and development of local projects.

### **3. CURRENT SITUATION**

- 3.1 The UK Government published the UK Shared Prosperity Fund prospectus on 13 April 2022 alongside indicative funding allocations for each Local Authority within the United Kingdom. The Aberdeen City Council area received an indicative allocation of up to £7,156,832 for an initial three-year period covering 2022/23, 2023/24 and 2024/25. This is made up of £1,235,919 for “Multiply” and £5,920,913 for the core UK Shared Prosperity Fund. The “Multiply” element of funding is ringfenced for activity to enhance adult numeracy skills provision and proposals for this will be taken to committee later in 2023.
- 3.2 The core UKSPF element can be used across three priority areas: Community and Place; Supporting Local business; and People and Skills.
- 3.3 In order to access the funding, Aberdeen City Council developed and submitted an Investment Plan to the UK Government in August 2022. The Investment Plan outlined the key priority areas for investment. It was approved in December 2022 and is available on the Council’s UKSPF Website [UK Shared Prosperity Fund | Aberdeen City Council](#).
- 3.4 There are three routes to allocate the funding: ‘Challenge Funds’, ‘Procurement’ or ‘in-house’ and all proposed expenditure will require Committee approval.
- 3.5 Applications are being sought under the Communities and Place priority through a ‘challenge fund route’. Officers promoted the challenge fund on the Council’s website including an application form and supporting guidance documents. Five complete applications are presented to Committee for consideration, outlined in Table 1 and summarised within Appendix 1. Where applications have been returned, the applicant has been provided with detailed feedback around the additional information required and offered a meeting with officers to discuss the feedback further.
- 3.6 Proposals are also being developed under the People and Skills priority through the ‘inhouse route’. Officers engaged with the Employability and Skills team which is seeking funding for projects which align with the interventions of the fund. Two applications are presented to Committee for consideration, outlined within Table 2 and summarised within Appendix 1.
- 3.7 It should be noted that funding can be allocated over more than just a single year, as outlined in the tables below.

**Table 1: Shared Prosperity Fund**

**Communities and Place - Applications for consideration**

<b>Applicant</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>Grant Request 2022/23</b>	<b>Grant Request 2023/24</b>	<b>Grant Request 2024/25</b>	<b>Officer Review Outcome and Proposed Award</b>
Tillydrone Community Development Trust	Benholms Tower	£557,099	£0	£167,112	£0	To defer the request of up to £167,112 to the project. Phase 1 of the project has still to start and therefore it is not considered that support for phase 2 should be recommended at this time. Officers will also support TCDT to bid for the Community Ownership Fund Round 2
Greyhope Bay	Phase 2 Feasibility Project	£79,506	£0	£79,506	£0	To award up to £79,506 The Feasibility shows a strong fit to the relevant fund interventions and will ensure close engagement with the community in designing future plans for the area.
Visit Aberdeenshire	Make a day of it in Aberdeen Campaigns (Autumn 23/Spring 24/Autumn 24/Spring 25)	£124,800	£0	£62,400	£62,400	To award up to £124,800. The proposal shows a strong fit with the UKSPF intervention for the development and promotion of wider campaigns which encourage people to visit

<b>Applicant</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>Grant Request 2022/23</b>	<b>Grant Request 2023/24</b>	<b>Grant Request 2024/25</b>	<b>Officer Review Outcome and Proposed Award</b>
						and explore the local area.
Home-Start	Supporting vulnerable families	£82,468	£0	£40,000	£42,468	To award up to £82,468. The proposal shows a strong fit with the UKSPF intervention cost of living, family resilience and poverty.
Aberdeen Performing Arts	Lemon Tree Redevelopment – Design Development	£300,000	£0	£200,000	£100,000	To reject the award of up to £300,000. There is insufficient evidence provided at this time of future capital sources of funding for the large-scale redevelopment. Officers will support APA to identify alternative sources of funding.
<b>Total</b>			<b>£0</b>	<b>£549,018</b>	<b>£204,868</b>	

**Table 2. People and Skills – Applications for consideration**

<b>Applicant</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>Grant Request 2022/23</b>	<b>Grant Request 2023/24</b>	<b>Grant Request 2024/25</b>	<b>Officer Review Outcome and Proposed Award</b>
Aberdeen City Council	Additional Employability Keyworker Support	£275,000	£0	£75,000	£200,000	To award up to £275,000. This will be used to pay for the delivery of employability activity and associated activity costs of employability keyworkers; two in year one, and

Applicant	Project	Total Project Cost	Grant Request 2022/23	Grant Request 2023/24	Grant Request 2024/25	Officer Review Outcome and Proposed Award
						five (2 + 3) in year two.
Aberdeen City council	Additional courses for economically inactive people, Green Skills courses and development of grass-roots projects	£355,000	£0	£177,500	£177,500	To award up to £355,000. This will be used for additional basic courses for those economically inactive, green skills courses as well as support to development procure local employability projects across the city.
<b>Total</b>			<b>£0</b>	<b>£252,500</b>	<b>£377,500</b>	

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The Council has been allocated £7,156,831 of UKSPF by UK Government over the next two and a half years. The Communities and Place allocation is £3,809,693. The People and Skills priority allocation is £855,000. The Local Business priority allocation is £1,256,220. The “Multiply” priority, to improve people’s numeracy skills allocation is £1,235,918. Appendix 2 provides an overview of the funds awarded to date.
- 4.2 The eligible costs for which the grant can be used are capital or revenue costs incurred by the local authority or third parties which are in line with the main objectives of the fund. Officers assess all bids in line with the published criteria and guidance on the Council’s website. Applications which are incomplete or require further information will be returned to the applicant with feedback on the areas which require attention before being resubmitted.
- 4.3 It is essential that the projects comply with the set requirements to avoid issues around eligibility and potential repayment of grant to the UK Government if conditions are not complied with.

#### 5. LEGAL IMPLICATIONS

- 5.1 Grant Agreements will require to be put in place between Aberdeen City Council and those organisations which are awarded grant funding.

- 5.2 Officers will undertake Subsidy Control risk assessments for all external applications.
- 5.3 To ensure compliance with the Subsidy Control Act 2022, officers established a subsidy control scheme for the UK Shared Prosperity Fund Communities and Place programme. Upon establishment of this scheme, all awards will then be uploaded to the UK Government's Subsidy control database and where required the transparency register.

## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

## 7. RISK

Category	Risk	Primary Controls/Control Actions to achieve Target Risk level	Target Risks Level Low (L) Medium (M) High (H)	Does target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	No risks identified	None	L	Yes
<b>Compliance</b>	Non-compliance with grant conditions will require return of grant	External Funding team are familiar with the compliance requirements and will advise and monitor projects as required to ensure compliance.	L	Yes
	Subsidy Control	To ensure all external grants awarded are compliant	L	Yes
<b>Operational</b>	No risks identified	None	L	Yes
<b>Financial</b>	Any unspent, or unallocated funds will require to be returned to UK Government	Close project monitoring will take place throughout to ensure these timescales will be met.	L	Yes
<b>Reputational</b>	Risk of reputational damage if funds are not spent in accordance with	Officers will work with projects to ensure proposals and applications meet the conditions of grant	L	Yes

	the grant conditions			
<b>Environment / Climate</b>	No risks identified	None	L	Yes

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	All applicants were requested to detail the contribution of their project to Aberdeen City Council policy and strategies, and these were assessed by officers to ensure clear links.
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Prosperous Economy Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous People Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous Place Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Integrated Impact Assessment</b>	Full impact assessment not required
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

- 10.1 COM/21/176 External Funding report to City Growth And Resources Committee on 21<sup>st</sup> June 2022.
- 10.2 COM/22/277 Place Based Investment Programme and UK Shared Prosperity Fund on 7<sup>th</sup> December 2022

## 11. APPENDICES

- 11.1 Appendix 1 – UK Shared Prosperity Fund – Summary of applications received
- 11.2 Appendix 2 –UK shared Prosperity Fund – Funds awarded to date

## 12. REPORT AUTHOR CONTACT DETAILS

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## Appendix 1 - UK Shared Prosperity Fund – Application Summary

### Communities and Place

#### 1. Benholms Tower - £167,112 request

**The recommendation is to reject the request to the project. Officers will redirect Tillydrone Community Development Trust to bid for the Community Ownership Fund Round 2, or Place Based Investment Programme which offer a better fit with the project objectives.**

The overall project vision is to revitalise the derelict Benholm's Tower by community ownership and developing it into a facility with a community café on the ground floor, a multipurpose meeting/exhibition hall on the first floor and flexible workshop/office space on the upper floor. The hall will be available for hires, community groups, events etc and the office space is intended for small business start-ups or artists to be able to have affordable workspaces within the community, helping to develop the local economy.

The area around the tower will be developed to include a sensory, all-inclusive play trail – the first of its kind in the North of Scotland. By opening the Tower and providing facilities within Seaton Park this also allows the community and visitors to remain in the park area for longer and to make use of the greenspace and the proposed sensory play trail equipment.

At this point funding is sought for the development of the Great Hall, this middle floor restoration will create a meeting and event space within the tower which will be bookable and available to the community as desired. This flexible space will allow events such as exhibitions, celebrations or meeting to take place within the community and taking advantage of the catering in the café downstairs. Meeting rooms within the Tillydrone area are currently heavily oversubscribed so the addition will compliment other facilities in the area while providing a unique venue. Works to develop the rest of the plans will require separate funding but the trust have already successfully achieved funding for the ground floor café facility. This proposal has been developed by Tillydrone Community Development Trust over several years and has attracted significant media and community interest resulting in letters of support from Tillydrone and Old Aberdeen Community Councils, Donside Village, Friends of Seaton Park, The University of Aberdeen and St Machar's Cathedral. A community Asset Transfer application has been submitted and while it has been significantly delayed, a positive outcome is expected this year.

The Tower is now on a main arterial route since the opening of the Diamond Bridge and given the high traffic past the site this is very much a Place-making opportunity with the intent to help Benholms Tower identify the community of Tillydrone, help in economic regeneration and define the area as a destination, not just a transit corridor.

## 2. Greyhope Bay Phase 2 Feasibility Project - £79, 506 request

The request for grant funding is to fund a 9-month strategic master planning and feasibility project for phase 2 of the Greyhope Bay project: co-designing a sustainable future for Greyhope Bay and the monument of Torry Battery that meets the need of the community of Torry and Aberdeen.

Greyhope Bay in its current form includes the operation of the Greyhope Bay Centre which opened in April of 2022 and has since received over 40,000 visitors to the café and community space. This phase has been granted 5 years planning permission (Aberdeen City Council) and scheduled Monument Consent (Historic Environment Scotland) for the purpose and opportunity to establish the monument of Torry Battery as a destination for connecting communities with our coastal and built heritage and to demonstrate the viability of a permanent facility at this location. With the 5-year time limit the project now has two significant programmes of work:

1. Operations of the centre, including café management, community events, workshops and education programme delivery and building revenue models and capacity to take advantage of growing opportunity
2. Strategy and master planning/feasibility design work of what a permanent solution for the monument could be post 5 years, informed by operations, and continued identified opportunities and needs of the community. This would also include the establishment of partnerships for delivery of phase two.

The small team at Greyhope Bay do not currently have the capacity to run both programmes of work and are focused on operating the centre. Funding from the UK Shared Prosperity fund will allow Greyhope Bay to resource the second programme of work to ensure there is an informed, strategic and progressed plan for the growth of the project and its role in placemaking and designing a sustainable future for Torry Battery.

To do this they want to:

- Fund a strategic growth and partnership manager within the Greyhope Bay team with remit to lead a 9-month project that will deliver a strategic growth plan and feasibility and study for phase 2.
- Fund the development of a concept design and associated feasibility for phase 2
- Deliver a dedicated open participatory process and engagement events to shape the plans for phase two of the development

Outcomes

- Developed conceptual design and masterplan for phase 2 informed by programming and operations and direct engagement with their community
- Established Partnerships and Development Group for phase 2
- A cost estimate to deliver on the concept designs
- Identified Funding/Funders to progress phase 2 development

- A developed revenue model for operations

### 3. VisitAberdeenshire – Make a day of it in Aberdeen - £124,800 request

VisitAberdeenshire’s application aligns to the following intervention:

Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.

#### **Delivery**

This would be achieved through VisitAberdeenshire delivering a **dedicated, promotional campaign** for Aberdeen city, targeting local audiences in Aberdeen and Aberdeenshire, encouraging them to make a day of it and rediscover their local communities and regional attractions. The campaign will use targeted digital media outlets, as well as using proven offline channels such as regional print and radio.

#### **Content**

The campaign would highlight the **abundant range of attractions and experiences for days out in Aberdeen**, using the hooks of recent renovations such as Aberdeen Art Gallery, Provost Skene’s House, and the imminent reopening of Union Terrace Gardens that in itself will act as a connector between our retail, cultural and dining offers in the city center. The promotion will not be limited to the headline.

#### **Benefits**

**Economy** - Their plan would drive more **footfall and expenditure into Aberdeen city businesses** during the spring and autumn holiday periods. This will help to extend the tourist season for providers of attractions and experiences in Aberdeen. By extending the season, more small businesses and associated jobs will be supported in the tourism and hospitality sector.

**People** Exploring the city can open a window on other worlds of opportunity to citizens of all ages and backgrounds. It can inspire creativity and aspiration leading to happier and more fulfilling lives. Evaluation of previous, similar campaigns has demonstrated that local tourism promotion breeds civic pride.

**Place** Civic pride breeds respect for the community, and greater respect for the life of the city’s natural and built assets.

#### **Evaluation**

VisitAberdeenshire has an established evaluation methodology for visitor-facing campaigns. The evaluation is about finding out what people “think, feel and do”. They explore campaign recall, short and longer term actions and capture ROI.

In practice:

- Each campaign has data capture element – prize draw
- We survey eight weeks after campaign has finished (it will be shorter for a local-facing campaign)
- The survey includes recall and campaign messaging examples
- Surveys emailed to engaged audience, live for 10 days with email reminders to complete
- Full analysis of results to understand what the audience felt, thought and did as a result of being exposed to the campaign
- Calculate ROI using a calculation model that was developed by VisitBritain.

#### **4. Home-Start – Supporting vulnerable families - £82,468 request**

A trained volunteer will visit the family in their own home, weekly, for around 2.5 hours.

They will provide bespoke emotional and practical support, according to each family's circumstances.

Home-Start's key components are:

- They will customise emotional and practical support to each family's needs
- Listen and encourage, offer parenting advice, helping with routines, and setting boundaries
- Model good parenting practice
- Advise on budgets and finances, arrange money advice support
- Arrange deliveries of food, toiletries, and nappies
- Arrange take-up of other services
- Reduce isolation and loneliness

Support usually runs for a year.

A co-ordinator regularly reviews developments with each family, monitoring progress and ensuring compliance with policies and national QA standards

Outcome:

- Families will be more resilient and able to cope with the challenge they face
- Parents will have enhanced parenting capacity
- Children will experience a more nurturing and stimulating family environment
- Children will have improved health and wellbeing

Home-Start use a family-centred bespoke evaluation system, which evidences the journey of change for each family and outcomes achieved.

The project is an excellent investment for the UKSPF Communities and Place fund as it achieves the outcomes above, directly supporting community and infrastructure improvement. The proposal also creates additional value in supporting the UKSPF requirements.

Families will be eligible to attend family support groups or become involved in Recipe for Life, our healthy eating project for low-income families. This offers additional family support, further developing resilience, at no extra cost to the council.

They will also create significant social capital by:

- Reducing loneliness and isolation
- Connecting families with their local communities
- Facilitating take-up of other services
- Using a volunteer-led workforce
- Partnership working with other local agencies.

There work also contributes to 3 Scottish Government National Outcomes:

- Children and Young People –specifically regarding the child’s social and physical development
- Communities –specifically regarding Social Capital and the work of our volunteers
- Health – specifically regarding Mental Wellbeing

As a charity, Home-Start never have sufficient funds to deliver our services, especially in the current economic climate.

There fundraising is a continual programme of research and applications. The project is a strong fit within the Communities and Place funding, matching the criteria and aims, while the funding helps them to continue their core work in supporting vulnerable young families.

At a time when a growing number of families in Aberdeen are at breaking point, excluded, stressed, and isolated our support can make a real difference.

Funding will enable Home-Start to make timely interventions, helping families avoid crisis and breakdown.

They will provide 1:1 home visiting support for 40 additional vulnerable, struggling families over the next 2 years.

They will improve each family’s ability to cope through increased resilience, enhanced parenting capacity, support for early years development, improved skills and confidence, and increased knowledge and use of local services.

They believe stronger families build stronger communities.

Family resilience is an essential building block; fundamental to improving the social fabric and infrastructure of our local communities.

**5. Aberdeen Performing Arts – Lemon Tree Redevelopment – Design Development – £300,000**

**The recommendation is to reject the request of up £300,000. There is insufficient evidence provided at this time of future capital sources of funding for the large-scale redevelopment. Officers will support APA to identify alternative sources of funding.**

Aberdeen Performing Arts is leading the proposed redevelopment of The Lemon Tree, a much-loved venue and cultural asset at the heart of the city. This proposal would deliver the critical next stage of design development, therefore meeting the criteria for leveraging additional funding and preparing for construction.

They have completed RIBA Stage 3 (Spatial Coordination) and the overall fundraising target for the redevelopment is £8.3 million. They are requesting £300,000 from this fund towards the costs of RIBA Stage 4 (Technical Design) in readiness for RIBA Stage 5 (Manufacturing and Construction). Richard Murphy Architects, appointed late 2021 following an appointment process via Public Contracts Scotland in line with public procurement processes, are leading the design development. Work would commence on Stage 4 from February 2023 and be complete by October 2023.

The specific tasks undertaken as part of this phase of design development will include:

- Submitting planning consent application.
- Undertaking any pre-construction surveys and identifying future requirements.
- Undertaking full technical design, including architectural, civil and structural, services, acoustics, fire safety, conservation and sustainability, and others as required.
- Preparing and coordinating specialist subcontractors' information.
- Updating the cost plan iteratively to a level of detail, including elemental analysis of cost, full bill of quantities, and pricing schedules, to establish a pre-tender cost estimate.
- Preparing the tender documentation, reviewing tender returns or contractor's proposals against cost and quality aspirations, building regulations and project strategies.
- Reviewing risks ensuring these are designed out where possible, appropriate mitigations put in place, and all health and safety risks reduced or eliminated.
- Preparing any supplementary design information to confirm details required before the planning permission is implemented.
- Recruiting a client-side project manager to assist with overall oversight and scrutiny of the designs as developed.

As guardians of iconic and much-loved venues they have a responsibility to manage, maintain and ensure the spaces we occupy and share are fit for purpose and capable of delivering our ambitious artistic vision, extensive community support and significant contribution to the region's cultural scene and economy.

This major capital project will transform the venue, improving and expanding performance facilities, creating rehearsal space, improving social space and customer journey, and providing a home for youth arts, early career artists and performers. Future sustainability is embedded in our plans.

The objectives of this fund align well with the wider objectives of The Lemon Tree redevelopment. It will benefit communities, businesses, the cultural sector, the city, region and local economy. The project will allow us to embed further our community engagement programmes, which help transform quality of life for individuals and communities. It has an important role to play in placing community centred, cultural renewal at the heart of the regeneration and re-imagining of the Queen Street area bringing tangible economic and social benefits.

They will help drive footfall into the city through creative placemaking, benefitting business and bringing economic benefit. The plans have a significant role to play in Aberdeen's vision to be a vibrant, creative and ambitious city with a strong cultural identity.



## People and Skills

### **6. Additional Keyworker support for economically inactive people - £275,000 request**

This will be used to pay for the delivery of employability activity and associated activity costs of additional employability keyworkers; two in year one, and five (2+ 3) in year two. This will enable the Council to offer additional support to economically inactive people.

#### Expenditure

<b>Expenditure</b>	<b>Amount</b>
<b>Employability keyworker x 11</b>	<b>£820,173.86</b>
<b>Barrier removal activity</b>	<b>£200,000</b>
<b>Total Expenditure (£)</b>	<b>£1,020,173.86</b>

<b>Total Costs</b>	<b>2022/23 (£)</b>	<b>2023/24 (£)</b>	<b>2024/25 (£)</b>	<b>Total (£)</b>
<b>Revenue</b>	£0	£510,081.76	£510,081.76	£1,020,173.86
<b>Total</b>				
<b>Of which UKSPF</b>	<b>2022/23 (£)</b>	<b>2023/24 (£)</b>	<b>2024/25 (£)</b>	<b>Total (£)</b>
<b>Revenue</b>		£79,561.26	£195,438.74	£275,000
<b>Total</b>				

#### Number of citizens supported by UKSPF.

Year 1: up to 50 people, based on a caseload of 25 per keyworker.

Year 2: up to 125 people, based on a caseload of 25 per keyworker.

#### UKSPF Additionality

Aberdeen City Council have considered a variety of options to enable a broader and more person-centred approach to the delivery of employability activity, which will support delivery of activity for those requiring longer-term interventions and are identified as priority target groups by the Local Employability Partnership.

This option enables ongoing delivery of activity to people throughout the city, albeit with a primary focus on priority areas of Aberdeen to enable upskilling, reskilling, early and ongoing engagement and support to help them to reach positive outcomes across employment, education, training, financial position, and mental and physical health.

UKSPF funding will be used to provide additionality to current services. The city is facing increasing demand for employability support and interventions, with significant year on year rises in referrals from agencies and individuals, without this UKSPF funding we will not be able to provide the level of support required to support people into sustained destinations including education, training, employment, and out of poverty.

This project will support the delivery of employability interventions across Aberdeen, with a particular focus on priority areas and tackling poverty. The delivery of the activity proposed here will not only support people into employment, better paid employment/more hours, business start-up and self-employment, but also support local organisations by ensuring that people are ready, able, and willing to participate in more advanced employability activity.

The upskilling opportunities provided through this project will help people to move into employment and out of poverty, thus supporting business development and growth, tackling skills shortages, ensure the city has a skilled workforce and support community cohesion, development and community wealth building. It will lead to better mental and physical health outcomes, thus reducing reliance and pressure on other public sector services including health and justice.

**2. Additional courses for economically inactive people, Green Skills courses and development of grass-roots projects - £355,000**

Funding will be used for:

**Courses including basic skills for those not economically inactive**

This will be used to pay for a range of activity to upskill individuals experiencing in-work poverty, with a view to supporting them into better-paid roles, or to secure more hours and thus increasing their income. It will complement Parental Employability Support Fund activity, which is exclusively for parents who meet set criteria.

Delivery will be a mix of internal provision and contracted provision procured via the Dynamic Purchasing System, including accredited provision, and will require some project officer input to manage the procurement and contract management activity.

**Grass-roots employability projects**

This funding will be used to support development of and to procure true grass-roots employability projects across the city, with particular focus on Aberdeen's priority areas. This will include the need for project officer support to upskill and support true grass-roots communities understand what is required in terms not only of development, but also securing funding, delivery, and reporting. This may include mainstreaming of pilot projects currently being delivered in priority areas, particularly in Year One while we work to prepare the grass-roots organisations to develop, bid, deliver, and report.

**Green skills courses**

Green skills courses will be procured to support the just transition, and with a particular focus on those at risk of redundancy or who are not in education, employment, or training as well as parents experiencing in-work poverty.

Procurement, contracting and contract management requirements:

It will include support to upskill and support true grass-roots communities understand what is required in terms not only of development, but also securing funding, delivery, and reporting. This may include mainstreaming of pilot projects currently being delivered in priority areas, particularly in Year One while we work to prepare the grass-roots organisations to develop, bid, deliver, and report.

**UKSPF Additionality**

Aberdeen City Council have considered a variety of options to enable a broader and more person-centred approach to the delivery of employability activity, which will support delivery of activity for those requiring longer-term interventions and are identified as priority target groups by the Local Employability Partnership.

This option enables ongoing delivery of activity to people throughout the city, albeit with a primary focus on priority areas of Aberdeen to enable upskilling, reskilling, early and ongoing engagement and support to support them to reach positive outcomes across employment, education, training, financial position, and mental and physical health.

The use of the Dynamic Purchasing System for procurement of services will enable a rapid and flexible approach to emerging need and support local training providers.

UKSPF funds will be used to provide additionality to current services, particularly through procurement of employability services and development of new activity to meet emerging needs. The city is facing increasing demand for employability support and interventions, with significant year on year rises in referrals from agencies and individuals, without this UKSPF funding we will not be able to provide the level of support required to support people into sustained destinations including education, training, employment, and out of poverty.

Third sector training providers are facing increasing challenges and through the use of these funds we will make opportunities available, via the employability services, to training providers to bid to deliver employability services which align with the Local Employability Partnership Delivery and Action Plan.

This project will support the delivery of employability interventions across Aberdeen, with a particular focus on priority areas and tackling poverty. The delivery of the activity proposed here will not only support people into employment, better paid employment/more hours, business start-up and self-employment, but also support local organisations by ensuring that people are ready, able, and willing to participate in more advanced employability activity.

The upskilling opportunities provided through this project will help people to move into employment and out of poverty, thus supporting business development and growth, tackling skills shortages, ensure the city has a skilled workforce and support community cohesion, development, and community wealth building. It will lead to better mental and physical health outcomes, thus reducing reliance and pressure on other public sector services including health and justice.

UK Shared Prosperity Communities and Place Fund allocations to date

The UK Government has awarded Aberdeen City Council £7,156,831 to spend over the next two and a half financial years, £3.809,693 of which is Communities and Place. The table below highlights the successful projects awarded funds to date by Committee.

<b>Applicant</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>UKSFP Grant awarded 2022/23</b>	<b>UKSPF Grant awarded 2023/24</b>	<b>UKSPF Grant awarded 2024/25</b>
Aberdeen City Council	Community Buildings Feasibility Study	£70,000	£70,000	£0	£0
Aberdeen City Council	ClimateOS software	£101,000	£101,000	£0	£0
Aberdeen City Council	SPECTRA Scotland's Festival of Light	£155,000	£70,000	£85,000	£0
Aberdeen City Council	Tolbooth Museum Improvements and Structural Repairs	£700,000	£100,000	£600,000*	£0
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Reimagining The Cowdray Hall - Feasibility Study	£40,000	£0	£40,000	£0

Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Aberdeen Archives Centre - Feasibility Study	£90,000	£0	£90,000	£0
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Audience Evaluation & Acquisition Feasibility Study	£150,000	£0	£80,000	£70,000
<b>Total UKSPF grant awarded</b>			<b>£341,000</b>	<b>£895,000</b>	<b>£70,000</b>
<b>UKSPF Communities and Place Funds remaining</b>			<b>£2,503,693</b>		

\*This figure will reduce by £253,981 if Finance and Resources Committee agree to the recommendations of the Place Based Investment Programme Paper on 29<sup>th</sup> March 2023.

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Credit Rating Annual Review
<b>REPORT NUMBER</b>	RES/23/092
<b>DIRECTOR</b>	Steven Whyte
<b>CHIEF OFFICER</b>	Jonathan Belford
<b>REPORT AUTHOR</b>	Neil Stewart
<b>TERMS OF REFERENCE</b>	1.1.12

### 1. PURPOSE OF REPORT

- 1.1 To provide an overview of the recent credit rating annual review and report the outcome of the review.

### 2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Note the outcome of the annual review was affirmation of the A1 rating, with an economic outlook of 'negative', in line with the recent changes to the UK's rating.

### 3. CURRENT SITUATION

- 3.1 During 2016/17, Aberdeen City Council became the first local authority in Scotland to be awarded a credit rating and subsequently secure funding towards its capital investment programme, by issuing bonds of £370 million on the London Stock Exchange (LSE).

- 3.2 The credit rating must be maintained over the term of the bonds with the credit rating agency conducting a review at least once every twelve months.

- 3.3 At its meeting on 14 December 2016, Council considered a report "Bond Financing Strategy – Implications for the Council" which provided details on the implications of the award of a credit rating by Moody's Investor Services. The report can be viewed using the following link (item 15):

<http://councilcommittees/ieListDocuments.aspx?CId=122&MId=3897&Ver=4>

- 3.4 A credit rating, from a recognised credit rating agency, had to be secured to enable the Council to issue bonds. In determining a credit rating, the agency considered the strength of the institutional framework within which a Scottish local authority operates as well as considering the performance of the economy within which the local authority operates.

- 3.5 In addition, the Council was required to submit detailed financial information to the ratings agency in order to demonstrate its stewardship, including annual accounts; past, present and future budgetary information and analysis including the main income streams; capital programmes and major projects; analysis of past and projected future reserves and balances; treasury management policy and strategy; credit metrics; and 35 year projected income statement, cashflow statement and balance sheet.

### **Annual Review Process**

- 3.6 Since October 2017 there have been annual reviews of the Council's credit rating, as per the table below.

<b>Annual Review</b>	<b>Opinion Issued</b>	<b>Credit Rating</b>	<b>Rating Outlook</b>	<b>Movement/Rationale</b>
2017	20 Nov 2017	Aa3	Stable	None
2018	22 Nov 2018	Aa3	Stable	None
2019	20 Dec 2019	Aa3	Negative	in line with recent UK downgrade
2020	18 Jan 2021	A1	Stable	in line with recent UK downgrade
2021	28 Jan 2022	A1	Stable	None
2022	10 Feb 2023	A1	Negative	in line with recent UK downgrade

The annual review outcomes are reported to the Committee at the next available meeting following the review.

- 3.7 As advised in previous reports, the Economic Policy Panel (EPP) was established to produce an annual economic report which, as independent validation of economic policy and performance, would provide a robust economic analysis to Moody's from 2018 onwards.
- 3.8 The timing of the 2022 credit rating annual review was therefore dependent on the publication of the EPP's annual report and as such, with the Panel's report available, the review meeting was set for 12 December 2022.
- 3.9 The meeting focussed on providing information on the past, current and future financial position, treasury and debt management, governance, EU exit and Covid-19 implications as highlighted by Moody's as their main areas of interest. The EPP's report was shared with Moody's and they were given the opportunity to ask questions on this.

### **Annual Review Outcome**

- 3.10 On 10 February 2023, Moody's issued their credit opinion, A1 with a negative outlook. The downgrade in the negative outlook is in line with, the recent downgrade to the UK's economic outlook. As in previous reviews, this is one notch below the UK's rating (Aa3) on Moody's scale. The full published credit opinion is included in Appendix 1 and can be summarised as follows:



- The credit profile reflects a strong institutional framework, a strong track record of operating performance and a wealthy local economy
- It also reflects a high likelihood that the UK government (Aa3 stable) intervene in the event of acute liquidity stress
- The credit opinion highlights those factors which could lead to a future upgrade or downgrade, with these including changes in financial performance or a material increase in debt levels. In addition, a downgrade in the sovereign rating, a change in the relationship between Scotland and the UK or a dilution of the regulatory or institutional framework for Scottish Local Authorities could exert downward pressure on the rating

### **Future Annual Reviews**

- 3.11 As previously mentioned, the credit rating must be maintained over the period of the bonds. This means a formal review of this nature will take place annually. We expect each review will have a strong focus on the current and projected financial position of the Council and therefore continued strong financial governance and reporting is imperative to support the maintenance of the current level credit rating.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 Whilst there are no direct financial implications arising from the recommendations of this report, it is important to note that the bond issuance places a financial commitment on the Council until 2054. The first principal bond repayment was made in August 2019, with the next principal repayment due in August 2023.
- 4.2 In addition, financial stability and strong financial management are key elements to maintaining a credit rating throughout the period of the bonds.

## **5. LEGAL IMPLICATIONS**

- 5.1 There is a specific requirement within the bond documentation that a credit rating be maintained throughout the period of the bonds.
- 5.2 While the Council's bonds are trading on the LSE, the Council is required to comply with the UK Market Abuse Regulation, the Disclosure and Transparency Rules, the Listing Rules and ongoing obligations as set out in the LSE Admission and Disclosure Standards.

## **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

## 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Compliance/Reputational</b>	<p>Failure to adhere to the relevant legislation, rules and regulations may result in the Financial Conduct Authority (FCA) seeking to investigate the governance arrangements in place to comply with the LSE requirements. This could be on a corporate and/or individual basis and represents both a legal and reputational risk.</p> <p>Council employees and councillors have access to an array of information which may be confidential and/or inside information in terms of the relevant legislation, rules and regulations that come with being an LSE listed organisation.</p> <p>It is important that all employees and councillors understand the implications of being a listed organisation and having a credit rating and the specific requirements this puts on them.</p>	<p>These risks are mitigated through monitoring of key governance programmes by the Council and by a programme of training in place.</p>	L	Yes
<b>Financial</b>	<p>The Council must endeavour to maintain a suitable credit rating. Should the credit rating fall the liquidity of the bonds in the secondary market will drop. If concerned, bondholders</p>	<p>These risks are mitigated by having robust governance processes in place which ensures the Council can react and act promptly to address issues</p>	L	<b>Yes</b>

	<p>may call a meeting which would analyse the Council's financial position and the Council are obliged to respond honestly to all questions.</p> <p>Further if the credit rating falls such that it is three notches below the UK sovereign rating, the bondholders can request repayment of the bonds.</p> <p>In addition, if the credit rating falls then the Council's ability to obtain other financial products in marketplace may become more expensive and/or difficult to access. This is due to the perceived risk in investing in a lower credit rated body.</p>	<p>arising. The Council monitors the key work programmes identified to ensure these risks are mitigated as far as possible.</p>		
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## 8. OUTCOMES

<u><a href="#">COUNCIL DELIVERY PLAN</a></u>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b> TECA, including digestion plant</p>	<p>The proposals within this report support the continued delivery of The Event Complex Aberdeen - Policy Statement 2.</p>
<b>Aberdeen City Local Outcome Improvement Plan</b>	
There is no impact in terms of the LOIP	

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Impact Assessment</b>	Not Required
<b>Data Protection Impact Assessment</b>	Not Required

## 10. BACKGROUND PAPERS

10.1 Bond Financing Strategy – Implications for the Council (Council 14/12/16)

## 11. APPENDICES

Appendix 1 – Moody’s Credit Opinion (10 February 2023)

## 12. REPORT AUTHOR CONTACT DETAILS

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## CREDIT OPINION

10 February 2023

Update

Send Your Feedback

### RATINGS

#### Aberdeen City Council

Domicile	Aberdeen, United Kingdom
Long Term Rating	A1
Type	LT Issuer Rating - Dom Curr
Outlook	Negative

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

## Aberdeen City Council (UK)

### Update to credit analysis

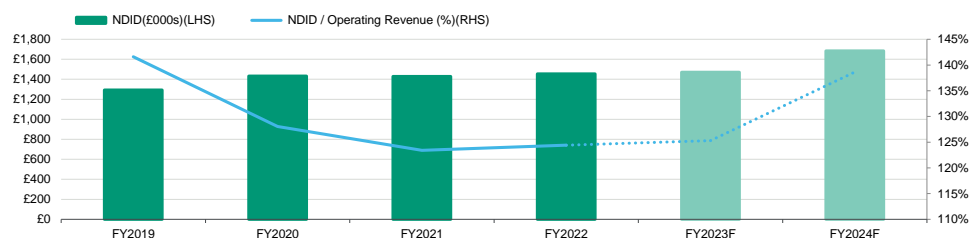
#### Summary

The credit profile of [Aberdeen City Council](#) (Aberdeen, A1 negative) reflects a strong institutional framework, a strong track record of operating performance, a wealthy local economy balanced by a high debt burden to finance their capital programme and project risk from The Event Complex Aberdeen (TECA) development. The credit profile also reflects a high likelihood that the government of the [United Kingdom](#) (UK, Aa3 negative) would intervene in the event of acute liquidity stress.

#### Exhibit 1

**Aberdeen's debt level was stable in fiscal year ended 31 March 2022 but is expected to increase, though at a modest rate as borrowing increases**

Net Direct and Indirect Debt (£000s), Net Direct and Indirect Debt as % of operating revenues



F denotes a projection based on Aberdeen's medium term financial plan.

Source: Issuer, Moody's Investor Service

#### Credit strengths

- » Strong institutional framework for Scottish local authorities
- » Wealthy local economy, with some concentration in oil and gas industries
- » Track record of balanced financial performance but significant medium term pressures

#### Credit challenges

- » Debt has increased in level and complexity in recent years
- » Exposure to key project risks associated with the development of The Event Complex Aberdeen (TECA)

#### Rating outlook

The negative outlook reflects the close institutional, economic and financial linkages between the UK government and local authorities. It also reflects the weakening economic and fiscal

environment in the UK which will lead to lower revenues, higher demand for services and therefore rising cost pressures for local authorities.

### Factors that could lead to an upgrade

An upgrade in the near term is unlikely given the negative outlook. However, upward pressure on Aberdeen's rating could be driven by material reductions in projected debt levels, material improvement in operating performance, reduction in risk levels in capital programmes and material improvements in reserves levels.

### Factors that could lead to a downgrade

One or a combination of the following could result in downward pressure on Aberdeen's rating: a material increase in debt levels beyond that currently anticipated; an inability to achieve balanced budgets without material depletion of usable reserves; increasing risk exposure or weak performance of commercial investments; a downgrade of the UK sovereign rating or a weakening of the UK's strong institutional framework for local authorities.

### Key indicators

Exhibit 2

Aberdeen City Council						
	FY2019	FY2020	FY2021	FY2022	FY2023F	FY2024F
Net Direct and Indirect Debt / Operating Revenue (%)	141.6	128.0	123.4	124.4	125.3	139.1
Interest Payments / Operating Revenue (%)	5.5	4.8	3.9	4.2	3.5	3.5
Gross Operating Balance / Operating Revenue (%)	(0.9)	(0.1)	3.1	0.7	0.1	0.5
Capital Financial Surplus (Requirement) / Total Revenue (%)	(13.3)	(14.4)	0.2	(8.4)	(7.0)	(6.1)
Intergovernmental Transfers / Operating Revenue (%)	48.9	50.1	49.5	43.1	42.5	40.7
Short-Term Direct Debt / Direct Debt (%)	18.0	16.9	18.8	17.6	16.9	15.8
GDP per capita as % of National Average	146.0	146.3	145.7	145.5	145.7	145.7
Usable Reserves / Operating Revenue (%)	6.4	5.4	8.6	9.3	9.0	8.3

F = Forecasts

[1] Gross value-added figures for Aberdeen and Aberdeenshire as a percentage of the UK average (source: Office for National Statistics).

Source: Issuer, Moody's Investors Service

### Detailed credit considerations

Aberdeen's credit profile reflects (1) a Baseline Credit Assessment (BCA) of a3, and (2) a high likelihood of extraordinary support from the UK government in the event that the entity faced acute liquidity stress.

#### Baseline credit assessment

##### Strong institutional framework for Scottish local authorities

In Scotland, the responsibility for local government funding is devolved, with the Scottish government allocated a block grant from the UK sovereign, which currently amounts to some 85% of the total budget. The Scottish government then allocates a block grant to Scottish LAs in the form of a general revenue grant, non-domestic rates income (business rates) and a general capital grant; this represents around 50% of Aberdeen's gross expenditure. This also means that Aberdeen is less exposed to business closures than LAs in England - as non-domestic rates income acts as a balancing figure within its grant calculation and will scale up and down depending on its grant allocation. This insulates Aberdeen to some extent from an economic downturn. As in England, Scottish LAs' main sources of non-block grant revenue are council taxes, fees, charges, trading and investment income. Similar to English LAs, Scottish LAs have to prepare an annual balanced budget and any failure to meet this requirement means the government must be notified by the designated financial officer (Section 95 officer) at the council.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Aberdeen's internal governance and scrutiny is strong, supported by recent assessments from the Accounts Commission. The financial planning process includes a strategic review, underpinned by a medium-term financial plan, a corporate risk register and monitoring of the financial position (which is reported quarterly to the City Growth and Resources Committee). Similar to other LAs, Aberdeen manages a number of partnerships with other public bodies to deliver its social mandate. In addition to this, Aberdeen holds shares in a number of entities and subsidiaries to support the delivery of its objectives. All are financed by Aberdeen, so their funding and savings plans are considered in Aberdeen's medium-term financial plan. None have any debt on their balance sheets.

### **Wealthy local economy, with high concentration in oil and gas industries**

Aberdeen is located in the north east of Scotland, with a population of over 212,000. Aberdeen is wealthy compared with the rest of the UK and Scotland. Gross value added per capita in Aberdeen City was £45,834 in 2020, or 146% of the UK average. The city has a highly skilled labour force, with approximately 54% of working age people having qualifications at NVQ4 and above compared with the Scottish and UK averages of 47% and 40% respectively.

The oil and gas sector remains the primary driver of employment in Aberdeen's economy through direct employment on offshore rigs and indirectly through the supply chain. An analysis by Scottish government estimates that the energy sector as a whole represents around 44% of the city's employment. The energy sector also plays an outsized role in the GVA generated by Aberdeen, with GVA/per head (employment) in this sector almost four times that in life sciences and financial and business services.

The oil and gas sector is expected to remain robust over the next two years, following on from the cyclical highs of 2022. This is a credit positive for Aberdeen, given its concentration in the sector. However, significant concentration to this sector introduces volatility to the city's economic performance. Aberdeen's climate change plan, which aims to meet a net carbon zero target by 2045, includes extensive investment in clean energy infrastructure. Development of renewable energy infrastructure such as wind farms and hydrogen buses will require significant investment but will help steer the city towards its carbon transition goals target and introduce some diversification to the city's energy sector. In addition, as an export-led economy, it is exposed to geographical tensions. For instance, the Russia-Ukraine conflict has led to increased export volumes to the bloc as the EU aims to diversify its energy supplies away from Russia. Despite the recent positive performance in one of Aberdeen's key sectors, we expect the challenges looming from Brexit to weigh on trade in the longer term.

While the results of the Brexit referendum initially brought renewed impetus to the arguments for a second Scottish Independence referendum, we view this as currently having little bearing on the strong ties between the UK government, the Scottish government and in turn the Scottish LA sector.

### **Track record of balanced financial performance, but significant pressures over the medium term**

Aberdeen generated a £8.4 million surplus on its General Fund and Housing Revenue Account (HRA) balance in FY2022, resulting in a gross operating balance (GOB) of 0.1%, down from 3.3% in FY2021. In line with other local authorities, the fall in the operating performance in FY2022 was largely driven by the continued impact of the pandemic on the Council's income, due to changes in consumer behaviour and restrictions across the city during the fiscal year. In general, its budgetary performance and budgetary control is strong, however, Aberdeen faces pressures from elevated inflation over the near term and from increasing demand for services over the medium term, which will push up Aberdeen's spending. Aberdeen has forecasted a £2.1 million general fund deficit; £0.5 million HRA surplus. This leaves a net deficit of £1.6 million for FY2023, which will be matched by earmarked reserves to arrive at a balanced budget.

In FY2022, the level of useable reserves to operating revenue increased marginally to 9.3% from 8.6% in FY2021. However, non-earmarked General Fund reserves still remain relatively low at £12 million, equivalent to 1.0% of operating revenue, though is viewed to be reasonable given the Council's size and the significant funding from the Scottish Government. However, reserve balances are expected to reduce over the medium term, to reflect usage of the capital fund, with government grants and contributions expected to return to historic levels whilst earmarked reserves are used to offset budget gaps.

The HRA, similar to that in England, is ring fenced and primarily funded through rental income. Aberdeen currently has around 22,500 council houses, which are covered by a 30-year HRA business plan. As is the case in England, in Scotland, the HRA cannot subsidise the general fund (Housing (Scotland) Act 1987).

## Debt has increased in level and complexity in recent years

Aberdeen issued a £370 million index-linked bond in November 2016, maturing in 2054. The bond was intended to support the development of its ambitious capital programme, in particular, financing TECA. The bond is index-linked on the capital repayments - this increases the council's inflation-related risk as a limited proportion of Aberdeen's revenue is index-linked and raises the risk of a potential mismatch between revenue and indexation on the capital.

Aberdeen's debt burden rose slightly to 124% of gross operating revenues at fiscal year ended 31 March 2022. This was due to additional long-term borrowing, as some capital spending plans reconvened following COVID restrictions. Aberdeen's debt includes direct debt of £1 billion, £126 million in PPP liabilities and £56 million of finance leases. Its direct debt is predominantly split between borrowing from the Public Works Loan Board (PWLB, a statutory body of the UK government) (41%), the bond issuance and premium (36%) and the remainder in market debt and temporary loans. There is no use of derivatives, although it continues to have some legacy Lender Option Borrower Option (LOBO) loans, however these are all at fixed rates. As capital spending resumes, borrowing is expected to increase, pushing up the debt level at a modest rate over the medium term.

Aberdeen's treasury policy is straightforward, reflecting the uncomplicated debt and treasury arrangements. The investment policy is risk averse, with an approved counterparty list with the highest-rated entities maintained and adhered to, investments are currently held and planned to be held in highly rated money market funds. [Clydesdale Bank plc \(LT Bank Deposits, A3 stable\)](#) is responsible for day-to-day banking facilities and offers an overdraft facility of £1.5 million.

Aberdeen also has a number of other existing indirect obligations, the largest of these being the pensions fund, which shows an actuarial deficit of £118.4 million. A recovery plan has been agreed with the trustee to address the unfunded position. Aberdeen is involved in two Public Private Partnerships (PPP). These include a 30-year PPP contract for the construction, maintenance and operation of 10 schools. The scheme came into operation between May 2009 and April 2011. The other PPP is for another school, Lochside, which came into operation in August 2018 and is for 28 years. The liability value of the PPPs at FY2022 was £126 million. Aberdeen also has a finance lease for the commercial development at Marischal Square in Aberdeen City Centre which completed in November 2017, for a duration of 35 years. This consists of a hotel, retail and office premises. The discounted present value of the minimum lease payments is £56 million, and this has been consolidated into Aberdeen's net debt and indirect debt. Aberdeen City Council will be liable for the annual rental stream from the asset and carries the revenue risk should the project not be successful. Contingency amounts from the deal are available in the first few years of the development, to protect the council against a shortfall in rental income as rental agreements are signed with tenants.

## Key project risk associated with TECA

TECA is the cornerstone of Aberdeen's capital programme. The project comprises a 12,500 capacity seated/standing arena, exhibition and conference centre, two hotels, car parking facilities and an anaerobic digestion plant. Construction started in July 2016 and is now operational as of summer 2019. The total gross construction cost was £425 million.

The project is intended to bolster Aberdeen's ability to compete globally with other cities in the energy sector, as well as support the diversification of Aberdeen's economy through leisure and business tourism. We view the TECA development and Aberdeen's borrowing to finance it as demonstrating the council's higher risk appetite than a typical local authority, although the project is intended to boost Aberdeen's long-term economic performance.

TECA is operated by ASM Global, which has considerable experience running other major event and conference venues in the UK and globally, and hotel franchise agreements with RBH Hospitality Management, under Hilton Hotels and [Marriott International, Inc \(Baa2 stable\)](#) brands. Construction risk is now materially lower, as the majority of the programme is now complete, including the anaerobic digestion plant.

However, Aberdeen remains exposed to revenue risk in the operations phase. The Council's cashflow is expected to be affected by the capital programme in FY2023, due to the higher operating costs resulting from the energy crisis. Though activity was interrupted by COVID restrictions over the last two fiscal years, 120 large events are expected to have taken place in 2022. The ambition is to have an additional 4.5 million visitors, resulting in a £63 million net GVA to the Scottish economy. Over the medium to long term (2023-2028), the lingering



impacts of the pandemic on the events and conference industry may result in a shift in demand for TECA's services, resulting in the local authority having to reconsider the focus of the site.

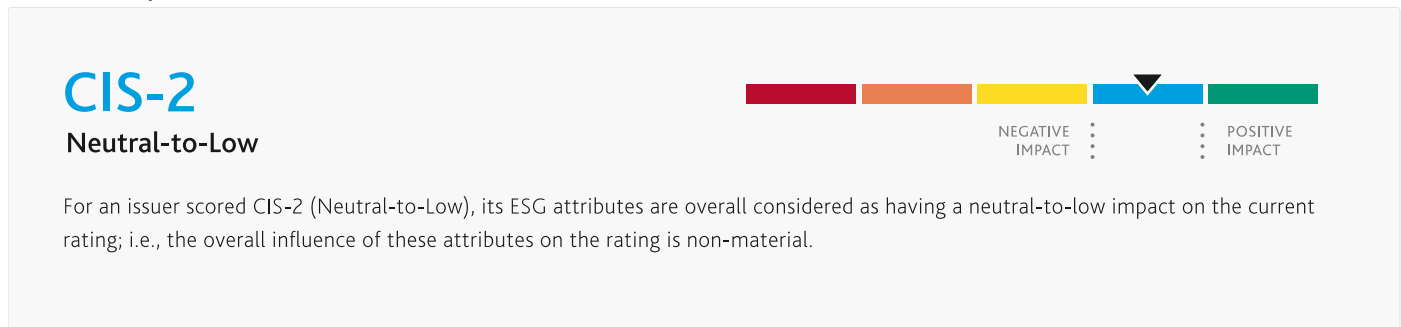
**Extraordinary support considerations**

We consider Aberdeen to have a high likelihood of extraordinary support from the UK government, reflecting our assessment of the reputation risk to the state were a local government's financing to fail within such a tightly designed and monitored system, in addition to the Public Works Loan Board's position as a lender of last resort.

**ESG considerations**

**Aberdeen City Council's ESG Credit Impact Score is Neutral-to-Low CIS-2**

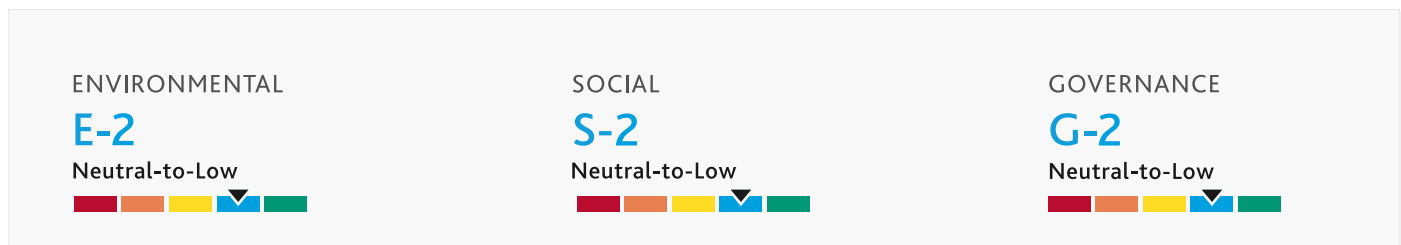
Exhibit 3  
ESG Credit Impact Score



Source: Moody's Investors Service

Aberdeen's ESG Credit Impact Score is neutral to low (**CIS-2**), reflecting neutral to low exposure to environmental, social and governance risks.

Exhibit 4  
ESG Issuer Profile Scores



Source: Moody's Investors Service

**Environmental**

Its overall E issuer profile score is neutral to low (**E-2**), reflecting low exposure to environmental risks across all categories, except for moderately negative exposure to carbon transition risks given the significant dependence of the city on the oil and gas sector and Scotland's net zero targets, which will require the city to invest and adapt to the transition over time. Apart from carbon transition, the other main environmental risk relates to physical climate risks, however adaptation is generally the responsibility of regional and/or national bodies.

**Social**

We assess its S issuer profile score as neutral to low (**S-2**) reflecting low exposure to social risks across most categories. One exception is in relation to housing where we assess Aberdeen to have a moderately negative exposure to risk due to housing shortages and affordability pressures in the city. A shortfall in affordable housing directly affects local authorities due to their statutory responsibility to provide housing for residents – this leads to additional expenditure pressures.

### Governance

We assess its G issuer profile score as neutral to low (**G-2**) reflecting the positive rating impacts of its strong track record of budgetary management, high levels of transparency and a strong institutional structure. Aberdeen has increased its debt levels and revenue risk in recent years due to investments in key projects including a new conference and exhibition centre development (TECA) and town centre mixed use development, both of which have been predominantly closed through the coronavirus pandemic and will likely take an extended period for revenues to recover. Aberdeen – as the owner of both sites – is ultimately liable for all revenue losses on these projects, although they represent a relatively small proportion of their net budget.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Rating methodology and scorecard factors

The assigned BCA of a3 is the same as the scorecard-indicated BCA. The scorecard-indicated BCA of a3 reflects (1) an idiosyncratic risk score of 4 (presented below) on a 1 to 9 scale, where 1 represents the strongest relative credit quality and 9 the weakest; and (2) a systemic risk score of Aa3, as reflected in the sovereign bond rating for the United Kingdom.

For details about our rating approach, please refer to [Rating Methodology: Regional and Local Governments](#), 16 January 2018.

Exhibit 5

### Fiscal 2022

Aberdeen City Council						
Baseline Credit Assessment – Scorecard	Score	Value	Sub-factor Weighting	Sub-factor Total	Factor Weighting	Total
<b>Factor 1: Economic Fundamentals</b>				<b>2.20</b>	<b>20%</b>	<b>0.44</b>
Economic Strength	1	145.67%	70%			
Economic Volatility	5		30%			
<b>Factor 2: Institutional Framework</b>				<b>3</b>	<b>20%</b>	<b>0.60</b>
Legislative Background	1		50%			
Financial Flexibility	5		50%			
<b>Factor 3: Financial Position</b>				<b>4</b>	<b>30%</b>	<b>1.20</b>
Operating Margin	5	1.29%	12.5%			
Interest Burden	5	4.23%	12.5%			
Liquidity	1		25%			
Debt Burden	7	124.37%	25%			
Debt Structure	3	17.64%	25%			
<b>Factor 4: Governance and Management</b>				<b>5</b>	<b>30%</b>	<b>1.50</b>
Risk Controls and Financial Management	1					
Investment and Debt Management	5					
Transparency and Disclosure	1					
<b>Idiosyncratic Risk Assessment</b>						<b>3.74 (4)</b>
<b>Systemic Risk Assessment</b>						<b>Aa3</b>
Scorecard-Indicated BCA Outcome						<b>a3</b>
Assigned BCA						<b>a3</b>

Source: Moody's Investors Service

## Ratings

Exhibit 6

Category	Moody's Rating
<b>ABERDEEN CITY COUNCIL</b>	
Outlook	Negative
Baseline Credit Assessment	a3
Issuer Rating -Dom Curr	A1
Senior Unsecured -Dom Curr	A1

Source: Moody's Investors Service

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REPORT NUMBER 1354098

## CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Tillydrone Primary School
<b>REPORT NUMBER</b>	RES/23/095
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	John Wilson
<b>REPORT AUTHOR</b>	Ian Flett
<b>TERMS OF REFERENCE</b>	1.1

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Committee on the progress of the Replacement Riverbank Primary School.

### 2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Note the current on-going work leading to completion of the construction of the Replacement Riverbank Primary School in Summer 2024;
- 2.2 Note following the retender exercise the total development budget saving is estimated as circa £6 million; and
- 2.3 Note that Council Officers will engage with stakeholders at key project milestones as detailed in the report.

### 3. CURRENT SITUATION

#### Background

- 3.1 Following a special Committee meeting of Education & Children's Services on 1 March 2017, a decision to implement the proposal for a new 3 stream non-denominational school building with early learning and childcare provision and to relocate the existing Riverbank School to this new building was ratified by Members.
- 3.2 Decisions were made by the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018 to progress

with the design, development, and procurement of a new school to replace the existing Riverbank School.

### **Procurement**

- 3.3 A procurement process was conducted utilising a national framework to allow early contractor engagement with the works split into two phases.

Phase 1 – Enabling Works – Scope as noted in 3.9.

Phase 2 – Main Works.

Robertson Construction Group were identified as the preferred contractor for Phase 1 with the intention that Phase 2 would be awarded in time to allow operations on site to be continuous.

- 3.4 The tender for the enabling works was received on 10 August 2021. Following the assessment of the tender, the letter awarding the contract to Robertson Construction Group for circa £3.4 million was issued on 27 August 2021.
- 3.5 Robertson Construction Group returned a tender for the remaining outstanding construction works on 19 November 2021, however, due to the unprecedented volatility within the construction industry as a consequence of Brexit and the Covid 19 pandemic it contained a number of packages of works that the contractor had been unable to secure fixed price quotations for the duration of the contract. To reduce the Council's exposure to unforeseen financial risk and following a protracted period of clarification with the main contractor a fixed price tender for the remaining works was received on 18 March 2022. The total anticipated cost for the full development was circa £41 million (inclusive of but not limited to: surveys/utility diversions/site investigations/design fees).
- 3.6 Following thorough evaluation of the tender submitted by Robertson Construction Group, the officer recommendation was that the remaining works should be retendered on the open market. The decision to retender the works was instructed at Full Council on 24 August 2022 (referred from the CG&R committee on 3 August 2022). Refer to paragraph 4.4 below.
- 3.7 The tender package for the remaining works was published on the Public Contracts Scotland portal on 16 November 2022 with a return date set as 23 December 2022. Following numerous requests from the tendering parties, the tender period was extended to 23 January 2023.
- 3.8 Five tenders were received, one tenderer subsequently withdrew following clear omissions from their tender return. Following evaluation of the tenders, the preferred tender was identified as Robertson Construction Group with the contract sum circa £24.8 million. The full development costs are now in the region of £35 million (inclusive of but not limited to: surveys/utility diversions/site investigations/design fees).



## **Construction**

### 3.9 Key dates

#### Enabling Works

Construction works included bulk excavations and ground remediation, utility diversions, below ground drainage, substructure and retaining walls.

<b>Milestone</b>	<b>Timescale</b>
Appoint Main Contractor	August 2021
Date of Possession Enabling Works	September 2021
Completion Enabling Works	July 2022

#### Main Works

Following the award of the contract, the appointed main contractor will take possession of the site in mid-May 2023 which will allow necessary time to complete the superstructure design (a contractor design element).

<b>Milestone</b>	<b>Indicative Timescale</b>
Appoint Main Contractor	February 2023
Date of Possession	May 2023
Construction Complete	Summer 2024
School Operational (depending on progress this may be after the summer holiday period)	Summer 2024

## **Engagement**

Officers from the Capital and Corporate Landlord clusters have recommenced engagement with key stakeholders following the recent contract award. Council officers and the main contractor will provide project updates at key construction milestones to the local community and existing school including any critical activities that may impact on the community.

### 3D visual of main entrance



## 4. FINANCIAL IMPLICATIONS

- 4.1 The Riverbank Replacement School forms part of the General Fund Capital Programme approved by Council.
- 4.2 On 5 March 2019, the Council allocated a total budget of £100 million to deliver new schools at Milltimber, Countesswells, Torry and Tillydrone. This budget was allocated equally between these four schools, i.e. £25 million each. Each school has been tendered/constructed to allow a more equitable distribution of budgets between each school to be made. Each school will be delivered to the same high standard that can be seen in the other schools which the Council has delivered in recent years.
- 4.3 Following the delegations approved at CG&R committee in May 2021 a virement exercise was carried out to reprofile the global £100 million budget. The virement of budgets took into account the different sizes of each building which, in turn, is as a result of the different educational and community requirements for each neighbourhood. The virement also considered the different site costs associated with each school. The budget for the Replacement Riverbank Primary School was revised to £31.1 million.
- 4.4 The Council decision on 24 August 2022 (referred from the CG&R committee on 3 August 2022) noted that the General Fund Capital funded

projects/programmes had been reprofiled. At the point in time the budget for the Replacement Riverbank Primary School was increased to £41 million.

#### 4.5 Spend to date

Spend to the end of Q3 2022/23 financial is as follows:

<b>Gross Budget</b>	<b>Spend to Date</b>
<b>£41m</b>	<b>£7.45m</b>

### 5. LEGAL IMPLICATIONS

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

### 6. ENVIRONMENTAL IMPLICATIONS

6.1 The school development will include various environmental measures to reduce carbon emissions and increase biodiversity including the following but not limited to:

- The school will be connected to the District Heating Network in Tillydrone and will be built to EPC A. The building will utilise low carbon technologies such as photovoltaic panels.
- The design has considered waste, resources and the built environment and the main contractor will be required to comply with the tender documentation on items such as waste legislation.
- The development will provide food growing and learning opportunities for the building users. The site will benefit from improved access and increased environmental quality following the planting of new trees and shrubs that will provide positive effects on biodiversity.
- A Travel Plan will be developed and in place prior to completion to enhance options for active and sustainable travel.

## 7. RISK

The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

<b>Category</b>	<b>Risks</b>	<b>Primary Controls/Control Actions to achieve Target Risk Level</b>	<b>*Target Risk Level (L, M or H)</b>  <i>*taking into account controls/control actions</i>	<b>*Does Target Risk Level Match Appetite Set?</b>
<b>Strategic Risk</b>	Late delivery will impact on the level of learning provision which can be provided.	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.	M	<b>Yes</b>
<b>Compliance</b>	Late delivery will impact on the level of learning provision which can be provided.	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.	L	<b>Yes</b>
<b>Operational</b>	Late delivery will impact on the level of learning provision which can be provided.	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.	M	<b>Yes</b>
<b>Financial</b>	Inability to deliver the Council's desired outcomes within the approved budget.	Take immediate action if the anticipated final cost exceeds the approved budget.	M	<b>Yes</b>
<b>Reputational</b>	The reputational risk of not being in a position to provide sufficient pupil places to support a growing school population.	This is being mitigated through early planning and close working between teams across Aberdeen City Council.	M	<b>Yes</b>
<b>Environment / Climate</b>	That the design of the proposed building increases the Council's carbon footprint and has an	Design proposals have been developed in accordance with Aberdeen City	L	<b>Yes</b>

	adverse effect on the environment.	Council's Building Performance Policy ensuring that environmental risks remain low.		
<b>Environment / Climate</b>	That the activities of the contractor will have a negative impact on local residents.	In response to the invitation to tender documents the contractor was required to provide detailed proposals showing how they intend to engage with local residents and the wider community. Post contract award there will be constant liaison with the contractor to ensure that appropriate measures are in place and constantly monitored to ensure inconvenience and disruption is kept to an absolute minimum.	L	<b>Yes</b>

## 8. OUTCOMES

<u><a href="#">COUNCIL DELIVERY PLAN 2022-2023</a></u>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b></p> <p>Programmes in the Policy Statement include working with our partners to ensure the city has the required infrastructure; completion of school estate review (P1) and development of estate strategy for next 5-10 years (P2); work with the Scottish Government to provide flexible and affordable childcare for working families on the lowest incomes; commit to closing the attainment gap in education while working with partners across the city;</p>	<p>The project outlined in this report is part of Aberdeen City Council's Education New Build Programme and supports the Early Learning and Childcare (ELC) Expansion Programme. The Education New Build Programme and expansion of ELC requires an investment in our Education Estate as well as an investment in staffing to ensure we are providing high quality provision that meets the needs of children and families in all localities. To this end, the proposals within the report support the delivery of childcare education learning targets.</p>

[Aberdeen City Local Outcome Improvement Plan 2016-26](#)

<p>Prosperous Economy Stretch Outcomes</p>	<p>The delivery of the new Riverbank School will help to grow Aberdeen as a city of learning that will empower local residents to put lifelong learning at the heart of the community. The Early Learning and Childcare Programme, which this project is part of, requires an investment in our Early Years Estate as well as an investment in staffing to ensure we are providing high quality provision that meets the needs of children and families in all localities.</p> <p>This project supports the delivery of LOIP Stretch Outcome 3 - 500 Aberdeen City residents upskilled / reskilled to enable them to move into, within and between economic opportunities as they arise by 2026. The investment in our estate is interlinked with the investment in our workforce. To staff the expanding estate the Early Years team will contribute to the diversification of the local economy by offering flexible pathways into the Early Years Sector and increasing the number of people employed in this growth sector.</p>
<p>Prosperous People Stretch Outcomes</p>	<p>This project supports the LOIP Stretch Outcome 4 – 95% of children (0-5 years) will reach their expected developmental milestones by the time of their child health reviews by 2026. The project will be designed to support outdoor learning and the free flow of direct access to the outside environment. Outdoor learning, exercise and play benefits school children by encouraging them to be physically active. This will help address many of the health challenges outlined in the LOIP. Children will have daily access to outdoor play and will regularly experience outdoor play in a natural environment. Outdoor learning will significantly contribute to a child’s development and wellbeing.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. The new replacement Riverbank School contributes to this objective.</p> <p>This project supports the delivery of LOIP Stretch Outcome 13 – Addressing climate change by reducing Aberdeen’s carbon emissions by at least 61% by 2026 and adapting to the impacts of changing climate.</p> <p>No one in Aberdeen will go without food due to poverty by 2026. Increasing the accessibility of nursery provision will contribute to transforming the lives of families. Every child attending a funded early learning and childcare session will receive a healthy meal. The accessibility of provision will lead to an increase in the uptake of the Early Learning and Childcare funded offer and help ensure that no child in Early Learning and Childcare will go hungry.</p>
<p><b>Regional and City Strategies</b> Strategic Development Plan; Local Development Plan</p>	<p>The proposals in this report will impact on the consideration of future regional and city strategies with respect to education and learning.</p>

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required
Other	None.

## 10. BACKGROUND PAPERS

Item 4 Statutory Consultation – Consultation Report on the Proposals to Develop New Primary School Provision with Early Education and Childcare Facilities in Tillydrone – ECS/17/015; Education and Children’s Services Committee; 1<sup>st</sup> March 2017

Item 8 Education New Build Programme 2018; Capital Programme Committee; 12<sup>th</sup> September 2018

Item 14 New Schools Development Programme 2018; Strategic Commissioning Committee; 13<sup>th</sup> September 2018

Item 21 New Schools Development Programme 2018; City Growth and Resources Committee; 18<sup>th</sup> September 2018

Item 3 General Fund Revenue Budget 2019/20 to 2023/24; and General Fund Capital Programme 2019/20 to 2023/24; Council Meeting; 5<sup>th</sup> March 2019

Item 10 Tillydrone Primary School – RES/19/362; Capital Programme Committee; 12<sup>th</sup> September 2019

Item 8 Replacement Riverbank Primary School – RES/20/202; Capital Programme Committee; 18<sup>th</sup> November 2020

Item 9 Replacement Riverbank Primary School – RES/21/069; Capital Programme Committee; 24<sup>th</sup> March 2021

Item 9 Replacement Riverbank Primary School – RES/21/191; Capital Programme Committee; 22<sup>nd</sup> September 2021

Item 11 Replacement Riverbank Primary School – RES/22/024; Capital Programme Committee; 9<sup>th</sup> February 2022

Item 7 Council Financial Performance – Quarter 1 – RES/22/152 – referred by City Growth and Resources Committee of 3<sup>rd</sup> August 2022; Full Council; 24<sup>th</sup> August 2022

Item 8 Capital Programme Delivery: Projects Updates – RES/22/281; Finance and Resources Committee; 7<sup>th</sup> December 2022

Item 9.4 Capital Programme Delivery Updates – RES/23/043; Finance and Resources Committee; 1<sup>st</sup> February 2023

Item 5.3 General Fund Revenue Budget and Capital Programme 2023/24 to 2027/28 – RES/23/085; 1<sup>st</sup> March 2023

## **11. APPENDICES**

11.1 None

## **12. REPORT AUTHOR CONTACT DETAILS**

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 March 2023
<b>EXEMPT</b>	The report itself is not exempt, however the appendix is exempt under paragraphs 8 and 9.
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Complex Care Outline Business Case
<b>REPORT NUMBER</b>	RES/23/099
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	Sandra MacLeod
<b>REPORT AUTHOR</b>	Kay Diack
<b>TERMS OF REFERENCE</b>	1.1.4

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide details of the Outline Business Case for provision of Complex Care accommodation in the City and to seek approval to proceed hereafter to production of a Full Business Case.

### 2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Note the contents of the Outline Business Case appended; and
- 2.2 Instruct the Chief Officer – Capital to progress to Full Business Case and to report back the outcome to this Committee on 13 September 2023

### 3. CURRENT SITUATION

What is Complex Care?

- 3.1 There is a small, yet growing number, of people who have Complex Care needs. There is a range of national work taking place aligned to the Scottish Government [Coming Home Implementation Report](#), including the allocation of a £20m Community Living Change Fund (CLCF), with a one-off allocation to all Health and Social Care Partnerships (HSCPs); designed to support service development for learning disability Complex Care, with a focus on inappropriate Out of Area (OOA) placements and Delayed Discharge from Hospital.

What is the current and future need?

- 3.2 As it stands a total of 31 people require Complex Care provision. Need can change very quickly, and these numbers may change at pace. There is a link between inappropriate services, environments, and placement breakdown. In

relation to the transition of young people into adult service alone, there are between 6 and 12 referrals per year where young people are currently in OOA placements. This would typically indicate that a high proportion of these young people would meet the criteria for Complex Care. It is estimated that by 2028, there will be around 80 people residing in the city who have Complex Care needs.

#### What are the current accommodation requirements?

- 3.3 At present there are an insufficient number of services/placements locally for people with Complex Care needs. The built environment affects the way support models can be delivered, and if unsuitable, can lead to challenges in the management of need and communication, often resulting in challenging behaviour.
- 3.4 Given the aforementioned, it is recommended that the Local Authority develops a Full Business Case to help meet the accommodation needs for the growing number of people with Complex Care requirements. This will enable the Council and ACHSCP to identify detailed specifications and costs associated with making provision for our citizens with Complex Care needs.
- 3.5 As this amounts to provision of Local Authority housing stock, there is a need for the Council to undertake a Full Business Case in order to allow the Committee to determine whether they wish to proceed to building new accommodation of this type. The Outline Business Case is appended to this report.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The concept design stage budget cost is detailed within the appendix. This figure is subject to change as a result of the ongoing volatilities facing the construction industry alongside the sustained impact of Covid 19 and current levels of inflation.
- 4.2 A full funding profile requires to be developed, and this will be presented to this Committee within the full Business Case.

#### **5. LEGAL IMPLICATIONS**

- 5.1 There are no legal implications arising from the recommendations of this report. This will allow Aberdeen City Council to ensure they are meeting the duty as defined by the United Nations Committee on Economic, Social and Cultural Rights (1991) in terms of defined Accessible Housing for those who are "inadequately housed". The 1991 Committee stated that "Special measures should be taken to ensure adequate housing for disabled people, older people, those living in areas vulnerable to natural disasters, and others who require them". Proceeding to Full Business Case to provide Complex Care accommodation will deliver this.

## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There will be environmental impacts in the development of local services/accommodation which are equivalent to existing general needs housing provision (scale dependant). Assessment of such impacts will require to be undertaken based on the progressed option(s) and by the teams/services involved in the design and development work associated with these option(s).

## 7. RISK

- 7.1 The assessment of risk is considered to be consistent with the Council's Risk Appetite Statement. Key Risks are identified in the Outline Business Case appended.

## 8. OUTCOMES

<u><a href="#">COUNCIL DELIVERY PLAN 2022-2023</a></u>	
<b>Aberdeen City Council Policy Statement</b>	<b>Impact of Report</b>
<u><a href="#">Working in Partnership for Aberdeen</a></u>	<p>The proposals within this report support the delivery of the following aspects of the policy statement:-</p> <ul style="list-style-type: none"> <li>Via provision of affordable housing for people with Complex Care needs, supporting Homes for the Future and Caring for Each Other.</li> </ul>
<u><a href="#">Aberdeen City Local Outcome Improvement Plan 2016-26</a></u>	
Prosperous Economy Stretch Outcomes	The proposals within this report support the building of new council housing. This will provide a much needed boost to the local economy, via provision of employment opportunities (including apprenticeships) and by supporting local businesses (e.g. cafes and takeaways) during the construction phase and beyond. This links well to LOIP Stretch Outcome 2, "400 unemployed Aberdeen City residents supported into Fair Work by 2026" and also LOIP Stretch Outcome 3, "500 Aberdeen City residents upskilled/ reskilled to enable them to move into, within and between economic opportunities as they arise by 2026".
Prosperous People Stretch Outcomes	The proposals within this report support the delivery of LOIP Stretch Outcome 5, "90% of Children and young people will report that their experiences of mental health and wellbeing have been listened to by 2026." This paper seeks approval to progress with specialist accommodation provision which will ensure sustainable housing for children and young people in the future.

	It also supports LOIP Stretch Outcome 11 “Healthy life expectancy (time lived in good health) is five years longer by 2026.” This paper will support health by providing high quality and sustainable housing solutions.
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## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	Not required at this stage.
<b>Data Protection Impact Assessment</b>	Not required.
<b>Other</b>	A Health Inequalities Impact Assessment is embedded within the Strategic Business Case appended.

## 10. BACKGROUND PAPERS

- 10.1 Scottish Government and COSLA, Coming Home Implementation: report from the Working Group on Complex Care and Delayed Discharge, February 2022
- 10.2 Aberdeen City Council Finance & Resources Committee, 7 December 2022, Complex Care Strategic Business Case

## 11. APPENDICES

- 11.1 Complex Care Outline Business Case

## 12. REPORT AUTHOR CONTACT DETAILS

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<b>COMMITTEE</b>	Finance and Resources Committee
<b>DATE</b>	29 <sup>th</sup> March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Performance Management Framework Report – Commissioning and Resources
<b>REPORT NUMBER</b>	CUS.23.094
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Martin Murchie
<b>REPORT AUTHOR</b>	Alex Paterson
<b>TERMS OF REFERENCE</b>	2.1.3

**1. PURPOSE OF REPORT**

1.1 To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions.

**2. RECOMMENDATION**

2.1 That the Committee note the report and provide comments and observations on the performance information contained in the report Appendix.

**3. CURRENT SITUATION**

**Report Purpose**

3.1 This report is to provide members with key performance measures in relation to the Commissioning and Resources functions as expressed within the 2022/23 Council Delivery Plan (the Plan)

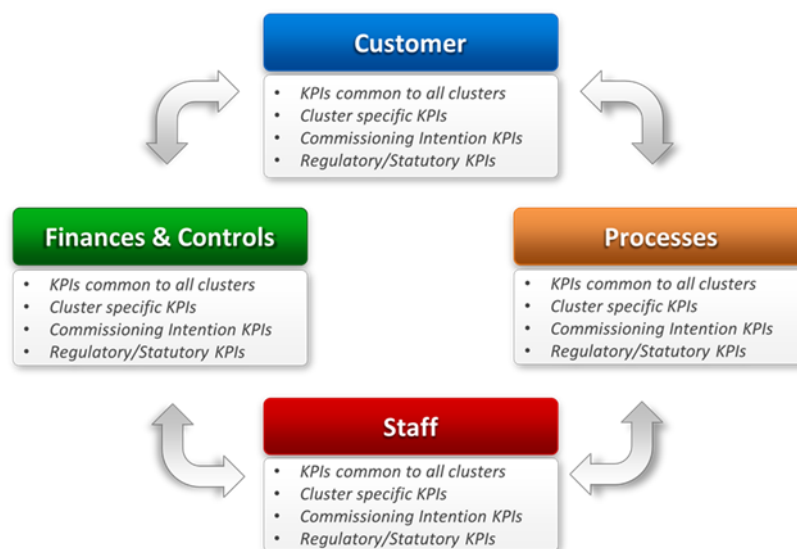
**Report Structure and Content**

3.2 Performance Management Framework Reporting against in-house delivery directly contributing to, or enabling delivery against, the City’s Local Outcome Improvement Plan, (LOIP) has informed development of successive Council Delivery Plans, including the [2023-24.Council Delivery Plan](#) that was agreed by Council on the 1st March 2023.

3.3 Members are asked to note that the measures reflected against in this report align those Standards and measures outlined in the 2022/23 Council Delivery Plan and Commissioning Intentions outlined at the Budget meeting of 7<sup>th</sup> March 2022.

3.4 Performance Management Framework Reporting against in-house delivery directly contributing to or enabling delivery against the City’s Local Outcome Improvement Plan,(LOIP) has informed development of successive Council Delivery Plans.

- 3.5 The Council's Performance Management Framework, supporting Member scrutiny against progress of the Council Delivery Plan, and its key measures, establishes a robust performance management and reporting system which encompasses single and multi-service inputs, outputs and outcomes.
- 3.6 Reporting of Service Standards against each function/cluster, associated with Council Delivery planning, offers continuous insight into the effectiveness, and accessibility of core service provision to the Council's stakeholders and City communities.
- 3.7 Where appropriate, hard and soft data capture against these Standards is incorporated within the suite of measures contained within Appendix A, and will be reported against on either a monthly, quarterly or annual basis.
- 3.8 The Performance Management Framework provides for a consistent approach within which performance will be reported to Committees. This presents performance data and analysis within four core perspectives, as shown below, which provides for uniformity of performance reporting across Committee.



- 3.9 This report, details performance up to the end of December 2022 or Quarter 3 2022/23, as appropriate. The Appendix to this report contains an overview of performance across the functions within the remit of this Committee, with reference to trends and performance against target where appropriate.
- 3.10 Framework reporting to Committee also includes further analysis of performance measures which have been identified as of potential interest in terms of either performance implications, data trends or changes in these metrics.
- 3.11 This particular report contains specific data relating directly to service performance and delivery derived from the Local Government Benchmarking Framework Report, published on the 17<sup>th</sup> of March 2023. ( Appendix B)
- 3.12 This data framework, aligned with the Accounts Commission direction around transparency of performance reporting within Scottish Local Authorities, adds a rounded understanding of performance against a number of core metrics in

the context of the national trends and serves to further enhance analysis of data that is conducted across the wider suite of key Indicators, including Statutory Performance Indicator submissions, on an on-going basis.

3.13 Where relevant, Service Notes or Commentary is provided to inform Member scrutiny and/or to contextualise the metrics within Appendix A.

3.14 Within the summary dashboard the following symbols are also used:

### **Performance Measures**

Within the summary dashboard the following symbols are used

#### **Traffic Light Icon**



On target or within 5% of target/benchmarked outcome



Within 5% and 20% of target/benchmarked outcome and being monitored



Below 20% of target/benchmarked outcome and being actively pursued



Data only – target not appropriate/benchmarked outcome not available

### **Children's Rights**

3.15 This report contains no recommendations or content that require for the direct accounting of impact on children's rights.

## **4. FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications arising out of this report.

## **5. LEGAL IMPLICATIONS**

5.1 There are no direct legal implications arising out of this report.

## **6. ENVIRONMENTAL IMPLICATIONS**

6.1 There are no direct environmental implications arising out of this report

## **7. RISK**

7.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement"

<b>Category</b>	<b>Risks</b>	<b>Primary Controls/Control Actions to achieve Target Risk Level</b>	<b>*Target Risk Level (L, M or H)</b>  <small>*taking into account</small>	<b>*Does Target Risk Level Match Appetite Set?</b>
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			controls/control actions	
<b>Strategic</b>	None	NA	NA	NA
<b>Compliance</b>	No significant legal risks.	Publication of service performance information in the public domain ensures that the Council is meeting its legal obligations in the context of Best value reporting.	L	Yes
<b>Operational</b>	No significant operational risks.	Oversight by Elected Members of core employee health and safety/attendance data supports the Council's obligations as an employer	L	Yes
<b>Financial</b>	No significant financial risks.	Overview data on specific limited aspects of the cluster's financial performance is provided within this report	L	Yes
<b>Reputational</b>	No significant reputational risks.	Reporting of service performance to Members and in the public domain serves to enhance the Council's reputation for transparency and accountability.	L	Yes
<b>Environment / Climate</b>	None	NA	NA	NA

## 8. OUTCOMES

<u><b>COUNCIL DELIVERY PLAN</b></u>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Partnership Agreement</b>  Improving Educational Choices	The provision of information on cluster performance will support scrutiny of progress against the delivery of the following Agreement Statements:  - Work with the city's universities, North East Scotland College and businesses to increase educational and training options and the number of care experienced young people and young people from deprived communities, going onto



<p>Creating Better Learning Environments</p>	<p>positive destinations, including further and higher education, vocational training and apprenticeships.</p> <ul style="list-style-type: none"> <li>- Promote the number of apprenticeships on offer through the council.</li> <li>- Review and invest in our school estate, ensuring all of Aberdeen's schools are fit for the educational needs and the challenges of the 21st century.</li> </ul>
<p>Caring for our young people</p>	<ul style="list-style-type: none"> <li>- Seek to make Aberdeen a UNICEF Child Friendly City.</li> </ul>
<p>City Centre and Beach</p>	<ul style="list-style-type: none"> <li>- Refresh our tourism and cultural strategies for the city.</li> <li>- Revitalise our beachfront, working with partners including Aberdeen FC with an aim to deliver new sports facilities and a new stadium, not using public funds except where collaborative working is mutually beneficial.</li> <li>- Expand the Beach Masterplan, extending the footprint from the River Dee to the River Don.</li> <li>- Bring forward plans to improve active travel links between the Castlegate and the beach.</li> <li>- Continue to move the City Centre and Beach Masterplans forward, expanding it to include George Street and ensuring it remains current with annual reviews.</li> </ul>
<p>The Arts Matter</p>	<p>Our city should become distinguished by the range and depth of active creative expression and artistic enjoyment experienced by those who live here and by visitors. By supporting and working with cultural partners, we will ensure there is richness and diversity of arts activities.</p> <ul style="list-style-type: none"> <li>- Work with partners to explore opportunities to develop heritage, museum and online services with a special emphasis on local history and stories of stories of our heritage.</li> </ul>
<p>Building a Greener and Sustainable City</p>	<ul style="list-style-type: none"> <li>- Declare a climate emergency.</li> <li>- Work with partners to deliver a just transition to net zero and plan to make Aberdeen a net-zero city by no later than 2037, and earlier if that is possible.</li> </ul>

<p>Greener Transport, Safer Streets, Real Choices</p>	<ul style="list-style-type: none"> <li>- Support Aberdeen’s continued pioneering of Hydrogen technologies and make the case to bring alternatively powered rail services to the City.</li> <li>- Continue to reduce the carbon footprint of the council’s building estate and vehicle fleet and adopt an “environment first” approach to all new Council building projects, seeking to maximise the energy efficiency of, and minimise the carbon footprint of, new buildings</li> <li>- Delivering a revised Local Transport Strategy.</li> <li>- Working with the Scottish Government and NESTRANS to improve the city’s bus network, including considering options for an Aberdeen Rapid Transit network, with the support of the Scottish Bus Fund, and consider options for council-run services in the city.</li> <li>- Improving cycle and active transport infrastructure, including by seeking to integrate safe, physically segregated cycle lanes in new road building projects and taking steps to ensure any proposal for resurfacing or other long-term investments consider options to improve cycle and active transport infrastructure.</li> </ul>
<p>Homes for the Future</p>	<ul style="list-style-type: none"> <li>- Work with partners to produce a ten-year plan to increase the stock and variety of Council and social housing to meet the needs of Aberdeen’s citizens and continue to deliver Council and social housing projects to tackle the Council house waiting lists and do everything in our power to end homelessness.</li> </ul>
<p>A Prosperous City</p>	<ul style="list-style-type: none"> <li>- Develop our economy in a genuine partnership with the private sector, third sector and residents.</li> <li>- Campaign for Aberdeen to be the home of a new Green Freeport and ensure that fair work conditions and Net Zero ambitions are central to any bid.</li> <li>- Work with partners to stimulate sustainable economic development, including a managed transition to a carbon neutral economy and work in partnership with the academic, business and other relevant sectors to ensure the long-term future of the energy industry.</li> </ul>

<p>Empowering Aberdeen's Communities</p>	<ul style="list-style-type: none"> <li>- Seek to buy goods, services and food locally whenever possible, subject to complying with the law and public tendering requirements.</li> <li>- Work with communities to establish trusts, community enterprises, charities or other entities that support community empowerment and community wealth building.</li> <li>- Support people to engage with Community Asset Transfers throughout the process.</li> </ul>
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<p><b><u>Aberdeen City Local Outcome Improvement Plan</u></b></p>	
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<p><b>Prosperous Economy</b></p> <p>1.No one will suffer due to poverty by 2026</p> <p>2. 400 unemployed Aberdeen City residents supported into Fair Work by 2026</p> <p>3. 500 Aberdeen City residents upskilled/reskilled to enable them to move into, and within economic opportunities as they arise by 2026</p>	<p>The activities reflected within this report support the delivery of LOIP Stretch Outcomes 1 and 2 through the following Aims.</p> <p>Outcome 1 Improvement Aims:</p> <p>Reduce by 50% the number of homes with an EPC rating of F or G by 2026</p> <p>Increase support for those who have been most disadvantaged through the pandemic by 2023</p> <p>Outcome 2 Improvement Aims:</p> <p>Supporting fifty people to start a business in Aberdeen, migrating from or reducing reliance on benefits by 2023 and 100 by 2026</p> <p>Increase employer sign up to the Real Living Wage by 5% year on year to 2023 to achieve Real Living Wage City Status by 2026</p> <p>Support fifteen care experienced young people to progress to employment through public sector funded employability programmes by 2023.</p> <p>Support fifty people into sustainable, good quality employment by 2023 and 100 by 2026 (priority neighbourhoods and over 50's)</p> <p>Outcome 3 Improvement Aims</p> <p>Improve the overall impact of partnership wide community benefits through raising the number of community co-designed activities from 0 to 5 by 2023.</p> <p>By December 2022, increase by 10% the number of people who have digital access, and are comfortable using digital tools</p>
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<p><b>Prosperous People</b></p> <p>6. As corporate parents we will ensure that 95% of care experienced children and young people will have the same levels of attainment in education, health and emotional wellbeing, and positive destinations as their peers by 2026</p> <p>7. 95% of children living in our priority neighbourhoods will sustain a positive destination on leaving school by 2026</p> <p>8. Child Friendly City where all decisions which impact on children are informed by them by 2026.</p>	<p>The delivery of services referred to within this report supports each of the Children &amp; Young People Stretch Outcomes 6,7 and 8 in the LOIP.</p> <p>This includes the following Improvement Aims:</p> <p><b>Outcome 6 Improvement Aim</b></p> <p>Increase the number of care experienced young people accessing a positive and sustained destination by 25% by 2022.</p> <p><b>Outcome 7 Improvement Aim</b></p> <p>Increase the number of accredited courses directly associated with growth areas by 7% by 2023.</p> <p><b>Outcome 8 Improvement Aims</b></p> <p>Achieve UNICEF badge status in Place as part of wider Child Friendly City attainment</p> <p>Increase by 50% the number of communications which are accessible to children and young people by 2023.</p> <p>Increase to 100% the proportion of staff, working directly or indirectly with children, who have received Child Friendly City training</p>
<p><b>Prosperous Place Stretch Outcomes</b></p> <p>13. Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate.</p> <p>14. 38% of people walking and 5% of people cycling as main mode of travel by 2026.</p> <p>15 Addressing the nature crisis by protecting/managing 26% of Aberdeen's area for nature by 2026.</p>	<p>The report reflects on activity which contributes to Stretch Outcomes 13,14 and 15:</p> <p><b>Outcome 13 Improvement Aims</b></p> <p>Reduce public sector carbon emissions by at least 7% by 2023.</p> <p>Reduce the generation of waste in Aberdeen by 8% by 2023.</p> <p>Community led resilience plans in place for areas most vulnerable to flooding by 2023, leading to plans for all areas of Aberdeen by 2026.</p> <p><b>Outcome 14 Improvement Aims</b></p> <p>Increase % of people who walk as one mode of travel to 10% by 2023.</p> <p>Increase % of people who cycle as one mode of travel by 2% by 2023.</p> <p><b>Outcome 15 Improvement Aims</b></p>

	<p>Increase by a minimum of eight the number of community run green spaces that are self-managed for people and nature by 2023</p> <p>Number of organisations across Aberdeen pledging to manage at least 10% of their land for nature by 2023, and 26% by 2026</p>
<b>Regional and City Strategies</b>	The report reflects outcomes aligned to the Regional Economic Strategy, Local and Regional Transport Strategies and Regional Skills Strategy, along with Local and Strategic Development Plans

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	A full impact assessment is not required for this report
<b>Data Protection Impact Assessment</b>	A Data Protection Impact Assessment is not required for this report.
<b>Other</b>	No additional impact assessments have been completed for this report.

## 10. BACKGROUND PAPERS

Council Delivery Plan 2022/23 – CUS/22/059

## 11. APPENDICES



Appendix A – Finance and Resources Performance Summary Dashboard  
Appendix B – Finance and Resources Local Government Benchmarking Framework Scorecard

## 12. REPORT AUTHOR CONTACT DETAILS

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Appendix A - Performance Management Framework Report, 29<sup>th</sup> March 2023 – Commissioning and Resources Functions**COMMISSIONING FUNCTION****CITY GROWTH CLUSTER****1. Customer****Cluster Level Measures – Service Standards**

Performance Measure	Current Status
We will operate Aberdeen Art Gallery, Aberdeen Maritime Museum, and Provost Skene's House as free to enter visitor attractions within the advertised/specified opening hours for each venue*	
We will operate Aberdeen City and Shire Archives service from the Town House and Old Aberdeen House within the advertised/specified opening hours for each venue*	
Collaborating with partners, we will provide a continuously updated investment prospectus of development opportunities in the City available through investaberdeen.co.uk.	
We will support businesses through delivery of Business Gateway, City Centre Management Plan and the actions in the current Socio-Economic Action Plan	

**Metric Descriptor**

\*These Standard relate to scheduled and advertised operating hours, The Status indicators are designed to measure variations from the standards set, resulting from 'service failure'. These parameters exclude situations where, for example, closure or restricted operating hours are programmed in advance to accommodate planned preventative maintenance, upgrading of facilities or known external influences e.g. advised utilities network downtimes.

### Corporate Measures – Cluster Level

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarterly Status	Target	Long Trend Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – City Growth	0	1	1	0			
% of complaints resolved within timescale stage 1 and 2) – City Growth	N/A	100%	0%	N/A	N/A	75%	
% of complaints with at least one point upheld (stage 1 and 2) – City Growth	N/A	0%	0%	N/A			
Total No. of lessons learnt identified (stage 1 and 2) – City Growth	N/A	0	0	N/A			

### Local Government Benchmarking Framework Indicator

Performance Indicator	2019-20	2020-21	2021-22	2021-22 National Figure
	Value	Value	Value	Value
% of adults in the community satisfied with museums and galleries	66.6%	70.0%	70.3%	71.3%

### Metric Descriptor

Care must be taken when comparing 2021/22 satisfaction data to earlier years. The results of the 2021 Scottish Household Survey .which provides the primary data source for this measure, are not directly comparable to SHS results for previous years. This is due to a reduced sample size and a change in methodology due to the COVID-19 pandemic.



## 2. Processes

## Service Level Measures – Museums and Galleries

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Long Trend - Quarterly
	Value	Value	Value	Value	
Number of total visits/attendances at museums and galleries *	302,078	324,776	358,021	319,983	↓
Number of virtual visits/attendances at museums and galleries	259,926	258,878	267,038	253,340	↑
Number of visits at museums and galleries that were in person	61,599	64,748	90,555	65,188	↑

\* Includes outreach/enquiries and events-based visits not reflected in the above table

## Service Commentary

The Quarter 3 outcomes reflects the impact of the festive period, particularly around Visits in Person when facilities were closed for a proportion of December and January, Given that Quarter 2 outcomes were also amongst the highest recorded by the Service since opening of the Aberdeen Art Gallery post re-development, some quarterly reduction would have been expected across each of the measures. At the same time, the year-to-date outcomes are on course to surpass those of 2019/20 which is the previous pre-COVID 'high tide' line for comparison

## Local Government Benchmarking Framework Indicator

Performance Indicator	2019-20	2020-21	2021-22	2021-22 National Figure
	Value	Value	Value	Value
% of unemployed people assisted into work from council operated / funded employability programmes*	10.5%	2.5%	59.3%	19.6%

## Metric Descriptor

The definition of this employability indicator was updated in 2021/22 by the Scottish Local Authorities Economic Development Group (SLAED) to reflect the changing funding landscape around employability in recent years. This was done in consultation with the SLAED People Group, which has representation from local authorities, and has enhanced the usefulness of the data but precludes direct comparison with previous year datasets.

### Service Commentary

The Local Government Benchmarking Measure, derived from SLAED Indicator data, is distinct from but is closely related to the local management data outcome below, and reflects that 2,611 unemployed individuals were assisted into work over the course of the year which represented 59.3% of the annual model unemployment figure of 4,400. The outcome figure is partly influenced by a reduction in the level of model unemployment (5,900 in 2020/21) but is overwhelmingly a result in increased positive employment outcomes linked to the Council's support for and oversight, administration and leadership of a range of employment pipelines in partnership with numerous external providers.





At this level, the 2021/22 outcome places Aberdeen in the highest performing quartile of Scottish Local Authorities within the Local Government Benchmarking Framework, a substantive change from previous year outcomes.




In 2021/22, 378 individuals progressed into work from directly Council operated/funded employability programmes in comparison with 149 in 2020/21. The number of participants in these programmes in 2021/22 was 1,057, an increase of 352 (+49.9%) on the previous year. It should be noted that, due to the natural time lag in monitoring outcomes of those completing these programmes, and moving into employment, there is no direct in-year relationship between participation and progression.

\*Employability activities delivered by councils seek to address economic inactivity and unemployment in their areas. Councils might make a financial contribution to the delivery of employability programmes through mainstream providers such as Skills Development Scotland (SDS). Alternatively, councils might deliver these programmes directly, and this indicator is designed to capture both types of support.

## 3. Staff




### Corporate Measures – Cluster Level

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – City Growth	0	0	0	0		
H&S Employee Non-Reportable by Cluster – City Growth	1	1	1	2		

Performance Indicator	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	Status	Corporate Figure Dec 2022	Long Trend - Monthly
	Value	Value	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – City Growth	1	1	1	1	1	0.9		5.99	
Establishment actual FTE – City Growth	181.44	180.28	171.22	158.3	159.2	165.9			

#### 4. Finance & Controls

##### Corporate Measures – Cluster Level

Performance Indicator	Quarter 1 2022/23		Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – City Growth	31.3%		62.2%		88.6%			

##### Service Commentary








The City Growth Cluster employs a substantial number of staff, particularly in Employability, Business Support and Economic Recovery teams, who are "project" funded from the Scottish Government and other external funding sources, where the costs involved are claimed retrospectively on a quarterly basis, so timing of these claims (and reimbursement timescales) heavily influences Year-to-Date outcomes.

As at financial period 9, 36.67 FTE posts were encompassed within the description above which equated to just over 21% of the total Cluster employee profile. These services, and Cluster management, keep in close contact with Finance colleagues around this issue to ensure that the budgets remain on track for the projected year-end out-turns.





#### STRATEGIC PLACE PLANNING CLUSTER


#### 5. Customer

## Corporate Measures – Cluster Level

Performance Indicator	Quarter 4 2021/22	Quarter 1 20122/23	Quarter 2 20122/23	Quarter 3 20122/23	Quarterly Status	Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Strategic Place Planning	3	0	2	3			
% of complaints resolved within timescale stage 1 and 2) – Strategic Place Planning	33.3%	NA	50.0%	66.7%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Strategic Place Planning	66.7%	NA	50.0%	0			
Total No. of lessons learnt identified (stage 1 and 2) – Strategic Place Planning	0	NA	1	2			

## Cluster Level Service Standards



Performance Measure	Current Status
We will determine local ( householder) applications within 2 months (by YTD averaged outcome) *	
We will determine local (non-householder) applications within 2 months (by YTD Averaged outcome) *	
We will determine Major Planning Applications within 25 weeks (by YTD Averaged outcome) *	
We will respond to building warrant applications within 20 working days (by YTD Averaged outcome)	

We will respond to building warrant approvals within 10 working days (by YTD Averaged outcome)	
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\*excludes applications subject to a processing agreement and Status is defined by comparison with, and variation from, the local Service Standard targets which are percentage based. See table below

**14. Processes**



**Service Level Activity Indicator – Planning Development Management and Building Standards Applications**

Activity Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Long Trend- Quarterly
	Value		Value	Value	
Number of Development Management Applications received	320	330	247	293	
Number of Building Standards Applications received	386	404	345	341	

**Service Commentary**

The overall level of activity, in terms of applications received, shows a significant year-on year reduction with the number of cumulative planning management applications processed falling from 1,083 as at the end of Quarter 3 in 2020/21 to 870 in the current year. Building Standards applications show a lesser reduction with 1,090 applications processed, as opposed to 1,273 in 2021/22

**Service Standards Metrics - National Quarterly Planning Performance Framework**

Performance Measure	Quarter 1 2021/22	Quarter 2 2021/22	Quarter 3 2021/22	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Status ^	Long Trend- Quarterly	National Quarter 2 2022/23 Figure
	Value	Value	Value	Value	Value	Value			
Percentage of All Local Development applications determined within 2 months (Applications)	80.0% (136)	70.1% (115)	75.3% (166)	67.5% (120)	86.5% (126)	81.7% (115)			61.2%

Performance Measure	Quarter 1 2021/22	Quarter 2 2021/22	Quarter 3 2021/22	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Status ^	Long Trend-Quarterly	National Quarter 2 2022/23 Figure
	Value	Value	Value	Value	Value	Value			
Percentage of local (non-householder) applications determined within 2 months (Applications)	66.7% (38)	57.5% (42)	63.3% (59)	57.6% (49)	80.3% (61)	75.9% (58)			47.8%
Percentage of local (householder) applications determined within 2 months (Applications)	86.7% (98)	80.2% (73)	80.3% (117)	77.0% (61)	92.3% (65)	87.7% (57)			72.6%

^ excludes applications subject to a processing agreement and Status is defined by comparison with National figures. Data around the percentage of Major Applications determined within 25 weeks are processed on an annual basis due to the limited numbers of applications within this category.

Service Commentary
The Service Standards based outcomes at Quarter 2 were above the national figures against each of the three categories with YTD outcomes of 84.1%, 78.1% and 90% respectively. At these levels, the data for both Householder and Non-Householder metrics are also above the local targets of 70% and 85%

**Service Measures – National Quarterly Planning Performance Framework\***

Performance Indicator	Quarter1 2021/22	Quarter2 2021/22	Quarter 3 2021/22	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Status	Long Trend - Quarterly	National Quarter 2 2022/23 Figure
	Value	Value	Value	Value	Value	Value			
Percentage (and Number of decisions) of Application Processing Agreements agreed within timescale – Local Developments	100% (60)	97.1% (70)	97.1% (69)	98.3% (60)	98.3% (60)	93.8% (64)			60.0%
Percentage (and Number of decisions) of Application Processing Agreements agreed within timescale – Major Developments	100.0% (2)	100.0% (1)	100.0% (1)	100.0% (1)	NA	100.0% (1)			67.9%

Performance Indicator	Quarter 1 2021/22	Quarter 2 2021/22	Quarter 3 2021/22	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Status	Long Trend-Quarterly	National Quarter 2 2022/23 Figure
	Value	Value	Value	Value	Value	Value			
Average Determination Times of Major Development Planning Applications in Weeks (Applications) **	48.3 (1)	26.1(2)	19.5 (2)	26.9 (2)	19.6 (1)	NA			19.0
Average Determination Times of All Local Development Planning Applications in Weeks (Applications) **	10.2 (170)	11.4 (164)	10.2 (166)	13.4 (110)	7.9 (126)	9.3 (115)			11,5
Average Determination Times of Non-Householder Local Development Planning Applications in Weeks (Applications) **	14.8 (57)	14.4 (73)	12.6 (59)	17.5 (59)	8.4 ( 61)	9.6 (58)			14.5
Average Determination Times of Householder Local Development Planning Applications In Weeks (Applications)**	7.9 (113)	9.0 (91)	9.1 (117)	9.4 (61)	7.4 (65)	9.0 (57)			8.9

\*\* Includes application both subject to a legal agreement and those without. Status is defined by comparison with National figures.

**Metric Descriptor**

Information on the formal status of the above standards and measures is updated twice yearly on publication of data relating to the national Planning Performance Framework. The latest of these publications, covering quarters 1 and 2, 2022/23 was published on 28<sup>th</sup> February 2023

**Service Commentary**

**Processing Agreements**

The proportion of applications subject to a Processing Agreement which were agreed within timescale continue to significantly outstrip the National figures, although there has been some minimal reduction in Quarter 2 2022/23 in the % agreed, which has influenced the long-term trend and the year-on-year position.

**Planning Determination Times**

Overall, Average Determination times, across the suite of measures, is showing significant recovery against more recent quarterly outcomes where the impacts of the pandemic were a residual influence. The extent of improvement either maintains, or extends, the positive distance to the National figures, with the outcomes for Non-Householder applications being the most advanced of the four metrics,

**Legislative Context**

Adoption of National Planning Framework 4 (NPF 4) was approved by the Scottish Parliament on 13<sup>th</sup> February 2023, although it is not yet part of the statutory development planning framework. This next stage will be progressed through the commencement of provisions of the Planning (Scotland) Act 2019 which amend the composition of development planning, in particular section 13, which will make the National Planning Framework part of local authorities planning. The Service’s preparation for adoption of NPF4, including how this might affect the gathering and reporting of planning processing data, is well advanced.

**15. Staff**

**Corporate Measures – Cluster Level**




Performance Measure	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Strategic Place Planning	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Strategic Place Planning	0	0	0	0		

Performance Measure	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	Status	Corporate Figure Dec 2022	Long Trend - Monthly
	Value	Value	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Strategic Place Planning	1.4	1.4	1.3	1.3	1.2	1.1		5.99	
Establishment actual FTE – Strategic Place Planning	88.1	87.9	88.9	91.3	92.8	94.7			



**16. Finance & Controls**



**Corporate Measures – Cluster Level**

Performance Measure	Quarter 1 2022/23		Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – Spend to full year budget profile – Strategic Place Planning	23.8%		48.0		71.5%			

**Service Level Activity Indicator**

Activity Indicator	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	Status
	Value	Value	Value	Value	Value	Value	
YTD % of budgeted income received from Planning Application fees *	24.0%	30.0%	32.4%	39.3%	45.0%	48.1%	
YTD % of budgeted income received from Building Warrant fees	30.2%	35.0%	39.9%	44.7%	55.0%	60.4%	

\*Excludes fees generated from Pre-Application processing activity. As at 30<sup>th</sup> December 2022, the value of this activity was £18,250 from 112 applications

**Service Commentary**

Seasonality and the scale of applications received are significant demand influences around the fees received from planning and building standards application processing.

The circumstances around the removal of pandemic restrictions in March 2022, which might have been expected to produce the first quarter uplift experienced in previous years, and a recovery in the number of applications have been countered by the economic circumstances around raw materials costs and the availability of construction employee resource, which continues to influence the development landscape and the progression of pipeline works that might have been anticipated from first contacts with the respective management teams.

This challenging situation, from the perspective of continued inflationary pressures in the commercial and domestic sectors, and the extent to which this acts as a suppressing influence around both application numbers and fee generation, may continue to be reflected to year's end.

**Local Government Benchmarking Framework Indicator**

Performance Measure	2019-20	2020-21	2021-22	2021-22 National Figure
	Value	Value	Value	Value
Cost of planning & building standards per planning application – All Local Applications*	£4,458	£5,746	£4,176	£3,838

**Metric Descriptor**







\*This data is a locally constructed benchmark measure, created in support of, and drawn directly from, the raw datasets informing the main Local Government Benchmarking 2021-22 Report content. The data for the Cost per Planning Applications includes all Local Development Decisions which incorporates applications subject to Processing Agreements rather than omitting these, as is the case with the LGBF Denominator data. This localised measure better represents the cost of all Development Planning and Building Standards Activity. This adjustment has been applied to each LA and the National Figure to ensure comparability of the data and benchmarking interpretation.

**Service Commentary:**

This Indicator, in 2021/22, showed substantive year-on-year improvement with the Cost Per Application – All Local Developments falling to its lowest figure in the six-year period over which this localised measure has been calculated. With additional closing to the national average, this represents positive movement in LGBF Quartile standings to just below the margin for Quartile 2 and demonstrates Long Term upwards trends for both the Council's standing and the value of the outcome, lifting the Council out of the lowest Quartile of local authorities for the first time in a number of years.






It should be noted that the 2020-21 outcome, both for Aberdeen and the majority of local authorities, showed a significant increase in the Cost Per Application, largely as a result of a fall in the number of applications processed due to the impacts of COVID-19. In 2021/22 The Service recorded expenditure of £3.658m, as opposed to £3,626m in 2020/21, a figure which is below the six-year average of £3.856m for this local measure, and is the third lowest level of gross expenditure in the 11 year lifetime of the standardised LGBF measure

**RESOURCES FUNCTION****FINANCE CLUSTER****17. Customer****Corporate Measures – Cluster Level**

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarterly Status	2022/23 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Finance	1	1	1	0			
% of complaints resolved within timescale stage 1 and 2) – Finance	100%	100%	0%	NA	NA	75%	
% of complaints with at least one point upheld (stage 1 and 2) – Finance	100%	100%	0%	NA			
Total No. of lessons learnt identified (stage 1 and 2) – Finance	0	0	0	NA			

## 18. Processes

### Cluster Level Service Standards

Performance Measures	Current Status
We will deliver all relevant statutory financial requirements for the Council met on time – statutory accounts, quarterly monitoring, budget preparation data and reports, tax, and statutory returns	
We will provide budget holder meetings provided in accordance with risk schedule	
We will maintain an inbox query service during core hours (10am – 4pm) every working day.	
We will ensure that data systems with financial transactions are maintained, developed and up to date to comply with proper financial administration.	
We will ensure that business advice is provided for all Committee decisions with financial implications to comply with proper financial administration	

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**Local Government Benchmarking Framework Indicator**

Performance Indicator	2019-20	2020-21	2021-22	2021-22 National Figure
	Value	Value	Value	Value
% of invoices sampled that were paid within 30 days	76.1%	87.15%	85.2%	92.2%





**Service Commentary**

The number of invoices sampled in 2021/22 was significantly greater than in the previous year ( +28%) with 170,997 invoices from a total of just over 201,000 being assessed The 2021/22 outcome showed a small reduction, which was contrary to the national trend but with a long-term improvement trend and closing to the national position over the same timescale. Current in year data indicates that this long-term improvement is being sustained and that the present local target of 90% is being met. As at December 2022, the monthly figure was 91.1%, with a rolling year-to-date outcome of 88.6%

This measure is shared between Finance and Customer Clusters

**19. Staff**

**Corporate Measures – Cluster Level**

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Finance	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Finance	0	0	0	0		

Performance Indicator	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	Status	Corporate Figure Dec 2022	Long Trend - Monthly
	Value	Value	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Finance	1.6	1.3	1	0.7	0.3	0.3		5.99	
Establishment actual FTE – Finance	92.6	90.4	89.4	92.6	88.7	88.2			

**20. Finance & Controls**

**Corporate Measures – Cluster Level**

Performance Indicator	Quarter 1 2022/23		Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Finance	24.6%		48.9%		74.5%			

**CAPITAL CLUSTER**

**21. Customer**

**Corporate Measures – Service Level**

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarterly Status	2022/23 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Capital	5	1	4	0			
% of complaints resolved within timescale stage 1 and 2) – Capital	40%	100%	50%	NA	NA	75%	
% of complaints with at least one point upheld (stage 1 and 2) – Capital	80%	100%	50%	NA			

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarterly Status	2022/23 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. of lessons learnt identified (stage 1 and 2) – Capital	1	0	0	NA			

**22.Processes**

**Service Commentary**  
 Performance related to delivery against Capital projects is directly captured within separate reports within the remit of this Committee.

**23.Staff**




**Corporate Measures – Cluster Level**

Performance Indicator	Quarter 3 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarterly Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Capital	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Capital	0	0	0	0		

Performance Indicator	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	Status	Corporate Figure Dec 2022	Long Trend - Monthly
	Value	Value	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Capital	1.4	1.6	1.7	1,8	2.0	2.1		5.99	
Establishment actual FTE – Capital	64.5	65.5	67.4	68.3	66.2	67.6			

## 24. Finance &amp; Controls








## Corporate Measures - Service Level

Performance Indicator	Quarter 1 2021/22		Quarter 2 2021/22		Quarter 3 2021/22		Quarter 4 2021/22	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Capital	16.8%		35.5%		56.8%			

## CORPORATE LANDLORD CLUSTER




## 25. Customer

## Corporate Measures - Service Level

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarterly Status	2022/23 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Corporate Landlord	12	5	12	27			
% of complaints resolved within timescale stage 1 and 2) – Corporate Landlord	50.0%	60.0%	66.7%	48.1%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Corporate Landlord	16.7%	20.0%	50%	44.4%			
Total No. of lessons learnt identified (stage 1 and 2) – Corporate Landlord	1	0	1	3			

## 25. Processes

## Cluster Level Service Standards

Performance Measure	Current Status
Cyclical maintenance works (statutory) on public buildings are completed in accordance with agreed programmes.	
Cyclical maintenance works (statutory) on council houses are completed in accordance with agreed programmes.	
Asset Valuations are provided within reported timescale.	

#### Local Government Benchmarking Framework Indicator

Performance Indicator	2019-20	2020-21	2021-22	2021-22 National Figure
	Value	Value	Value	Value
Proportion of operational buildings that are suitable for their current use,	75.3%	75.1%	75.9%	85.3%
Proportion of internal floor area of operational buildings in satisfactory condition	96.75%	96.4%	96.7%	90.1%

#### Service Commentary

##### Operational Buildings Suitability

This year's figure of 75.9% is a small improvement on last year's figure, exceeding the target set last year of 75%. Two of the assets which were removed were C rated, which improved the overall figure slightly. The suitability survey programme has only recently recommenced following delays due to staff deployment and the Services occupying the assets. The extent to which other local authorities have access to up-to-date suitability information, and the general age profile of each authority's estate, are significant influences in positioning the City relative to the national and benchmark data.





##### Internal Floor Area Condition






This year's figure of 96.7% is a small improvement on last year's figure and exceeds both last year's target of 96% and the national outcome. All the assets which were removed this year were B or A rated for condition. Removing no C or D rated assets did not improve the overall figure, however the increase in overall gross internal floor area of 2,973m2 improves the overall percentage.

## 27. Staff

### Corporate Measures – Service Level

Performance Indicator	Quarter 4 2021/22	Quarter 1 202/23	Quarter 2 202/23	Quarter 3 202/23	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Corporate Landlord	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Corporate Landlord	0	0	0	0		

Performance Indicator	July 2022	August 2022	September 2022	July 2022	August 2022	September 2022	Status	Corporate Figure Dec 2022	Long Trend - Monthly
	Value	Value	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Corporate Landlord	3.5	2.9	2.4	1.8	1.1	0.5		5.99	
Establishment actual FTE – Corporate Landlord	54.6	60.3	61.4	61.9	62.6	62,6			

## 28. Finance & Controls

### Corporate Measure - Service Level

Performance Indicator	Quarter 1 2021/22		Quarter 2 2021/22		Quarter 3 2021/22		Quarter 4 2021/22	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Corporate Landlord	21.2%		52.2%		64.2%			

**CUSTOMER FUNCTION**

**PEOPLE AND ORGANISATION CLUSTER**

**Corporate Measures – Cluster Level**





**29.Customer**

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarterly Status	2022/23 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – People and Organisation	0	0	0	0			
% of complaints resolved within timescale stage 1 and 2) – People and Organisation	N/A	N/A	N/A	N/A	N/A	75%	
% of complaints with at least one point upheld (stage 1 and 2) – People and Organisation	N/A	N/A	N/A	N/A			
Total No. of lessons learnt identified (stage 1 and 2) – People and Organisation	N/A	N/A	N/A	N/A			

**30.Processes**





**Cluster Level Service Standards**

Performance Measure	Current Status	2022/23 Target

We will complete evaluation panels upon receipt of all completed and verified documentation within ten working days for each individual job, in relation to Job Evaluation.		80%
We will allocate an Investigation Officer, when required, within three working days.		90%
We will allocate a People and Organisation advisor to formal casework within 3 working days.		80%
We will make initial contact with redeployees within 3 working days of redeployment confirmation.		90%

31, Staff

Corporate Measures – Cluster Level

Performance Indicator	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – People and Organisation	0	0	0	0		
H&S Employee Non-Reportable by Cluster – People and Organisation	0	0	0	0		

Performance Indicator	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	Status	Corporate Figure Dec 2022	Long Trend - Monthly
	Value	Value	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – People and Organisation	0.2	0.2	0.2	0.2	0.3	0.5		5.99	
Establishment actual FTE – People and Organisation	30.2	30.3	30.3	30.3	30.8	30.8			








**32. Finance & Controls**

**Corporate Measures – Service Level**

Performance Indicator	Quarter 1 2022/23		Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – People and Organisation	21.3%		41.7%		61.2%			

**Appendix Data Notes**

- Complaints data should be viewed in the round across each of the four measures in terms of the performance of individual Clusters. Any targets are set by the Ombudsman as reportable annualised measures for the Council as a whole without adjustment for seasonal operational, and external influences, and some natural variation between quarterly outcomes can arise as a result of this. In terms of complaint resolutions within timescale, the number of complaints received can also be a significant influence in data movement as the proportional impacts of a small number of unresolved complaints can result in an ‘exaggerated’ statistical change from one period to the next. The provision of Long-Term Trend direction indicators serve to provide additional assistance to Member evaluation of performance, taking both of these factors into account.
- Where no target is applied against Service Standards, the Business-As-Usual objective is that these will be delivered consistently, which would equate to a metrics target of 100%
- Staff Costs: Staffing costs referred to throughout this Appendix exclude adjustments for the corporate vacancy factor.
- Long Term Trends are based on the average of 12 monthly, 4 quarterly periods and 3 annual periods respectively

PI Status		Long Term Trends	
	Alert – more than 20% out with target/national figure		Improving/Increasing
	Warning – more than 5% out with target/national figure		No or Limited Change
	OK – within limits of target/national figure		Getting Worse/Decreasing
	Data Only		

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# Appendix B 2021-22 Scottish Local Government Benchmarking Framework Report

## Scorecard March 2023 – Commissioning and Resources Clusters

Report Author: Alex Paterson

Generated on: 28th February 2023

Performance Measure	2017-18 Value	2018-19 Value	2019-20 Value	2020-21 Value	2021-22 Value	Status 2021-22	Previous Status	Value Change Long Trend	Quartile Ranking Short Trend/Quartile Standing	National Value	National Value Change Long Trend
% community satisfaction with Museums and Galleries	68.3%	68.3%	66.6%	70.0%	70.3%				2	71.3%	
% Unemployed People Assisted into work from Council operated / funded Employability Programmes	5.9%	5.5%	10.5%	2.5%	59.3%				1	19.57%	
% of procurement spend spent on local enterprises	21.4%	21.5%	32.2%	37.5%	38.4%				1	29.9%	
Cost per planning and building standards application decisions – All Local Applications	£6,695	£5,267	£4,458	£5,746	£4,176				3	£3,838	
% of invoices sampled that were paid within 30 days	95.9%	80.5%	76.1%	87.1%	85.2%				4	92.2%	
The proportion of operational accommodation that is suitable for its current use.	74.2%	75.35%	75.3%	75.1%	75.9%				4	85.3%	
Percentage of internal floor area of operational accommodation that is in a satisfactory condition.	96.0%	96.0%	96.75%	96.4%	96.7%				1	90.1%	










### Service Commentary

The suite of Indicators shows a stable position in terms of short trend quartile standings within the Local Government Benchmarking Framework outcomes, with the majority of values rising long term, in line with or above the national values. There were residual impacts in service delivery arising from COVID-19 restrictions and re-modelling of services during the response and recovery phases covering both 2020-21 and 2021-22 but the figures for the latter year are largely improved on the pre-COVID-19 baseline of 2019-20 and long term value trends are consistent with those at a national level.

### Data Sensitivity

Statistical variations in values of less than +/- 1 percent are considered to represent an unchanged position for the purposes of generating both short- and long-term trend direction indicators. This serves to mitigate against natural changes in values that are of lesser numerical significance and/or those that may have been influenced by circumstances linked to the impacts of COVID-19 in 2020/21 and 2021/22.

Application of this data sensitivity analysis does not infer that variations of less than +/- 1 percent are materially insignificant at an operational or corporate level. On this basis, each measure is best considered in the context of comparison with the national value trends and with an understanding of the on-the-ground effect of local demand and service modelling in each local authority.

PI Status		3-year Long Term Trends		Year on-year Short Term Trends	
	Alert - 20% or more from national figure		Improving/Increasing over 3 data period average		Improving/Increasing year-on-year
	Warning – between 6-19% from national figure		Limited/No Change over 3 data period average		Limited/No Change year-on-year
	OK – within 5% of national figure		Getting Worse/Decreasing over 3 data period average		Getting Worse year-on-year



## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Finances and Resources
<b>DATE</b>	29 March 2023
<b>EXEMPT</b>	The report is not exempt but Appendices 2a and 2b are exempt under paragraph 6 - Information relating to the financial or business affairs of any particular person (other than the authority).
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Christmas Village Feedback Report
<b>REPORT NUMBER</b>	COM/23/098
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Matthew Williams
<b>TERMS OF REFERENCE</b>	2.1 & 3.2

### 1. PURPOSE OF REPORT

- 1.1 To present the evaluation of the 2022 Christmas Village and to seek approval for the proposed delivery model for the Christmas 2023 Festival

### 2. RECOMMENDATION(S)

That the Committee -

- 2.1 Notes the findings of the evaluation of the 2022 Christmas Village;
- 2.2 Instructs the Chief Officer – City Growth to carry out the necessary undertakings to deliver the additional activities for the 2023 edition detailed in this report;
- 2.3 Instructs the Head of Commercial and Procurement, following consultation with the Chief Officer - Finance and Chief Officer – City Growth to vary the current service level agreement with Aberdeen Inspired and contract with John Codona’s, Pleasure Fairs Ltd to deliver the 2023 event that reflects the changes detailed in this report; and
- 2.4 Instructs the Chief Officer – City Growth to report back to the Finance and Resources Committee in March 2024 with the evaluation report of the 2023 event.

### 3. CURRENT SITUATION

- 3.1 Aberdeen Inspired has been a funding partner, with responsibility for the delivery of the Christmas Village event, from its inception in 2015 until the service level agreement ceased in 2019. During this period Aberdeen Inspired

contracted John Codona's Pleasure Fairs Ltd., as the Christmas Village Operator to manage the event on its behalf.

- 3.2 In May 2019, the Council's Strategic Commissioning Committee agreed to extend this service level agreement for a further year to include Christmas 2019; and instructed the Chief Officer City Growth to provide a Procurement Business Case detailing options for the Christmas Village from 2020 to 2023.
- 3.3 This approach (PLA019) was supported by Aberdeen Inspired as delivery and funding partner and approved by the Strategic Commissioning Committee in November 2019, with an Open Procedure Invitation to Tender following shortly thereafter. Following a one-year postponement due to the Covid 19 pandemic, the delivery contract was subsequently awarded to John Codona's Pleasure Fairs Ltd for an initial period of one year (2021), with the Council reserving the right to extend the contract by a further 12 months up to a maximum of three events up to and including 2023.

### **2022 Christmas Village Feedback**

- 3.4 John Codona's Pleasure Fairs Ltd delivered Aberdeen's Christmas Village in 2022, supported by officers of the Council, Aberdeen Inspired, and charity partner Charlie House. In accordance with the contract, the operator procured an independent evaluation of the event. This was undertaken by Aberdeen and Grampian Chamber of Commerce and the report is attached as Appendix 1. The key findings from the Evaluation are that:

- 88% of visitors surveyed rated the market as 'good' or 'excellent'
- 75% said the event improved their opinion of Aberdeen
- 75% said they were 'very' or 'completely likely' to recommend the event to friends and family
- 60% of visitors from previous years returned to the Christmas Village in 2022, with others belonging to a new audience
- 33% of return visitors thought that the market was better than in previous years
- The average spend per 'party group' was £65 across the Christmas Village (£25) and wider city centre (£40)
- 94% of businesses in the Curated in the Quad Market said that the stall was good for their business
- 86% of city centre businesses surveyed responded that the Christmas Village gave a boost to the city centre
- 63% of city centre businesses surveyed responded that the event was good for their business directly

- 3.5 On the basis of the evaluation the Board of Aberdeen Inspired indicated its agreement to continue to support the event in 2023.

### **Christmas Village 2023**

- 3.6 The 2023 edition will operate from 16<sup>th</sup> November 2023 to 31<sup>st</sup> December 2023. The Curated in the Quad market will follow its usual pattern and open Friday-Sunday each week and run until Christmas Eve.

- 3.7 However for 2023, there are opportunities to activate other parts of the city centre to reflect the availability of Union Terrace Gardens and its role as an events location. In response and following a review of the delivery of the event at Broad Street, officers have been assessing options for the 2023 edition of the Christmas Village.
- 3.8 These options have been discussed and refined to reflect the views of Aberdeen Inspired and John Codona's Pleasure Fairs Ltd. The preferred option will still utilise Broad Street and also activate Union Terrace Gardens to secure a greater contribution from providers of locally sourced and produced food, drink and retail goods. Other proposed changes include:
- One of the 'thrill rides' on Broad Street to be replaced by a big wheel; Hot food offering to be increased on Broad Street by involving existing food businesses located nearby and/or other regional artisan street food and drink vendors using high-quality local ingredients – in conjunction with John Codona's Pleasure Fairs Ltd, and Aberdeen Inspired;
  - New approach to facilitate greater presence of artisan makers to include more micro-businesses in the Curated in the Quad space, based on the success of previous year, in conjunction with Charlie House, Tea Green makers markets, and product buyers at Aberdeen Art Gallery;
  - Opportunity for busy market traders to upgrade to a stall on Broad Street to increase their trading hours, most likely artisan food and drink producers from the city and Aberdeenshire;
  - Improved signposting to Provost Skene's House and adjacent local businesses in Marischal Square and Upper Kirkgate.
- 3.9 Proposals to activate Union Terrace Gardens include:
- Relocating the nativity scene to the park;
  - Exploring options for additional festive scenes in the glazed arches in conjunction with local creative organisations, charities and businesses;
  - Leading visitors around the Gardens and to the Christmas Village on Broad Street with the QR code-enabled Christmas sculpture trail;
  - Subject to confirmation by local producers, addition of artisan hot food vendors and/or market traders of local produce in the three weekends prior to Christmas (final number dependent on commercial response);
  - Offering local creative groups, schools, children and youth groups, charities and businesses the opportunity to join a public programme of community-led events on the three weekends prior to Christmas to include carol singing, live performance of music, dance and drama, and other creative activities;
  - Introducing a more festive atmosphere to the park by adapting current park lighting and incorporating new and existing Christmas lighting elements where possible.
- 3.10 Officers will continue to work in conjunction with local food businesses represented by organisations such as Opportunity North East and Grampian Food Forum to find suitable high-quality producers and vendors of food and drink who based in the region and using locally-sourced ingredients.

Participants will be selected through an open call-out and selection process comprising local food specialists, officers and Aberdeen Inspired.

- 3.11 Officers will co-ordinate the call-out and submissions for the community-led events programme ensure a variety of performances throughout the day. Promotion will be included in all Christmas Village communications via the Council, Art Gallery and Museums marketing, VisitAberdeenshire and event partner channels, as well as participating businesses and organisations themselves.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The Accounts for the 2022 Event are provided in exempt Appendices 2a and 2b.

Key points:

- Profit increased 4% on prior year
- Production costs rose 14% while trading costs rose 12%. Mainly driven by staff and power costs, as well as higher maintenance fees
- Sales increased 5% improved margin which offset the cost increases above

These robust figures represent an immediate gain to the local economy and support jobs in the city. They indicate the continuing financial sustainability of the event, and cost control advantages of working with a commercial supplier, particularly at a time of inflationary pressure for the events industry.

- 4.2 Funding of £150,000 for the 2023 Christmas Village was approved from the Common Good Fund as part of the Council's 2023/2024 budget setting process.
- 4.3 Additional financial support of £50,000 from Aberdeen Inspired is anticipated.
- 4.4 If Aberdeen Inspired do not provide financial support to the event, Aberdeen City Council would require to find an additional £50,000 in order to deliver the Christmas Village 2023 to spec, or provide a reduced event.
- 4.5 Additional grant funding will be sought to add further festive lighting to Union Terrace Gardens and officers will look to align to existing lighting activities for Christmas and associated budgets.

#### **5. LEGAL IMPLICATIONS**

- 5.1 This report is expected to have no impact on Aberdeen City Council's contractual arrangements with John Codona's Pleasure Fairs Ltd for the 2023 event.

## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 As part of the Council's tender process for the current contract, bidders were scored on how their plans would assist the Council in furthering its sustainability and community benefits objectives in relation to this Contract.
- 6.2 A summary of the sustainable practices employed by John Codona's Pleasure Fairs Ltd. for the Christmas Village 2022 is contained within Appendix 3 of this report.
- 6.3 Due to the 'mains' power supply on Broad Street being insufficient for some of the larger infrastructure requirements at the event, there is a reliance of temporary mobile generators. These have a negative environmental impact. Similar generators may needed for Union Terrace Gardens if 'mains' power is not sufficient for vendor needs.
- 6.4 However, to minimise this negative impact, improvements were made to the mains power source in the Quadrangle. This allowed the market to operate using solely mains power which reduced the reliance on temporary generators and reduces the environmental impact of the event. This measure supports the Council's duty to adapt to climate change.
- 6.5 As part of the event's marketing activities, efforts were made to promote and encourage sustainable transport options.

## 7. RISK

The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	No significant risks identified against the category.			
<b>Compliance</b>	Risk that Aberdeen City Council's appointed Christmas	The council's contract with John Codona's Pleasure Fairs sets out their legal obligations as the 'occupier' under the Occupiers Liability Act	L	Yes

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
	<p>Village delivery partner fails to comply with statutory obligations, whilst delivering an event on Council land.</p>	<p>(Scotland) 1960. Additionally, the contract stipulates that they are responsible for ensuring that all aspects of their work-related activity are safe, fit for purpose and compliant with all relevant codes of practise, regulations &amp; industry best practise.</p> <p>Finally, the contract stipulates that health and safety documentation, relating to the event, must be submitted to Aberdeen and that all relevant regulatory permissions are in place. These documents include:</p> <ul style="list-style-type: none"> <li>• Event Manual</li> <li>• Contingency Plan</li> <li>• Crowd Management Plan</li> <li>• Traffic Management Plan</li> <li>• Wind Management Plan</li> <li>• Counter Terrorism Plan</li> <li>• Noise management Plan</li> <li>• Risk Assessment</li> <li>• Fire Risk Assessment</li> <li>• Communications Plan</li> <li>• Marketing Plan</li> <li>• Insurance</li> <li>• Sub-Contractors Documentation</li> <li>• Food Safety Documentation</li> </ul>		

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
		These documents will be shared with multi-agency partners six weeks prior to the event to allow for feedback and advice to be given as required.		
<b>Operational</b>	The event restricts access to Marischal College, which prevents members of the public accessing the services which they require.	Measures will be put in place to maintain public access to Aberdeen City Council services and Police Scotland's customer service centre.	L	<b>Yes</b>
<b>Financial</b>	If Aberdeen Inspired pull their funding contribution, the event will no longer be viable and Aberdeen City Council may need to find an additional £50,000	Officers have engaged with Aberdeen Inspired who have given assurance that this contribution is secure	L	<b>Yes</b>
<b>Reputational</b>	Constituents have grown accustomed to a high-quality Christmas Village offering. Failure to meet these expectations represents reputation	As is demonstrated with the feedback report, contained as Appendix 1, the current Christmas Village offer meets the expectations of those who were surveyed.	L	<b>Yes</b>

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
	risk for the organisation and the city.			
<b>Environment / Climate</b>	No significant risks identified against the category.			

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	<p>The proposals in this report support the delivery of the Partnership's Policy Statement for a Vibrant City: Aim to make Aberdeen a premier destination for festivals, productions, conferences, bands and events.</p> <p>And a Prosperous City: Develop our economy in a genuine partnership with the private sector, third sector and residents</p>
<b><u>Aberdeen City Local Outcome Improvement Plan</u></b>	
Prosperous Economy Stretch Outcomes	<p>The proposals within this report support the delivery of LOIP Stretch Outcome 2.1 Supporting labour market to recover from impact of Covid-19 on employment.</p> <p>Events supported by the Council, such as the Christmas Village, provide an opportunity to promote and enhance the long-term economic prosperity of Aberdeen and the wider region by attracting additional visitors to the city because of the event. In turn this attracts additional commercial activity in the city. Officers work with partners including Visit Aberdeenshire and Aberdeen Inspired to maximise</p>



	both the benefit of events on city-centre businesses and provide information on the event itself.
<b>Regional and City Strategies</b>	The proposals support the Regional Economic Strategy and the Council's City Centre Masterplan, Events 365 Plan and Empty Shops Plan by strengthening local supply chains and contributing towards local business growth; creating space to move and enjoy; and supportive the Shop, Visit, Eat Local initiatives.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	Not required.
<b>Data Protection Impact Assessment</b>	Not required.
<b>Other</b>	Not required.

## 10. BACKGROUND PAPERS

### 11. APPENDICES

- 11.1 Appendix 1: Christmas Village Feedback Report
- 11.2 Appendix 2a: Christmas Village Production Accounts – Exempt
- 11.3 Appendix 2b: Christmas Village Trading Accounts – Exempt
- 11.4 Appendix 3: Christmas Village Sustainability Report

### 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Matthew Williams
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# Aberdeen 2022 Christmas Village Research Evaluation Results

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Prepared for: Aberdeen City Council, JCPF Ltd & Aberdeen Inspired

Prepared by: The Research Chamber, Aberdeen & Grampian  
Chamber of Commerce

Wednesday 25<sup>th</sup> January 2023



## CONTENTS

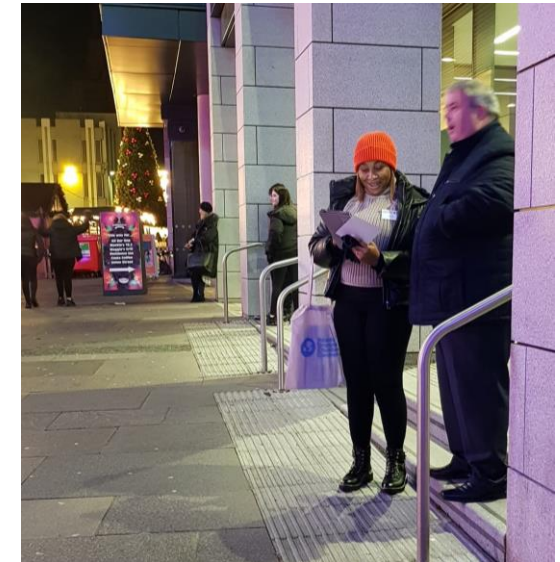
Why this project matters

Who we talked to (Village Visitors, Village Vendors & City Businesses)

What they said, the sixteen key facts

Conclusions &  
Thoughts for Next Actions....

Data Tables



# Why this project matters; measuring the success of the 2022 event, part of the City's continued recovery

The Aberdeen Christmas Village event can play a key role in the City's continued recovery. The event has, in previous years, brought a vibrancy to the City, offering visitors a range of attractions (including ice rink, fairground rides, food, drink, local market, live music). It has brought the festive season to life for the visitors and for local businesses.

Aberdeen City Council/JCPF Ltd/Aberdeen Inspired are eager to evaluate the success of the 2022 event with a focus on visitor and business experience.



Who we  
talked to





## Research with three groups, village visitors, village vendors and with City Businesses

Who	Village Visitors	Village Vendors	City businesses
How many	202 in street interviews 50 QR Code poster	35	22
How surveyed	In person interviews at the Village & by QR code publicised/distributed at the Village	Mailed by Aberdeen Inspired	Canvassed by Codona's Management team. Link also sent to AGCC members.
	Range of times/venues/days during the event	X vendors invited to participate, mailed throughout the Village	27 City Businesses invited to participate, via Codona management team, 75 AGCC members received the link.

Note: Village attendance/interviewing/footfall at times impacted by poor weather

**SCAN HERE TO LET US KNOW WHAT YOU THINK OF THE CHRISTMAS VILLAGE**



As a thanks, you will be entered into a prize draw to win a **£25 gift voucher**.







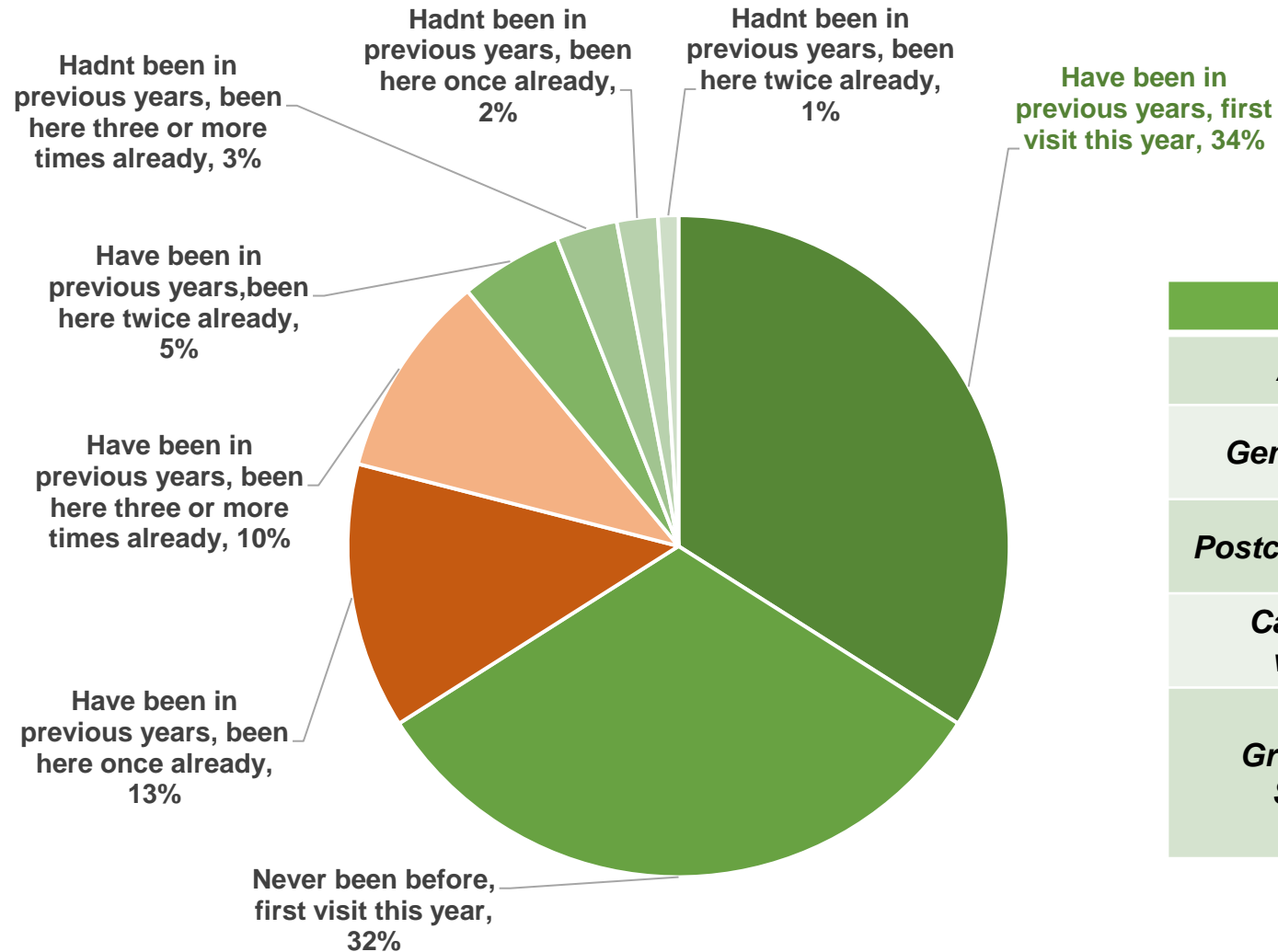
# **What they said, the sixteen key facts**





## Q: Is this your first visit this year? Have you been in previous years?

1. The typical Village Visitor was a young woman from the City who came with family. They had been to the Village in previous years, but this was their first 2022 visit.



<b>Age</b>	49% 25-44
<b>Gender</b>	50% Women 46% Men
<b>Postcode</b>	59% City 24% Shire
<b>Came with</b>	40% With family 26% With Friends
<b>Group Size</b>	Mode was 2 Mean was 3 33% of groups included children





## Q: How does this year's Christmas Village compare to when you went in previous years? Why do you say that?

2. Village seen by most as about the same compared to previous years, however one in three believe it is better/ much better.



### **Example comments:**

#### **Better:**

*Better atmosphere and the stalls look great!  
More activities for adults, more food stalls and recognised a vegetarian food option.*

#### **About the same:**

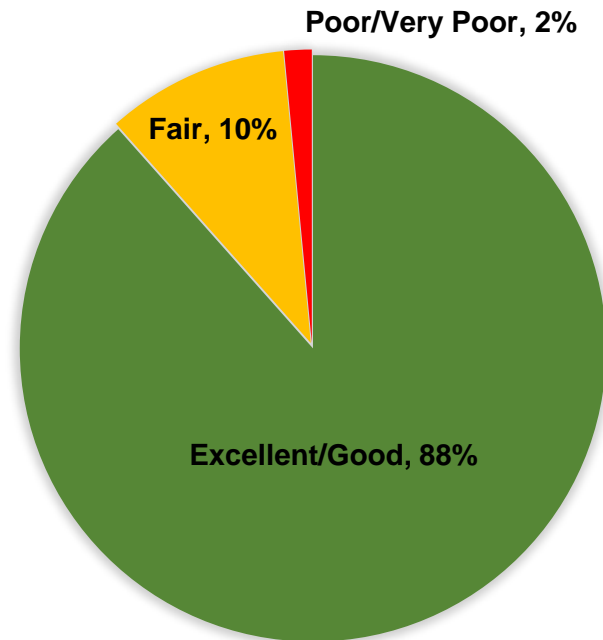
*All equipment and entertainment were the same as last year.  
Everything feels the same as last time but its nice.*



## Q: How would you rate your experience of the Christmas Village? To what extent do you agree or disagree with the statements below?

3. Highest score for 'overall experience' to be rated excellent/good. Almost all visitors said the Village felt like a safe environment and would like it to be repeated in Aberdeen next year.

*Overall Experience Rating*



	Agree	Neither/nor	Disagree	DK
The Christmas Village felt like a safe environment	96%	3%	0%	1%
I would like the Christmas Village to be repeated in Aberdeen next year	95%	3%	1%	1%





## Q: To what extent do you agree or disagree with the statements below?

4. Village enhances perception of the City and increases visitors' pride in Aberdeen.

Positive impact on my perception of Aberdeen



Increased my pride in Aberdeen



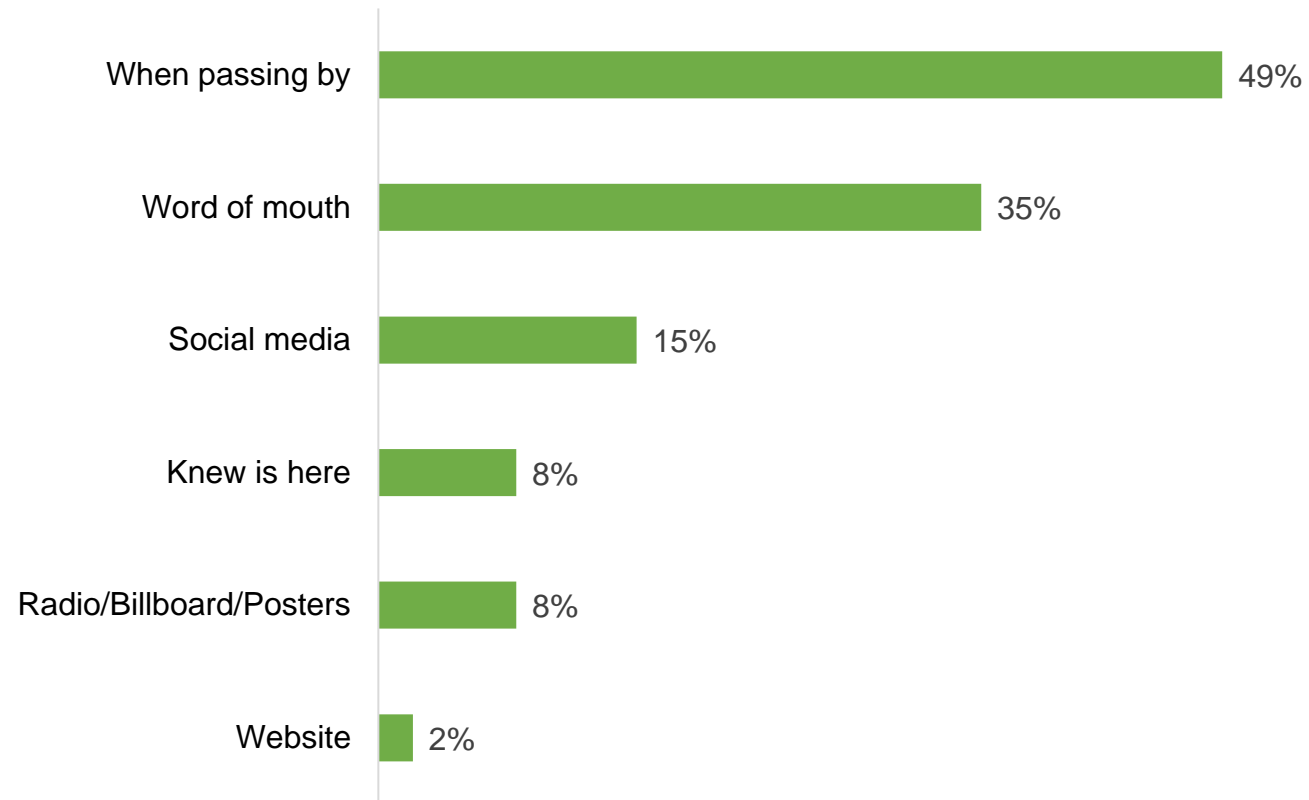
■ Agree ■ Neither/Nor ■ Disagree ■ DK





## Q: How did you hear about the Christmas Village this year?

5. Most of the Village visitors had heard about it when passing by and through word of mouth.

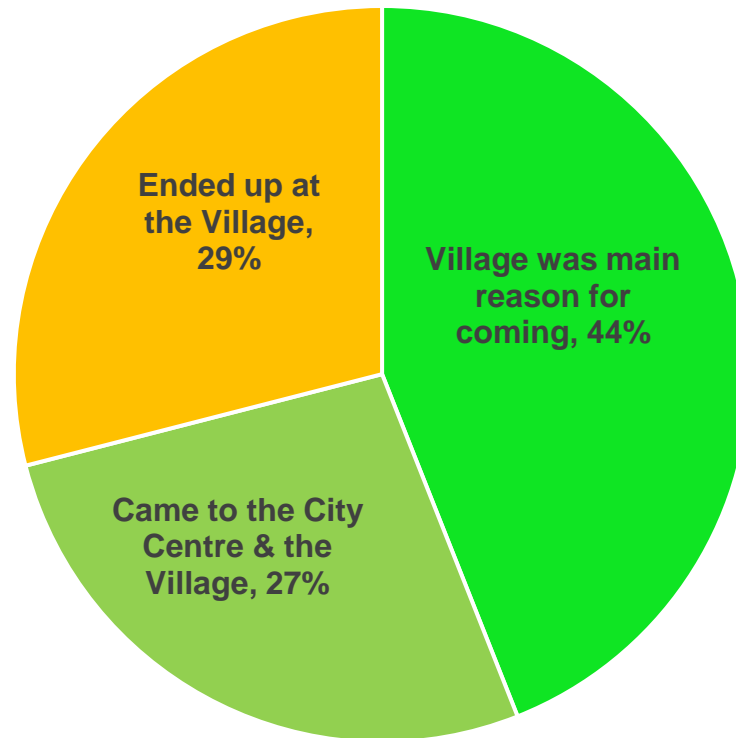




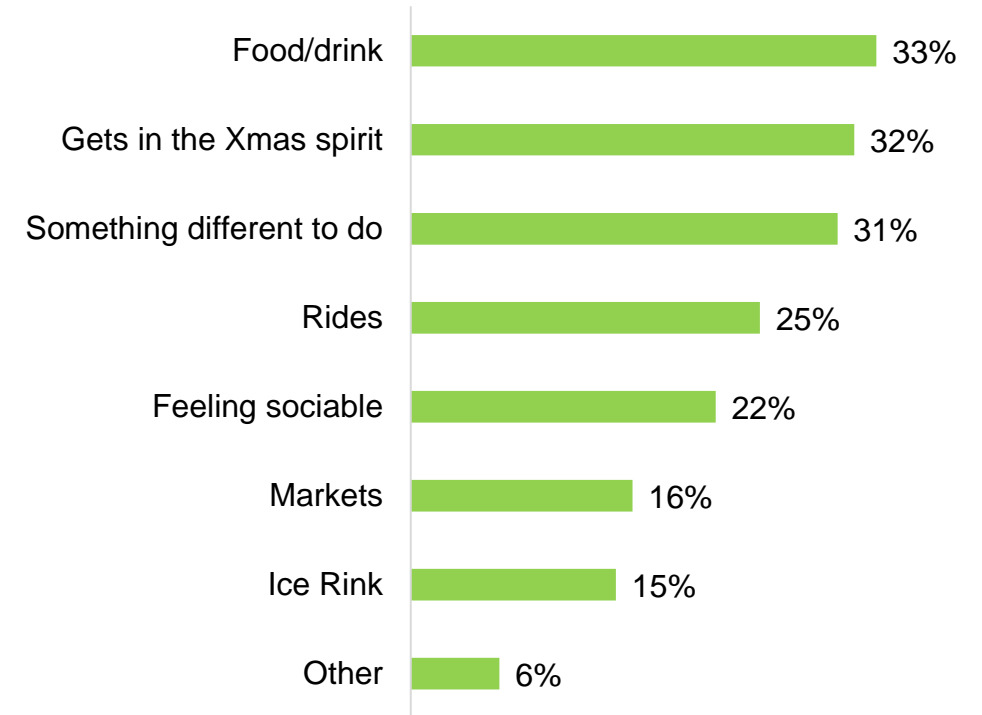
## Qs: Which of the following statements about coming is most true of you? What was your main reason for coming to the Aberdeen Christmas Village today?

6. Vast majority of visitors came to the City Centre to visit the Village. Their main reasons were the food/drink, get into the Christmas spirit and for something different to do.

Statements about coming to the Village



Main reason for coming to the Village

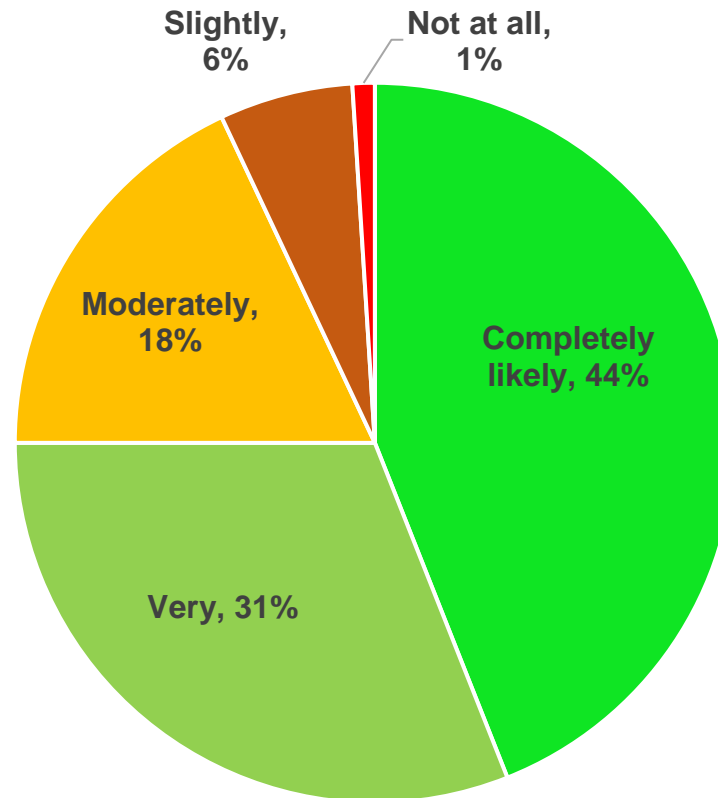






## Q: How likely or unlikely are you to recommend friends and family to visit the Christmas Village in the future? Why do you say that?

7. Three quarters of visitors are completely/very likely to recommend the Village to friends and family as they believe the Village is a safe place with nice atmosphere and fun.



### Example Comments:

*Good family day out.*

*A great festive addition to the city centre.*

*Allows you to come out and be sociable.*

*Safe and family friendly, Christmassy feeling.*

*Very enjoyable and good selection of things to do & eat.*

*It was a complete package both in entertainment & security.*

*I enjoyed it and would definitely come back next year.*

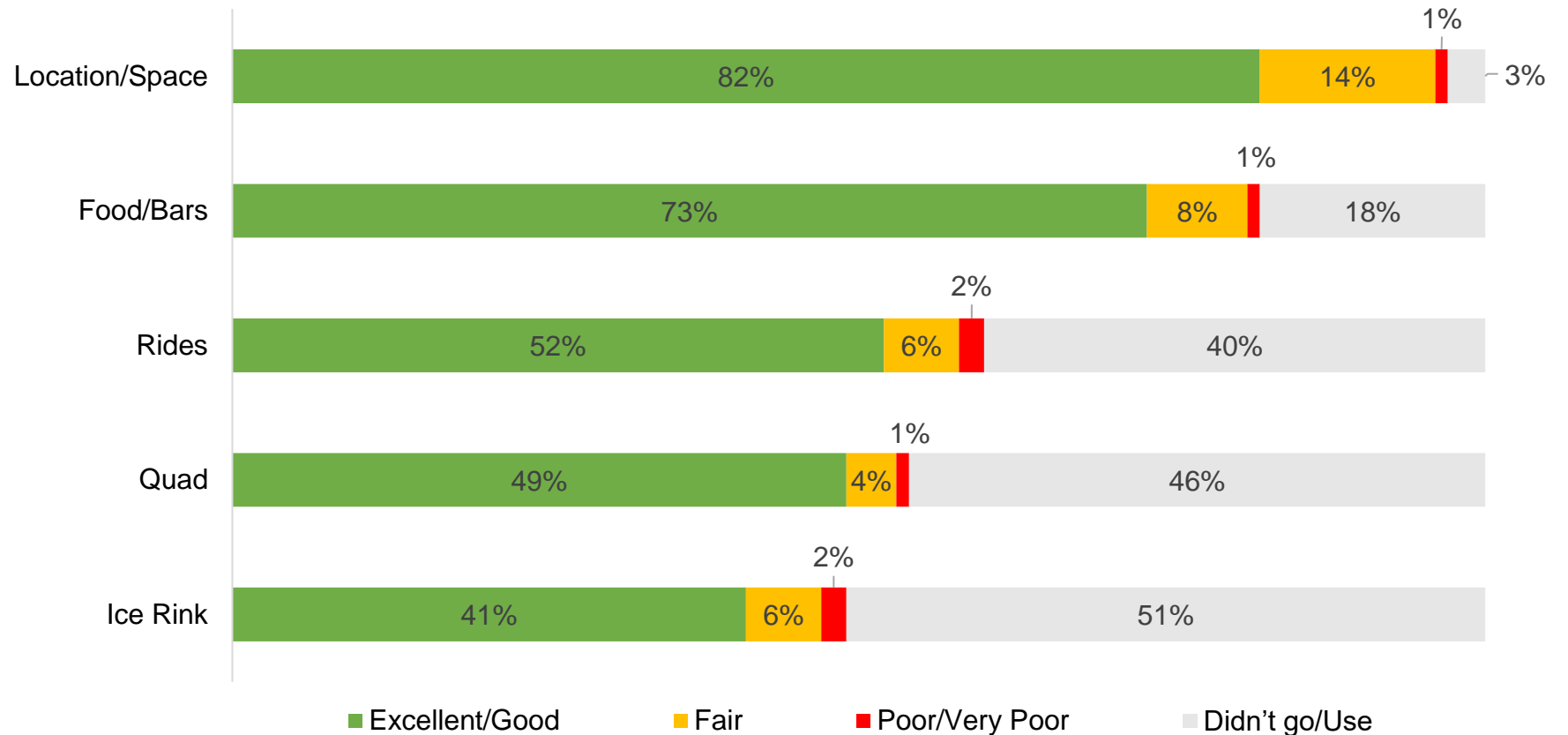
*I keep coming back with my kids because it is a lovely & safe place to be in this season.*





## Q: How would you rate your experience of the Christmas Village?

8. Largely positive responses to village features, though some less well used. The location/space & food/bars were rated the highest.







**Q: Please let us know if you have anything else to add, or anything you would like to see at the Christmas Village in the future.**

9. Village Visitors shared their ideas of how to enhance the experience, to make it even better.

<b>Bigger/ Better</b>	<b>Would like:</b>
<p><i>Extend further down school hill.</i> <i>Quad market could be open all week.</i> <i>More activities or businesses in the market.</i> <i>More stalls, more to do.</i> <i>Needs to be marketed better.</i> <i>Should be bigger better.</i></p>	<p><i>Bigger food court that serves everything.</i> <i>Vegetarian/ Halal food options.</i> <i>Music, Santa, sport goods stalls.</i> <i>Would like it bigger, more rides.</i> <i>More local food/craft.</i></p>

**More Value for Money**

*It's too expensive. Struggle with cost of living.*  
*Ice skating is very expensive for how long you get.*  
*Adults having to go in with children makes it more expensive.*





## Q: Approximately how much do you expect to spend today on the following?

10. Visitor total spend was up versus last year, driven by spend in the Village itself and other shopping outside the Village.

<i>Spend per 'party group'</i>	<i>2021</i>	<i>2022</i>	<i>Difference 2022 v 2021</i>
<b>Total Spend</b>	<b>£42</b>	<b>£65</b>	<b>+ £23</b>
<i>Inside Christmas village</i>	£20	£25	+ £5
<i>Outside Christmas Village *</i>	£22	£40	+ £18
<i>Food, drink outside the event</i>	£8	£10	+ £2
<i>Other shopping/ anything else</i>	£12	£20	+ £8
<i>Overnight Accommodation</i>	£1	£6	+ £5
<i>Local travel, i.e. to get to Aberdeen City Centre</i>	£1	£4	+ £3

\* All spending outside the Village

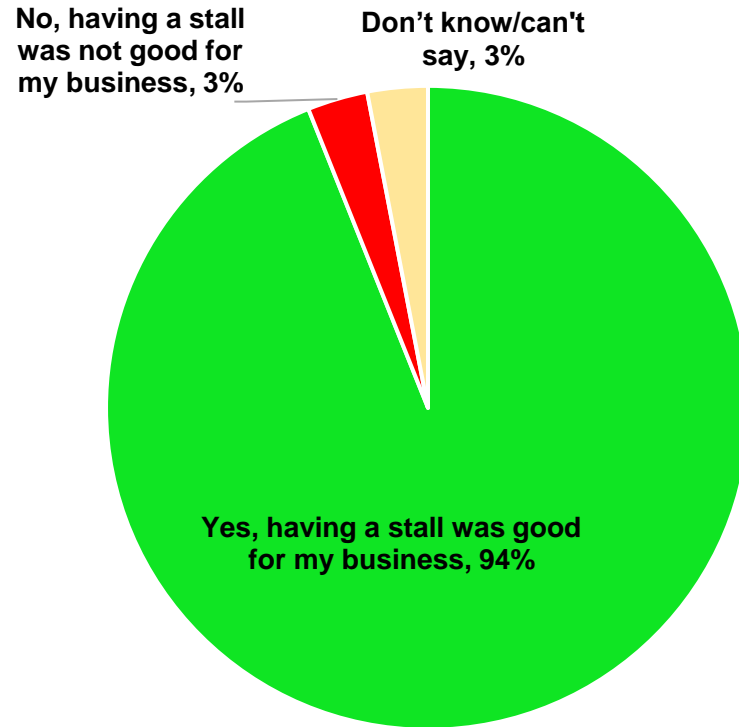
Note: numbers are rounded





## Q: Was having a stall at Aberdeen Christmas Village market good for your business?

11. Vast majority of Village vendors believed that having a stall was good for their business.



Reach new customers	<i>It's a great way for us to meet new customers face to face and get a new audience to try our products.</i>
Selling opportunity	<i>It was extra income for my business over and above the usual.</i>
Other	<i>Good value for money to run a city centre location for a few days at a time. The proximity to the Christmas village made it easier to market our attendance.</i>

*The Christmas village is my biggest source of income every year*

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**CURATED IN THE QUAD**

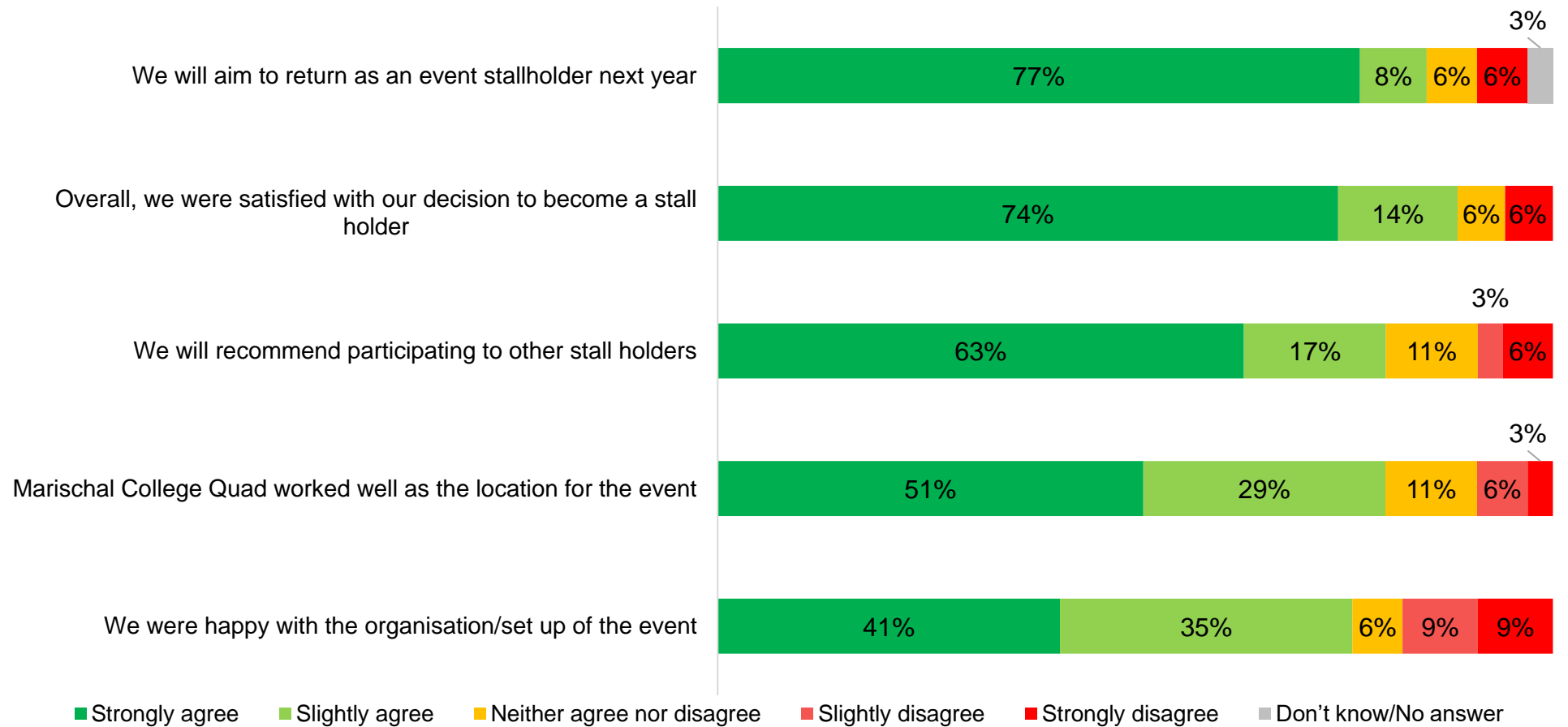
**OPEN**

Saturday: 11am-7pm  
Sunday: 11am-8pm



## Q: How much do you agree or disagree about these Christmas Village stall holder statements?

12. Vast majority of Village vendors were satisfied and aim to return as an event stallholder next year.





**Q: Please let us know if you have anything else to add, or anything you would like to see at the Christmas Village in the future.**

13. Largely positive feedback from vendors, some ideas for improvement and only a handful of issues.

Good event/location	Village set up/logistics	Village Promotion/Expansion
<p><i>it's a great opportunity for any small business to have a city centre location for a very reasonable fee.</i></p> <p><i>This is a good event with good footfall.</i></p> <p><i>We find the quad a lovely location for the market but we had feedback that a number of members of the public didn't realise it was there.</i></p> <p><i>The quad is a great location in theory but in reality, only trickles of people from the outside food court &amp; rides come through to the college.</i></p>	<p><i>Accessing the quad for the setup is problematic. The stairs aside, accessing the loading bay is difficult. Getting parked is a bit of a nightmare. Once parked, the journey up the stairs and across the quad isn't ideal.</i></p> <p><i>Main thing I would like to see is that if it's wintry conditions again...then ensure all ice is cleared and paths are salted prior to the market opening.</i></p> <p><i>The stalls should be insulated and heating provided as a minimum.</i></p>	<p><i>I would love to see more signage around the village itself to show where the market is as it can be easily passed by.</i></p> <p><i>From what I saw the signage has improved since the first year but it could be better, more signs at eye level and perhaps arrows pointing in towards the double doors.</i></p> <p><i>Would also be nice to have a section to offer to some traders to trade every day throughout the Christmas Market.</i></p>

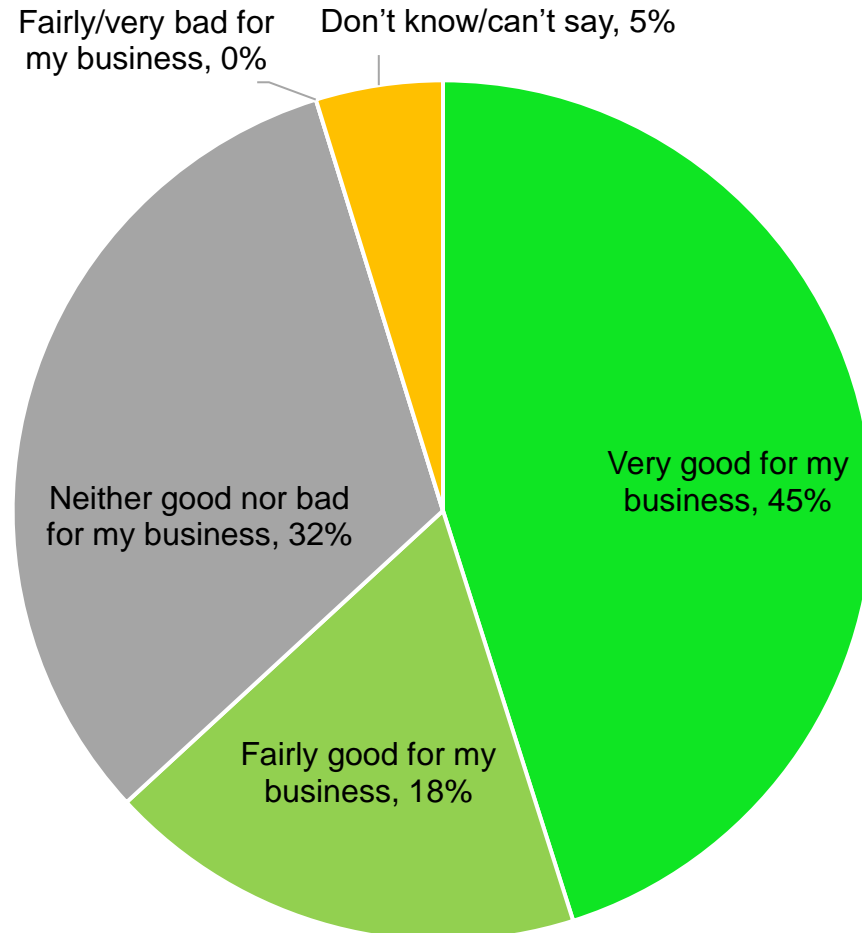






## Q: Thinking of your business, would you say that the Aberdeen Christmas Village was: Why do you say that?

14. Most City businesses saw the Village as good for business.



### Why do you say that...

#### Very/fairly good for business

*Bringing people that wouldn't normally come to this end of town.*

*Increase business by 50%.*

*More people at weekends.*

#### Neither good nor bad for business

*No evidence of increased rooms sold because of the Village.*

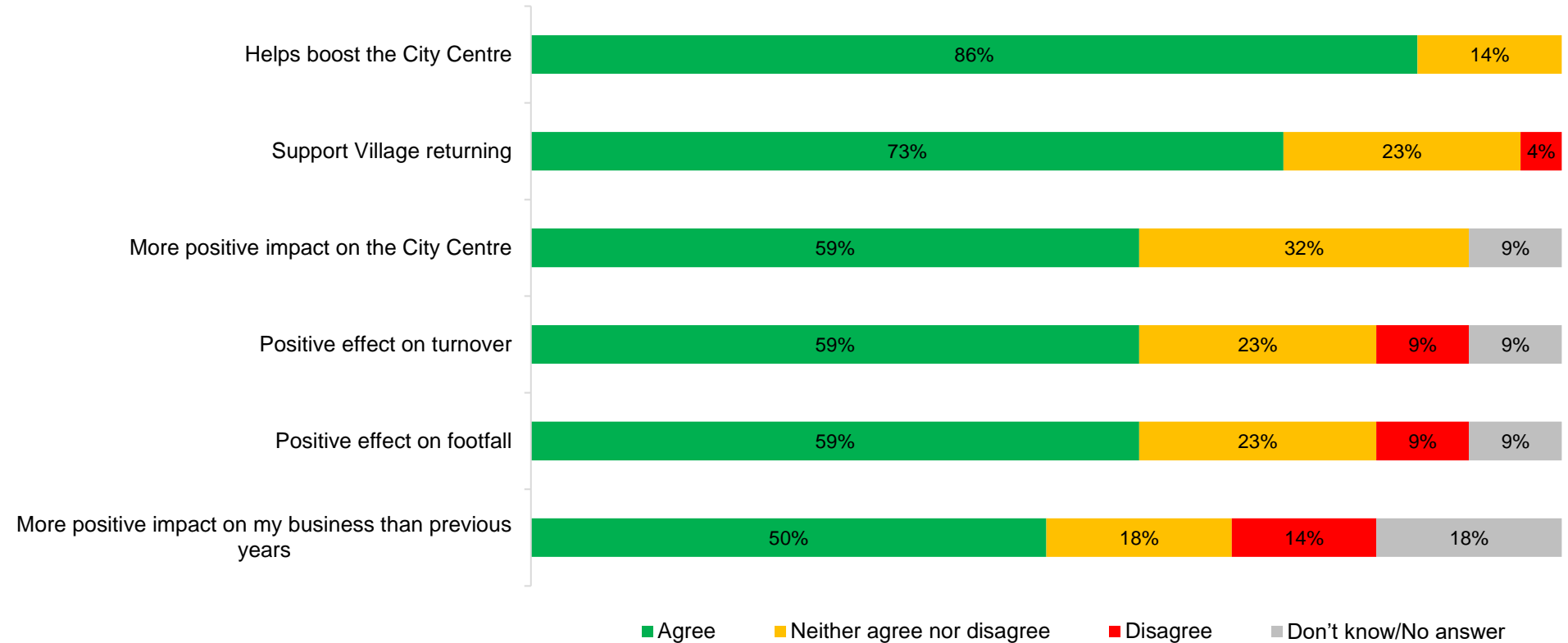
*Too far away from the hotel to make a difference and wrong demographic.*





## Q: How much do you agree or disagree about these Christmas Village City business statements?

15. Overall positive views of the Village from City businesses. Nine in ten believe that Christmas Village helps boost the City Centre.





**Q: Please let us know if you have anything else to add, or anything you would like to see at the Christmas Village in the future.**

16. City Businesses want to see the Christmas Village bigger and better in the future.

Make it bigger	Make it better
<p><i>Can we expand on this any further, great to see local small traders with a place to be seen in the city centre.</i></p> <p><i>Why not run a Christmas street food/drink festival at the same time on, for example, Belmont Street.</i></p>	<p><i>The terrace offers a lot more space and is better for the Aberdeen City centre economy as a whole.</i></p> <p><i>The focus should be on celebrating and promoting local cuisine and artists...</i></p>
<p><i>Good for city centre.</i></p> <p><i>City centre needs more investment.</i></p> <p><i>Think the market is getting better each year.</i></p> <p><i>We need more activities around the city centre to make it a better attraction.</i></p>	







## Summary: Ten key Village Visitor facts from the research

### Key Facts

1. The typical Village Visitor was a young woman from the City who came with family. They had been to the Village in previous years, but this was their first 2022 visit.
2. Village seen by most as about the same compared to previous years, however one in three believe it is better/ much better.
3. Highest score for 'overall experience' to be rated excellent/good. Almost all visitors said the Village felt like a safe environment and would like it to be repeated in Aberdeen next year.
4. Village enhances perception of the City and increases visitors' pride in Aberdeen.
5. Most of the Village visitors had heard about it when passing by and through word of mouth.
6. Vast majority of visitors came to the City Centre to visit the Village. Their main reasons were the food/drink, get into the Christmas spirit and for something different to do.
7. Three quarters of visitors are completely/very likely to recommend the Village to friends and family as they believe the Village is a safe place with nice atmosphere and fun.
8. Largely positive responses to village features, though some less well used. The location/space & food/bars were rated the highest.
9. Village Visitors shared their ideas of how to enhance the experience, to make it even better.
10. Visitor total spend was up versus last year, driven by spend in the Village itself and other shopping outside the Village.





## Summary: Six key Village Vendor/City Business facts from the research

### Key Facts, Village Vendors

11. Vast majority of Village vendors believed that having a stall was good for their business.
12. Vast majority of Village vendors were satisfied and aim to return as an event stallholder next year.
13. Largely positive feedback from vendors, some ideas for improvement and only a handful of issues.

### Key Facts, City Businesses

14. Most City businesses saw the Village as good for business.
15. Overall positive views of the Village from City businesses. Nine in ten believe that Christmas Village helps boost the City Centre.
16. City Businesses want to see the Christmas Village bigger and better in the future.



# Conclusions & Thoughts for Next Actions





## Conclusions & Thoughts for Next Actions

<b>Conclusions</b>	<p><b>Village visitors</b> The Village attracted people to the City Centre who would not have come otherwise, despite mainly non-paid for promotion.</p> <p>When they got there, the vast majority enjoyed the experience; spending more than in previous years.</p> <p>They are keen for even a bigger and better Christmas Village next year.</p>	<p><b>Village vendors/City businesses</b> The vendors saw coming to the Village as a worthwhile experience, helping them reach new customers and sell more.</p> <p>The vendors were keen for the Village to iron out the handful of logistics issues, to offer a section everyday throughout the market and display better visible signage.</p> <p>The City Businesses saw it as a footfall driver for the Centre and were keen to see more activities around the City Centre.</p>
<b>Thoughts for Next Actions</b>	<ol style="list-style-type: none"><li>1. Continue to run the Christmas Village in 2023</li><li>2. Make it bigger; consider ways to increase its footprint, consider ways to promote it</li><li>3. Make it better; iron out the handful of vendor issues</li></ol>	



# Data Tables



**Thank you from your Research Chamber team**

## SUSTAINABILITY AND COMMUNITY BENEFITS

Having delivered Aberdeen Christmas Village for 7 years, John Codona's Pleasure Fairs Ltd (JCPF) recognises the responsibility of the company to consider the environmental impact of the event and implement practical steps to minimise waste and resource usage.

Given the size and impact of our own business, JCPF have an Environmental Policy Statement, detailed as follows:

John Codona's Pleasure Fairs Ltd recognises that it has a responsibility to the environment beyond legal and regulatory requirements. We are committed to reducing our environmental impact and are continually improving our environmental performance as an integral part of our strategy and operating methods.

Over the last few years, it has become more apparent that we need to consider and find ways of ensuring that the disposable 'single use' packaging we use is more environmentally friendly. We have been working with a local packaging supplier 'Travelstock Packaging Ltd' and have already moved the majority of our single use packaging to alternatives that are recyclable, compostable or biodegradable. These products include paper cups, food trays, napkins, carrier bags and most lately introducing PLA straws. We also made sure materials are from sustainable sources.

As part of this commitment, we continue to develop our Environmental Policy. Identify and determine objectives for the short, medium and long term, deliver strategies in line with the company's policy and evaluate our performance. We recognise this will assist JCPF to further improve sustainability and waste management at key external events we are involved with including Aberdeen Christmas Village.

Within this section, we explore specific areas where we can demonstrate steps to improve sustainability and waste reduction.

### **Transport and Travel**

Aberdeen Christmas Village is located in the heart of Aberdeen City on Broad Street and Upperkirkgate. Taking into consideration the additional sites proposed in our plan, the event has good public transport links into the city with the majority of visitors able to access the event via bus or train. Many out of town locations, such as Ellon and Kingswells offer park and ride opportunities to ease congestion into the city and reduce environmental impact. For those travelling on bicycle, racks are available on Broad Street outside of Marichsal College.

JCPF staff for the build and running of the event are predominantly local with most able to access public transport.

## **Catering – Food and Drink**

As event organiser, JCPF are very aware of the impact food waste bears on the company both financially and environmentally. Food and drink supplies are sourced via local companies. As an example of this, our handcrafted beers, gins and cocktails are sourced directly from local producers based within the city and shire. Meat products are sourced directly from local butchers McWilliam and bakery goods supplied from the Breadmaker.

JCPF have been working with local company Travelstock Packaging Ltd for some time now and have already moved the majority of our single use packaging to alternatives that are recyclable, compostable or biodegradable. Relevant to Aberdeen Christmas Village, these include products such as paper cups, food trays, napkins, carrier bags and PLA straws. We actively look for materials made from sustainable sources.

As a business, our ultimate aim is to reduce the amount of waste created in the first instance.

Food waste and oil waste is collected via OLLECO. Further information on waste management is addressed later in this document.

## **Event Dressing & Theming**

JCPF have delivered Aberdeen Christmas Village for 7 years. Consideration is always given to re-using items and props used for dressing the event including all lighting, garland, catering equipment, 9m Christmas trees, signage and more. These are stored within Aberdeen city and any items deemed no longer of use, sold via gumtree Aberdeen or given to charity to minimise waste.

## **Energy Efficiency**

JCPF carefully plan energy usage to minimise/ reduce our carbon footprint. Where generators are used, these are shared across the site and only used when/where absolutely necessary. Improvements have been made and for 2023 we now use mains electricity for 'Christmas in the Quad' to negate the use of a generator in this area. We would also be keen to explore other areas within Aberdeen Christmas Village where access may be available to mains electricity.

The style of Aberdeen Christmas Village is in keeping with traditional Christmas Markets found throughout Europe therefore the event is predominantly all outdoors therefore heating is only required in the Ice Rink Skate Exchange.



## **Waste Management**

JCPF contracts waste management to local company EIS Waste Management. Visitors are encouraged to correctly dispose of their waste in different coloured/ labelled bins strategically placed throughout the venue and clustered together to ensure visitors can easily identify the correct disposal method. These bins include mixed recycling and general waste. Oil and food waste from catering units is recycled and turned into renewable energy via OLLECO. We recognise that we can and will improve labelling on public access bins to achieve a higher recycling rate.

We efficiently manage waste to avoid littering the event. Any litter is collected and disposed of by our operating staff using PPE to prevent injury. In accordance with our agreement, all waste generated by the event is removed by JCPF during and after the event.

## **Community Benefits**

- JCPF are a local business, established 50 years ago, with strong local roots and knowledge and understanding of the local community and businesses throughout the city and shire. We attract visitors to the city from throughout Scotland, UK and beyond and offer procurement opportunities for local businesses and employment for local people.
- JCPF employ local staff to operate Aberdeen Christmas Village. There is always opportunities for further employment with JCPF after the close of the Village. As an example, our Bowling Reception Manager started work with us as a temporary staff member during Aberdeen Christmas Village in 2015.
- JCPF draw upon local business expertise and experience to successfully deliver Aberdeen Christmas Village using as many local suppliers as possible to support the local economy and people.
- 90% of food and drink for the operation of the event is sourced locally.
- The event attracts visitors both locally and further afield to Aberdeen and raises awareness of Aberdeen as a cultural destination.
- Aberdeen Christmas Village provides an opportunity to showcase local community projects, initiatives and groups such as performing arts, choirs etc
- In addition, further opportunities are available at the opening ceremony, and long term over the course of the next few years at other key locations .
- ‘Christmas in the Quad’ is open 5 weekends of Aberdeen Christmas Village and presents an opportunity to showcase up to 28 local producers and makers each week (140 in total).
- ‘Festive Fun Day’ – engagement with charitable organisations and school inclusion groups with the aim of including those who might not ordinarily be able to attend the event.
- Aberdeen Christmas Village ‘chosen charity’ – showcasing a specific local charity each year to highlight all the positive aspects of what they bring to the community and

local people with a view to increasing their profile and encouraging engagement with the wider community

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Heritage & Place Programme - Development Phase
<b>REPORT NUMBER</b>	COM/23/100
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	David Dunne
<b>REPORT AUTHOR</b>	Sian Loftus
<b>TERMS OF REFERENCE</b>	1.1, 3.2, 3,4

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### 1. PURPOSE OF REPORT

- 1.1 This report seeks delegated authority (subject to receiving grant offers) to accept grant offers from the National Lottery Heritage Fund and/or Historic Environment Scotland for the development phase of a Heritage & Place Programme.

### 2. RECOMMENDATION(S)

That Committee:-

- 2.1 Delegate authority to Chief Officer - Strategic Place Planning to accept development phase grant offers from Historic Environment Scotland and/or the National Lottery Heritage Fund, with Aberdeen City Council (ACC) match funding of £86,350 from CCMP budget;
- 2.2 Approve a Heritage & Place Programme development phase of up to 12-months, in line with Historic Environment Scotland and the National Lottery Heritage Fund processes, as appropriate, including appointment of a fixed-term Development Officer post; and
- 2.3 Approve submission of second round Heritage & Place Programme grant applications to Historic Environment Scotland and/or the National Lottery Heritage Fund, for the 5-year delivery phase.

### 3. CURRENT SITUATION

- 3.1 Following extensive public consultation and stakeholder engagement the City Council unanimously approved the 25yr City Centre Masterplan (CCMP) in 2015, setting out a long-term coordinated plan for the revitalisation of Aberdeen city centre. This document included the Union Street CARS (2017-2023).
- 3.2 The Union Street Conservation Area Regeneration Scheme (CARS) is due to conclude in 2023. A total of £2,668,077 has been committed in building repair

and shopfront grants under the scheme, with final grant spend expected to be just over £2.8M. With owner contributions of just under £1M the total investment in the historic fabric of Union Street under the CARS will have been some £3.8M. Alongside this, there has been investment in traditional skills training, education and awareness.

- 3.3 Historic Environment Scotland (HES) has launched a replacement funding programme for CARS, the Heritage & Place Programme (H&PP). HES encourage applicants to apply to the National Lottery Heritage Fund (NLHF) to part match-fund applications to their own H&PP. The application is a two-part process. A pass on the first-round application leads into the 12 month development phase, which concludes with a second-round (final) application. A successful second round application would lead into the delivery phase (five years).
- 3.4 As part of the masterplan review process “The Future of Aberdeen City Centre and the Beach” public engagement exercise (June-July 2021) the public were asked what they considered priorities for the city centre. From the 7,697 responses the number one concern was the condition of buildings on Union Street.
- 3.5 The proposed Heritage & Place Programme covers Union Street east (from Bridge Street) to Castlegate, including Justice Street and the pends to the immediate north of Castlegate. A map of the proposed area is given in Appendix 1. The proposed Heritage and Place scheme area also sits within the City Regional Economic Strategy priorities.
- 3.6 Following Union Street CARS Board approval on 13 June 2022 Expressions of Interest were submitted to both the HES Heritage & Place Programme and to the National Lottery Heritage Fund Grants for Heritage Program. The outcome of the Expressions of Interest were invitations to submit first round applications.
- 3.7 Following Union Street CARS Board approval on 14 September 2022, the CARS team submitted first round applications to HES and NLHF for a Heritage & Place Programme. Outcomes are expected in March 2023.
- 3.8 The overall proposed ACC Heritage & Place Programme scheme is estimated at £5,709,614. The development phase costs are estimated at £174,950, with 25% of this applied for from both HES and NLHF, per the proposed breakdown below:

ACC contribution	£86,350
HES grant	£43,175
NLHF grant	£43,175
Other Income (non-cash/volunteer time/FCR)	£2,250
<b>Total Development phase costs</b>	<b>£174,950</b>

- 3.9 Outcomes of the first-round applications are expected mid-March 2023.

- 3.10 The development phase includes a programme of pilot activities, which will help to inform the development of a Community Heritage Activities Plan. Pilot activities including workshops with schools and young people.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Should the first-round grant applications be successful the development phase would commence April 2023 and run for 11 months. This would enable second-round submissions at the end of February 2024.
- 4.2 The cost of the development phase would be met by ACC, NLHF and HES as set out above in section 3.8
- 4.3 The range of development phase activities and the programme can be reviewed in Appendix 3 to this report. Timetable will be subject to review prior to the development phase commencing. Minimal changes are expected.
- 4.4 The development phase would require input from ACC legal team, in reviewing conditions of development and delivery phase grant (which have at time of writing not been finalised/released by the funders) as well as other adhoc legal assistance.

#### **5. LEGAL IMPLICATIONS**

- 5.1 In accepting development phase grant ACC would only be committing to the development phase. As such, there are no direct legal implications arising from the recommendations of this report, beyond an undertaking to deliver the activities identified in Appendix 3, against the budget outlined in Appendix 2.

#### **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 A Strategic Environment Assessment (SEA) is not required.
- 6.2 A Habitat Regulations Appraisal (HRA) is not required as the proposed H&PP scheme area does not connect to any European sites.
- 6.3 There are no direct environmental implications arising from the recommendations of this report.
- 6.4 There are indirect implications, in so far as the development phase will develop the plans for a delivery phase, and that delivery phase would incorporate opportunities: to retrofit historic buildings to make them more resilient to climate change and more thermally efficient; advocate and support the use of local materials and traditional skills, informed by materials and skills audits; reduce carbon emissions through investing in the historic building stock; support active travel through the continued use of existing buildings in the city centre; as well as propose greenspace projects and activities to increase biodiversity.

## 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	N/A	N/A	N/A	<b>Yes/No</b>
<b>Compliance</b>	By not seeking funding for works to historic buildings on Union Street there will be a risk of potential Non-Compliance with Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997.	Applying for and hopefully delivering the H&PP the Council is fulfilling its obligation to preserve and enhance the character and appearance of the City Centre Conservation Area	M	<b>Yes</b>
<b>Operational</b>	If this funding is not applied for staff will not be able to carry out their duties to manage the historic built environment to the highest possible standard.	By developing a programme of repair and restoration work, staff will be enabled to be proactive in managing our historic environment.	M	<b>Yes</b>
<b>Financial</b>	There is a risk that a potentially significant funding opportunity to regenerate a key element of the City Centre will be missed if a bid is not submitted.	Should development phase funding be offered, ensure it is accepted and a successful development phase is delivered, leading to final round grant applications.	H	<b>Yes</b>
	If ACC completes the development phase and the second-round	The development phase budget shares the financial risk	M	<b>Yes</b>

	(final) grant applications for the delivery phase are not successful then the resources expended on the development phase will not have realised a direct return.	between ACC and the funders. Development phase plan proposes a robust delivery model of experienced staff and specialist consultants, to ensure strong second-round grant applications.		
<b>Reputational</b>	If the Council does not apply for Heritage and Place Programme funding from Historic Environment Scotland and the National Lottery Heritage Fund then it could be seen to be failing to care for and value Aberdeen's historic built environment	Make sure the development phase funding is accepted and final application is submitted.	M	<b>Yes</b>
<b>Environment / Climate</b>	The city centre historic built environment will suffer as the projects this funding will facilitate are unlikely to happen without grant aid and/or would not be to the high standard required for historic buildings  If this funding is not applied for then there is an increased chance that some buildings will fall	Make sure the development phase funding is accepted and final application is submitted.  Make sure the development phase funding is accepted and final application is submitted.	M  M	<b>Yes</b>  <b>Yes</b>

	<p>into a state of disrepair and eventually be demolished. This would result in the loss of buildings that cannot be rebuilt to the same architectural standard and the embodied energy in these buildings would be lost.</p>		
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## 8. OUTCOMES

<u><b>COUNCIL DELIVERY PLAN 2022-2023</b></u>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b></p> <p><u><a href="#">Working in Partnership for Aberdeen</a></u></p>	<p>The application for funding from the Heritage and Place Programme will contribute to a sensitive management of Aberdeen's the listed buildings and the wider historic built environment as historic buildings can increase the city centre footfall.</p>
<u><b>Aberdeen City Local Outcome Improvement Plan 2016-26</b></u>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The report seeks approval for funding which will contribute to implementation of a consistent approach in sensitive management of Aberdeen's historic built environment whilst taking into consideration Aberdeen's distinct sense of place which helps strengthen the identity of Aberdeen for economic investment (LOIP Stretch Outcome 3).</p>
<p>Prosperous People Stretch Outcomes</p>	<p>Part of the development and delivery phase funding being applied for through the Heritage and Place Programme will be used for public engagement as well as activities that promote Aberdeen's unique historic built environment. This inclusive approach of public engagement gives the opportunity for interested parties to learn and take ownership Aberdeen's history and built heritage (LOIP Stretch Outcome 8).</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>The Heritage and Place Programme delivery phase funding will help conserve Aberdeen's historic built environment which will help ensure that historic buildings in the city centre are able to be used for many years to come. This will allow people to live in</p>



	the city centre and travel sustainably (e.g. bike, bus etc.). (LOIP Stretch Outcome 14)
<b>Regional and City Strategies</b>	The Heritage and Place Programme delivery phase funding will help conserve Aberdeen's historic built environment which supports policy D4- Historic Environment of Aberdeen Local Development Plan 2017 and Policy D6- Historic Environment of Proposed Aberdeen Local Development Plan 2020 in protecting, preserving and enhancing the historic environment in line with national and local policies.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	Not required
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

10.1 N/A

## 11. APPENDICES

Appendix 1 Heritage & Place Programme proposed boundary map

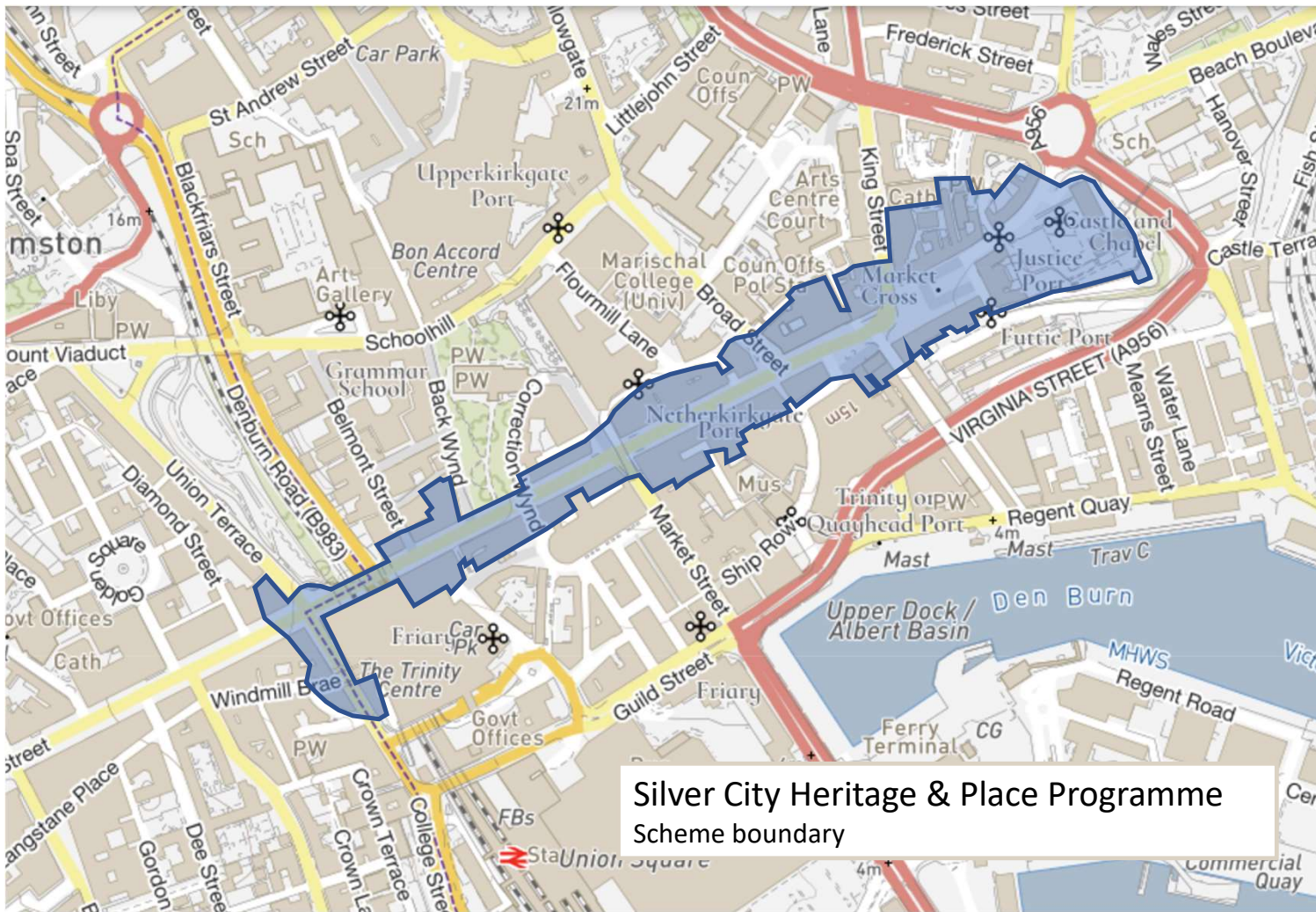
Appendix 2 Development phase cost breakdown

Appendix 3 Development phase activities and programme

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Sian Loftus
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## Development Phase Costs

<b>Cost Heading</b>	<b>Cost</b>
Project Staff (46K Salary, plus on-cost av. 20%)	£53,200
Professional Advisor/Consultant Fees*	£50,000
Materials Audit/Skills Audit	£15,000
Community Engagement Activities**	£32,500
Evaluation and Other Costs	£5,000
District Valuer (priority projects property valuations)	£12,000
Volunteer/non-cash (pilot activities)	£2,250
Contingency	£5,000
<b>Total</b>	<b>£174,950</b>

## Development Phase Income

HES	£43,175
NLHF	£43,175
ACC	£86,350
Volunteer/non-cash	2250
	<b>£174,950</b>

### \* Fees breakdown- 50K above

Consultants- Surveyor/architect (condition surveys)	15000
Consultants- Surveyor/architect (management & maintenance strategy)	5000
Consultants- Training Plan and Activities Plan	20000
Legal fees and outgoings	5000
Contingency (audits, plans, engagement)	5000

### \*\* Pilot Activities- cost breakdown

School visits	5000
Close encounters- social history of the pends, courts and closes	15000
Close encounters- guided walks	2500
Close encounters- Online photography exhibition	10000

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Finance & Resources
<b>DATE</b>	29 <sup>th</sup> March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	North East of Scotland Green Freeport – Update
<b>REPORT NUMBER</b>	COM/23/103
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Julie Wood
<b>TERMS OF REFERENCE</b>	3.2 and 3.4

### 1. PURPOSE OF REPORT

- 1.1 To report back to this Committee on the development and outcome of the Green Freeport Proposals; and in the event of an unsuccessful bid to provide the Council with the planned next steps to ensure the region attracts the investment required to meet the region’s ambitions.

### 2. RECOMMENDATION(S)

That Committee:

- 2.1. Notes the outcome of the bidding process and the decision not to award the North East of Scotland green freeport status;
- 2.2 Notes the government’s feedback on the unsuccessful NESGF bid;
- 2.3 Notes that the Chief Officer – City Growth will continue discussions with regional partners and Scottish Government and UK Government officials on any alternative plans to secure inward investment to the North East; and
- 2.4 Instructs Chief Officer - City Growth to continue to work with regional partners and officials in both governments and report back to this Committee with an update on Investment Zones and how they can be delivered in the North East.

### 3. BACKGROUND

- 3.1 In May 2021 the Council’s City Growth and Resources Committee were presented with a report on the feasibility of a regional bid for a green freeport. The Committee agreed to support a single regional bid from the Aberdeen City Region. The bid was submitted by Aberdeen City Council, Aberdeenshire Council, Port of Aberdeen, Peterhead Port Authority and Aberdeen International Airport to the two Governments on the 22 June 2022, and the notification on outcome of the bid was issued on 13 January 2023.

- 3.2 In addition, the bid was approved by an Interim NESGF Board comprised of, Elected Members representing the two Councils, senior executives of the ports, Opportunity North East (ONE), Energy Transition Zone Ltd, Storegga Ltd, SSE, University of Aberdeen. STUC were intending to join the board, had the bid being successful. It was independently chaired by Mr Andrew Ritchie.

### **The Bid**

- 3.3 NESGF encompassed Aberdeen, Peterhead and St Fergus and an illustration of the general NESGF zone is provided in Appendix 1 to this report. The bid was based on the driving force of regional and national economic prosperity provided by offshore oil and gas exploration to an established global energy leader, promoting decarbonisation and growth across key regional industries. Green Freeport status was noted as being a fundamental requirement to achieve the necessary re-pivoting requirements of the region. The bid articulated how all the green freeport policy objectives could be delivered by NESGF, including 32,000 high-quality jobs, £8.5bn additional GVA and continuing within the Zone regional net-zero by 2045. NESGF was estimated to generate £896m in retained business rates, which would have funded the delivery of an ambitious programme of interventions and investments aligned to Green Freeport objectives.
- 3.4 These benefits would be driven by a number of levers including tax sites to incentivise new inward investment and stimulate innovation. Tax reliefs such as those now available in the two winning bids provide increased allowances for investment in site acquisition, building renovation, plant and machinery purchase. The NESGF, tax sites availing from these levers were primed to target underrepresented groups in areas of deprivation. Similarly, a government-backed business rates retention scheme would secure investment in regional connectivity, skills, and innovation.
- 3.5 As well as these quantifiable benefits the proposal also gave commitment to the total development of over 500 ha; and expansion and acceleration of key projects such as Acorn, ScotWind, INTOG and those associated with green hydrogen. The proposal also included an approach for streamlined decision making on planning within the proposed zone, 'simplified planning zones', that could be used to promote investment and for the two planning authorities to take a greater strategic approach to green freeport developments. This need will remain as INTOG and ScotWind licensing rounds are being implemented, and development is likely to include Marine Scotland.
- 3.6 The submitted bid acknowledged the investments to date by the two governments through the Aberdeen City Region Deal, the Port of Aberdeen expansion of Aberdeen Harbour South, the Energy Transition Fund and the Just Transition Fund, but argued that with green freeport status, and in particular the levers it offered to attract new investors to Scotland, located in the North East, NESGF would amplify the value of these investments and ultimately retain, strengthen and attract high-skilled workers and world-class reputation as a global energy and innovation hub.

- 3.7 The bid argued that without Green Freeport designation, commercial floorspace will not be developed to the same scale or pace needed to deliver regeneration and support strategic ambitions. It will be less attractive for FDI to invest, innovate and train people, and there is a risk that the region will face economic decline. Designation would ensure that the region realises its growth potential, remains a global energy leader, delivers just transition, net-zero and high-quality jobs for all and establish a new era for the region.

### Outcome

- 3.8 On 13 January 2023, the Chief Officer - City Growth, in his role as SRO for the NESGF bid received notification that the NESGF bid had been unsuccessful. The two successful Scottish Green Freeports, Forth Green Freeport and Opportunity Cromarty Firth were officially announced on 14 January 2023.
- 3.9 A follow up meeting with officials from both governments and the consortium partners provided feedback on the process and how the NESGF bid scored (Low, Medium or High) against the key policy objectives. A published summary is provided in Appendix 2 to this report and is summarised in the Table below:

**Table 1: NESGF Bid Outcome**

<b>Green Freeport Objectives</b>	<b>NESGF Score</b>
Promoting regeneration <i>and</i> high quality job creation (main policy objective)	Medium and High
Promote decarbonisation and a just transition to a net zero economy	Medium
Establishing hubs for global trade and Investment	Medium
Fostering an innovative environment	Medium
Deliverability of proposal effectively at pace	High
Level of private sector involvement in proposal	Medium

- 3.10 A general comment about all criteria was the challenge of deadweight (what is being delivered anyway), and what is therefore 'above and beyond' as a result of the Green Freeport. For example, a 'medium' score for global trade and investment, was, for an area that the North East excels in, surprising. For the purposes of this competition, there was a view that winning bids with immediately available, serviced and consented sites in response to offshore wind or private sector involvement would score better.
- 3.11 Similarly, officers conclude that there was a challenge for the North East bid to perform as well in delivering the scale of economic benefit that was directly attributable to the green freeport award. Its award would deliver these additional benefits for both regeneration and jobs, trade and investment, decarbonisation and innovation, above and beyond what was being delivered under existing government investments.
- 3.12 There was acknowledgement that due to the relative 'performance' of the socio-economic characteristics of the NESGF, as measured by Standard Indices of Multiple Deprivation, it was more difficult to score as well as other bidders and their relative deprivation.

## **Next Steps**

- 3.13 The case and rationale for a special economic zone in the North East of Scotland remains as strong now. And as the Green Freeport bid has shown, the value to the region is from the powers and levers that this type of inward investment policy can deliver. Both governments have committed to working with unsuccessful bidders to consider whether and how it might be possible to build on aspects of their plans outside the Green Freeports programme, to deliver jobs and growth – the NESGF is in a strong position given the nature of the collaboration, the engagement with inward investors, developers and landowners and the outcomes proposed.
- 3.14 It is highly unlikely that there will be additional Green Freeports, and therefore the UK and Scottish Government are actively discussing the UK government's evolving thinking on Investment Zones and how they may work in Scotland. The UK Government envisages a very smaller number of Investment Zones in Scotland but has yet to confirm how these will be designed, selected, and delivered. Officers do, however, anticipate that Investment Zones are likely to be selected according to their contribution towards government policy goals and not through a competitive process.
- 3.15 For England, the previous guidance on Investment Zones states that these Zones will benefit from lower taxes, where businesses in designated sites will benefit from time-limited tax benefits and accelerated development. Development sites may be co-located with, or separate to, tax sites, depending on what makes most sense for the local economy.
- 3.16 A policy paper on Investment Zones was published by the UK Government for the 2023 Spring Statement. This identified that there will be at least one investment zone in each of the devolved administrations. At the time of reporting to Committee, there are no further details on the process for Scotland and officers will continue to consult with officials in both governments.

## **4. FINANCIAL IMPLICATIONS**

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

## **5. LEGAL IMPLICATIONS**

- 5.1 There are no legal implications as a result of this report's recommendations.

## **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 There are no negative environmental implications as a result of this report's recommendations.

## **7. RISK**

## 7.1 Risk Appetite

The assessment of risk contained within the table below is consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	Failure to build on the NESGF bid may impede the NESGF vision and ability of the region to bring about the desired Just Transition to Energy Transition and diversification of the economy.	Working with Regional Partners, the Regional Economic Strategy will provide a framework for delivering a Just Transition. Partners will continue to meet with stakeholders and governments to review how these plans can be accelerated.	M	<b>Yes</b>
<b>Compliance</b>	None			
<b>Operational</b>	.None			
<b>Financial</b>	There is a risk that activities outlined in the NESGF plan are not funded and do not happen	Regional partners, through the RES will work with UK and SG as well as the External Funding & Sponsorship Team to develop bids for future funding.	M	<b>Yes</b>
<b>Reputational</b>	There is a reputational risk that the region does not meet its ambitions outlined in the NESGF bid and subsequent RES	Partners will work with both governments to unlock funding and progress mutually imperative actions	M	<b>Yes</b>
<b>Environment Climate</b>	Failure to accelerate the Green Freeport action plan may impede the scale	Partners will meet with stakeholders and governments to collectively review and agree how	M	<b>Yes</b>

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
	and pace of delivery of the NESGF & RES visions and the Council's ambitions for decarbonisation by 2026	decarbonisation in this spatial area can be supported and ensure this is reflected in the Regional Economic Strategy		

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	<p>The proposals in this report support the delivery of the Partnership's Policy Statement:</p> <p>Campaign for Aberdeen to be the home of a new Green Freeport and ensure that fair work conditions and Net Zero ambitions are central to any bid.</p> <p>Review and update the Council's inward investment strategy</p>
<b><u>Aberdeen City Local Outcome Improvement Plan</u></b>	
Prosperous Economy Stretch Outcomes	<p>The proposals in the North East Green freeport bid and subsequent RES support the delivery of supporting 400 unemployed Aberdeen city residents into Fair Work by 2026</p> <p>The actions will also contribute to upskilling/ reskilling 500 Aberdeen city residents to enable them to move into economic opportunities as they arise by 2026</p>
Prosperous People Stretch Outcomes	<p>The proposals in the North East Green freeport bid and subsequent RES will support the delivery of stretch outcome 7 – 95% of children living in priority neighbourhoods will sustain a positive destination upon leaving school by 2026</p>

Prosperous Place Stretch Outcomes	The proposals in in the North East Green freeport bid and subsequent RES support the delivery of stretch outcome 13 – reducing Aberdeen’s carbon emissions by at least 61% by 2026
<b>Regional and City Strategies</b>	NPF4, The Regional Economic Strategy, Aberdeen City Region Deal, the Regional Skills Strategy, the Net Zero Vision for the city (and supporting ‘Route Maps’) and the Local Development Plan.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	IIA is not required at this stage, however the NESG bid included an integrated impact assessment of the proposals.
<b>Data Protection Impact Assessment</b>	DPIA is not required.
<b>Other</b>	None

## 10. BACKGROUND PAPERS

- 10.1 City Growth & Resources Committee Report on the Feasibility of an Aberdeen Region Greenport Bid - COM/21/121

## 11. APPENDICES

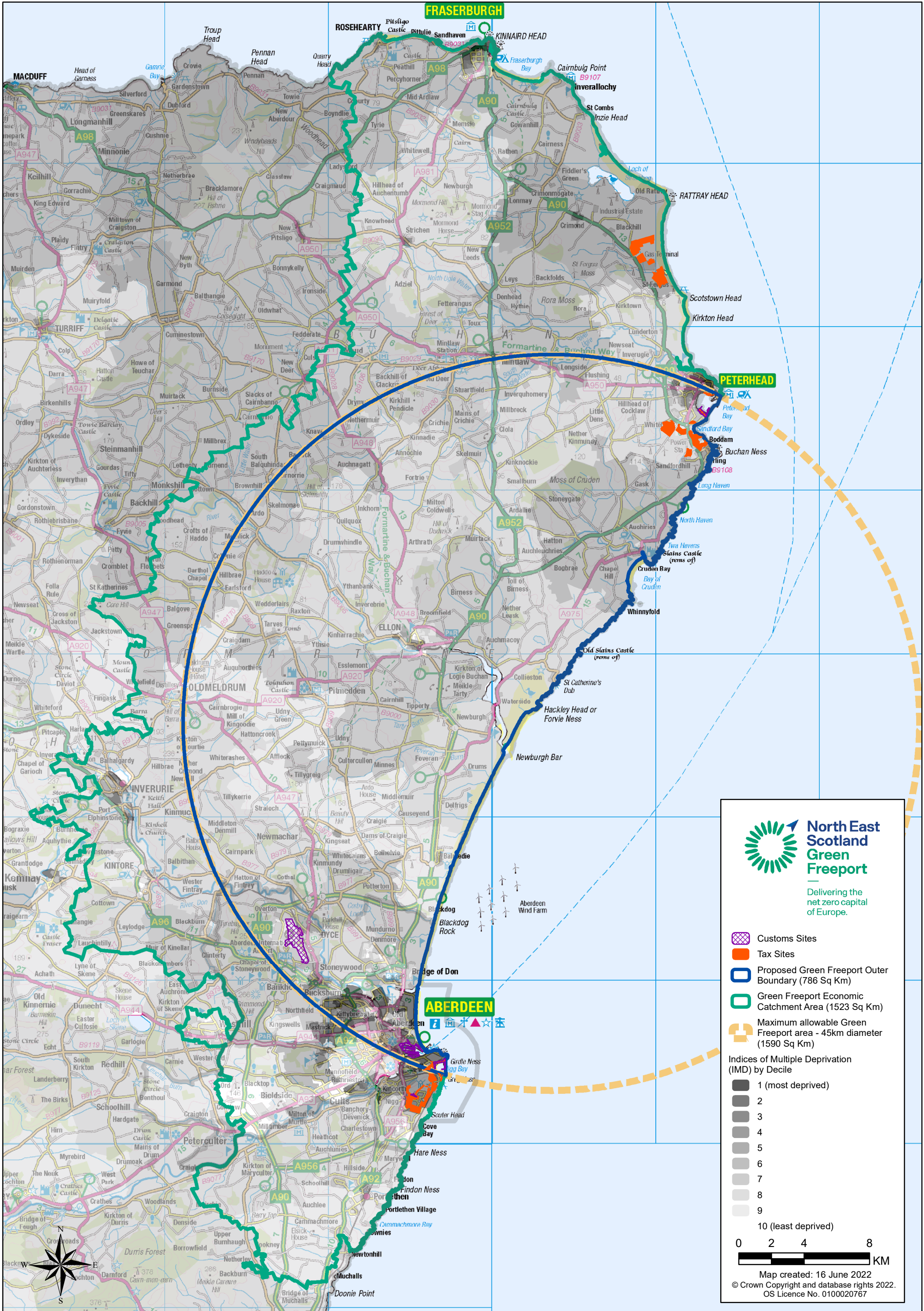
- 11.1 Appendix 1 – Plan of NESGF
- 11.2 Summary of Government Feedback on the NESGF bid

## 12. REPORT AUTHOR CONTACT DETAILS

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**North East Scotland Green Freeport**  
 Delivering the net zero capital of Europe.

- Customs Sites
- Tax Sites
- Proposed Green Freeport Outer Boundary (786 Sq Km)
- Green Freeport Economic Catchment Area (1523 Sq Km)
- Maximum allowable Green Freeport area - 45km diameter (1590 Sq Km)

Indices of Multiple Deprivation (IMD) by Decile

- 1 (most deprived)
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10 (least deprived)

0 2 4 8 KM

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## Decision-Making Note



## **Scottish Green Freeports selection decision-making note**

### **Purpose**

The purpose of this document is to set out clearly the decision-making process for determining Green Freeport locations. It was followed by officials and ministers according to the process and rationale which were published in the Green Freeports Bidding Prospectus.

For full details of that process and rationale, please refer to Chapter 5 of the Green Freeports Bidding Prospectus.

### **Pre-decision process summary**

#### ***Pass/fail***

Five Green Freeport bids were received on the closing date of 20 June 2022.

In the Pass/Fail stage, all bids received were initially assessed on the information they submitted in response to the Gateway Criteria in Section 5.7 of the Green Freeports Bidding Prospectus.

All bids passed the gateway assessment except for Orkney which assessors failed on question 1.15. The cross-government delivery teams queried whether this was proportionate and whether the concerns raised by the assessors would be resolved in the next phase of delivery, should the bid be successful.

The Senior Responsible Officer for the Green Freeports Programme in Scottish Government and the lead official for Freeports in UK Government were consulted and agreed with the concerns of the delivery teams in relation to proportionality. Both noted the decision to fail Orkney on 1.15 by assessors but agreed with the concerns raised in relation to proportionality and directed that the bid should proceed to full assessment. This decision was subsequently validated by the joint Green Freeports Board and the Accountable Officer for the Green Freeport Programme in Scottish Government.

#### ***Detailed assessment***

In accordance with the process detailed in the Green Freeports Bidding Prospectus, officials representing all relevant policy interests, and departments across both governments,

assessed the five bids on their answers to the Detailed application information (section 5.8 of the Green Freeports Bidding prospectus).

Bidder responses were assessed against assessment guidance agreed by both governments, and in line with the requirements of the prospectus, awarded a score of 'High', 'Medium', or 'Low' in accordance with the mark scheme at Annex A of the Green Freeports Bidding Prospectus. For Criteria A, B, C and D, officials' assessment of the response provided (alongside the accompanying materials from pass/fail assessment (section 5.7)) accounted for 100% of the bidder's score for that criterion.

For Criteria E and F, bidders were required to respond to multiple questions each having an individual weighting for the overall score as set out in section 5.8 of the Green Freeports Bidding Prospectus. In assessing the answers to the questions, assessors also considered any relevant information provided in 5.7, as well as any publicly available data (e.g., unemployment levels) to test any assertions in the answers provided.

A process of primary moderation was then undertaken, consisting of internal moderation within assessor teams, and then final moderation sessions by a joint panel headed by Senior Civil Servants from both governments, representing key policy interests but who had not been directly involved in the assessment, covering all criteria. This moderation process considered both the overall assessment by policy officials and the supporting analysis, and involved cross-examination to, and challenge of, the lead assessors for each criterion.

Following moderation, each bid was assigned six 'High', 'Medium', and 'Low' scores, one against each of the criteria listed at 5.2.4 of the Green Freeports Bidding Prospectus. In a limited number of cases, officials noted that the response to some questions fell on the border between two of the bands e.g., "Low-Medium" or "Medium-High" and it was therefore proposed and supported by the panel that this be reflected in the final scores.

Of the five bids received, four met the threshold detailed at 5.2.6 of the Green Freeports Bidding Prospectus and were therefore considered appointable. The bid from Orkney did not meet the threshold as it scored "Medium – Low" on the lead criterion (A) to "Promote regeneration and high-quality job creation" and a "High" was needed for this criterion. It also had three "Low" scores across all six criteria, one above the two allowed to be considered appointable. Detailed scoring of bids is provided in Annex A.

A cross-government group of senior officials forming the Green Freeports Programme Board oversaw the process. As part of the agreed competition governance, they received information on the assessment process and the scoring of each bid (detailed at Annex A).

The Programme Board, having assured the process aligned with the Green Freeports Bidding Prospectus, approved the list of appointable candidates shown in Annex A, to be submitted to Ministers for selection. This was included in the information pack which also set out the outer boundary maps of each bid and a summary of officials' assessment against each criterion, as well as context-sensitive information as outlined in section 5.3.2 of the Green Freeports Bidding Prospectus, ensuring their decision was fully informed.

### ***Ministerial decision-making: Green Freeport locations***

Scottish Government's Deputy First Minister met with UK Government's Secretary of State for Levelling Up, Housing and Communities and subsequently the Secretary of State for Scotland, accompanied by Senior Civil Servants, to discuss the appointable bids.

In accordance with the process outlined in the Green Freeports Bidding Prospectus, ministers considered officials' assessments of the bids and were free to factor into their decision-making the 7 additional considerations listed at 5.3.2 of the Green Freeports Bidding Prospectus.

Ministers agreed that the priorities for additional considerations were:

- prioritising proposals with a “high” assessment for the decarbonisation criterion when choosing between similar appointable applications
- reserving the right to ensure a fair spread across Scotland

With these considerations in mind alongside the scores, ministers discussed the merits of each individual bid in the round.

The selection of Firth of Forth as the clear highest scoring bidder overall was taken. It was noted that the bids of Inverness and Cromarty Firth and Clyde held comparable scores. However, as per the published prospectus, Ministers chose to prioritise the bid that scored higher on the decarbonisation criteria and selected Inverness and Cromarty Firth. It was noted that this selection of bids also delivered a fair spread across Scotland.

**Annex A: Bid scoring (alphabetical)**

	Policy Criteria				Delivery Criteria	
Green Freeport	Criterion A: Promote regeneration and high-quality job creation	Criterion B: Promote decarbonisation and a just transition to a net zero economy	Criterion C: Establishing hubs for global trade and investment	Criterion D: Fostering an innovative environment	Criterion E: Deliverability of proposal effectively at pace	Criterion F: Level of private sector involvement in the proposal
Clyde Green Freeport	HIGH	MEDIUM	MEDIUM	MEDIUM/HIGH	HIGH	HIGH
Firth of Forth Green Freeport	HIGH	HIGH	HIGH	MEDIUM	HIGH	HIGH
Inverness and Cromarty Firth Green Freeport	HIGH	MEDIUM/HIGH	HIGH	MEDIUM/HIGH	MEDIUM	MEDIUM
North East Scotland Green Freeport	MEDIUM/HIGH	MEDIUM	MEDIUM	MEDIUM	HIGH	MEDIUM
Orkney Green Freeport*	MEDIUM/LOW	MEDIUM	LOW	LOW/MEDIUM	LOW	LOW

\*This bid did not make the appointable list but has been included in the scoring table as it was subject to full assessment.

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Finance & Resources Committee
<b>DATE</b>	29 March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	International Travel 2023/24
<b>REPORT NUMBER</b>	COM/23/104
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Jim Johnstone
<b>TERMS OF REFERENCE</b>	General Delegation (5)

### 1. PURPOSE OF REPORT

- 1.1 To seek approval of proposed international travel and conference attendance by officers and elected members, required to support relevant City Growth activities in 2023/24.

### 2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Approves proposed international travel as detailed below, and subject to the maximum expenditure as detailed in paragraph 4.1. All approved travel will be reviewed when event schedules and programmes become available to ensure continued adherence to the criteria in paragraph 3.9 before bookings are made;
- (a) Two officers (one City Growth and one Invest Aberdeen) to attend WindEurope's annual conference in Copenhagen, Denmark between 25 – 27 April 2023;
  - (b) Up to two officers to attend the World Hydrogen Summit in Rotterdam, Netherlands between 9 - 11 May 2023; and
  - (c) The Lord Provost plus one officer to attend the WECP Board Meeting at CERA Week conference in Houston, USA in early March 2024 (dates TBC);
- 2.2 Delegates authority to the Chief Officer – City Growth to authorise necessary and appropriate travel documentation and associated expenditure for the travel noted in 2.1, provided the cost does not exceed the budget referred to in Section 4 of this report and that all arrangements are made in line with current Council travel policies;
- 2.3 Notes the outcomes of overseas activity undertaken in 2022/23 as detailed in Appendix 1 of this report; and
- 2.4 Agrees that the outcomes of overseas activity proposed for 2023/24 will be provided to this Committee by way of an annual Service Update.

### **3. CURRENT SITUATION**

- 3.1 The Council supports international activity through a series of Memoranda of Understanding (MoU). We currently have six active Memoranda of Understanding with Barranquilla, Colombia; Kobe, Japan; Muroran City, Japan; Hammerfest, Norway; Pemba, Mozambique and Macaé, Brazil. MoU progress meetings with partners take place virtually.
- 3.2 The Council is a founding member of the World Energy Cities Partnership (WECP) which connects 19 global energy capitals. This network enables the Council and regional partners to engage and collaborate with fellow member cities to deliver the energy transition. The WECP bylaws state that “those persons serving as the head of the municipal or provincial government of each Member City participate in the Board of Directors”.
- 3.3 The WECP meets formally twice a year, once for a working Board meeting alongside CERA Week and once in the Autumn for its AGM. The CERA Week schedule reflects WECP presence with specific WECP-hosted panels and information sessions, a Mayors’ Reception and a Leadership Dinner to raise the profile of the network and its cities’ activities and projects in renewables. The WECP AGM is hosted by a different member city each year following a competitive bidding process and in 2023 it will take place in Perth, Australia between 1 – 4 November. WECP has confirmed that it will be a hybrid meeting and therefore it is proposed that The Council’s attendance will be virtual.
- 3.4 Additionally, officers liaise with Scottish Development International (SDI) and Department for International Trade (DIT), the trade and investment agencies of the Scottish and UK governments respectively, to support inward and outward delegations to priority markets. This creates opportunities for local businesses to create business to business links; local stakeholders and clusters to connect with international agencies with similar missions; and ensures alignment of city activity to national trade and investment priorities.
- 3.5 During 2022/23, officers attended ONS, Stavanger and the WECP Board Meeting and wider CERA Week programme; and the Lord Provost attended the WECP AGM in Esbjerg. Appendix 1 provides a summary of these engagements and associated outcomes.
- 3.6 In November 2022, the Clean Energy Ministerial announced Aberdeen and Kobe, Japan, as the successful bid submission to its ‘H2 Twin Cities’ initiative. This outcome is an example of our existing MoU serving as a springboard for additional economic activity in support of Regional Economic Strategy (RES) priorities. Project teams from both cities will now work together to knowledge share and advance work package activities, bringing in city stakeholders including the Port, clusters, universities and colleges and private sector, with the aim of accelerating our hydrogen projects and transition to net zero.
- 3.7 As the only three European cities in the WECP - Aberdeen, Esbjerg and Stavanger, are keen to strengthen engagement through establishing a ‘North



Sea Cities Partnership' in 2023, supported by the Scottish Government's Nordic Office. The focus of the Partnership will include advancing areas of mutual interest and sharing challenges in order to realise a unified, inter-connected North Sea energy grid and, it is hoped, exploring opportunities for drawing on European funding. The kick-off meeting for this Partnership is proposed to take place during WindEurope's annual conference in April 2023.

- 3.8 International travel and associated spend in relation to the Council's approved current hydrogen projects is accounted for within these budgets. The approvals also included delegation of authority to the Chief Officer – City Growth to agree related trips specified in project contracts.

#### **International Travel 23/24**

- 3.9 To appraise the benefits of overseas travel and/or conference attendance, the following criteria are applied:

- 1) Engagement reflects the sectoral priorities in the RES – energy; food and drink; tourism; life sciences.
- 2) Engagement reflects and has potential to advance programmes of intervention in the RES – inward investment; innovation; inclusive economic growth ie. job creation; internationalisation ie. trade.
- 3) Where appropriate, overseas travel is supported by SDI, DIT and/or Aberdeen & Grampian Chamber of Commerce or city stakeholders (eg. ONE, ETZ Ltd, NZTC) in order to ensure activity is aligned to the specific needs of businesses in the city.
- 4) WECP attendance at the AGM and Board meetings.
- 5) Activity with MoU partners ie. conferences, exhibitions, events, where attendance by an Elected Member is requested and has been discussed with the Co-Leaders.

- 3.10 Based on this, the following overseas travel is proposed as priority for the Council in 2023/24:

- 1) Under criteria 1, 2 and 3: WindEurope's annual conference in Copenhagen, Denmark between 25 - 27 April 2023;
- 2) Under criteria 1, 2 and 3: World Hydrogen Summit in Rotterdam, Netherlands between 9 – 11 May 2023;
- 3) Under criteria 4: WECP Board Meeting at CERA Week in Houston, USA in March 2024.

- 3.11 Where additional overseas travel by Elected Members or officers is requested beyond that referred in 3.10, officers will appraise the request against the criteria in 3.9 and discuss with Co-Leaders. A report will be brought to committee if a decision to travel is required.

- 3.12 The Council will support inward delegations from MoU/WECP partner regions and facilitate involvement in these itineraries by appropriate Aberdeen businesses and stakeholders.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 Council approval is required in relation to proposed travel in 2.1 and 3.9, with estimated costs totalled below. These costs will be met via the approved City Growth budgets for 2023/24.

Destination	Attendance	Dates	Estimated Costs
WindEurope, Copenhagen	Two officers	25 – 27 April 2023	£4,000
World Hydrogen Summit, Rotterdam	Two officers	9 – 11 May 2023	£4,000
WECP Board Meeting, CERA Week, Houston	Lord Provost + One officer	March 2024	£6,500
<b>TOTAL</b>			<b>£14,500</b>

#### 5. LEGAL IMPLICATIONS

- 5.1 The Local Government (Scotland) Act 1973 stipulates that Elected Members' travel can only be funded if it is classed as an 'approved duty'. Approved duties include *"the carrying out of any other duty approved by the local authority, or anything of a class so approved for the purposes of, or in connection with, the discharge of functions of the local authority or any of its committees or sub-committees"*.
- 5.2 Local authorities have a statutory duty to secure best value as per section 1 of the Local Government in Scotland Act 2003. The Council has travel policies for both members and officers. All travel should be booked in accordance with these policies to ensure cost-effective travel arrangements.

#### 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 The report recommendations have a negative environmental impact, namely an increase in carbon emissions due to air travel. To minimise this, regular meetings to fulfil MoU commitments take place virtually, and where travel is proposed as necessary, the itinerary will be full and valuable. Consideration could also be given to minimising the carbon footprint when booking travel ie. booking a train rather than flight for any in-country connections (when the itinerary allows) or booking 'green' airfares only.

## 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	Failure to maintain and establish international relationships will negatively impact and reduce economic, trade and investment opportunities for local businesses in Aberdeen.	<p>Alignment with Scottish and UK government priority international markets for trade and exports.</p> <p>Alignment with the Partnership's Priorities and the Council's ongoing projects in energy transition.</p> <p>Continued monitoring and market research of net zero projects and advancements globally to ensure we have fruitful connections.</p>	M	Yes
<b>Compliance</b>	Travel, accommodation and/or subsistence arrangements not in line with Council policies.	All travel and accommodation arrangements will be made via the Travel Team to ensure accordance with the Council's travel policies for members and officers.	L	Yes
<b>Operational</b>	Safety and security risks of travel to certain locations.	<p>FCDO travel advice and any entry requirements still associated with Covid-19 will be followed.</p> <p>A thorough risk assessment exercise is completed prior to any travel outside of the UK. This forms</p>	L	Yes

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
		part of the pre-travel briefing.  The Council has sufficient travel insurance in place.		
<b>Financial</b>	Actual costs exceed those estimated in this report.	A costing exercise has been undertaken to inform those costs estimated in this report.  No travel will be booked if it exceeds the total approved budget.	L	Yes
<b>Reputational</b>	Reputational risks if the city does not actively maintain and participate in international relationships and the city's global profile, particularly as an energy and net zero leader, is lost.	Fulfilling the Council's obligation in terms of WECP membership to ensure continued international profile.  Close working relationships with SDI, DIT and city stakeholders to ensure benefits maximised from all incoming international activity.	M	Yes
<b>Environment / Climate</b>	Carbon footprint of air travel.	Travel plan has been streamlined to only include priority and necessary overseas trips.	M	Yes

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN 2022-2023</u></b>	
<b>Impact of Report</b>	
<b>Aberdeen City Council Policy Statement</b>	The proposals within this report – maintaining and establishing international relationships and

<p><a href="#"><u>Working in Partnership for Aberdeen</u></a></p>	<p>networks, particularly those focused on renewable energies - support the delivery of the following aspects of the policy statement:</p> <p>Building a Greener and Sustainable City</p> <ul style="list-style-type: none"> <li>• Work with partners to deliver a just transition to net zero and plan to make Aberdeen a net zero city by no later than 2037, and earlier if that is possible</li> <li>• Support Aberdeen’s continued pioneering of Hydrogen technologies and make the case to bring alternatively powered rail services to the City</li> </ul> <p>A Prosperous City</p> <ul style="list-style-type: none"> <li>• Develop our economy in a genuine partnership with the private sector, third sector and residents</li> <li>• Work with partners to stimulate sustainable economic development, including a managed transition to a carbon neutral economy and work in partnership with the academic, business and other relevant sectors to ensure the long-term future of the energy industry</li> </ul>
<p><a href="#"><u>Aberdeen City Local Outcome Improvement Plan 2016-26</u></a></p>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The proposals within this report will contribute to Economy Stretch Outcomes 2 and 3 as international relationships will increase investment and trade opportunities for local industries and businesses, which in turn creates training, reskilling and new employment opportunities.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>The proposals within this report will contribute to Place Stretch Outcome 13. Knowledge and best practice sharing with our international partner cities who hold similar energy transition agendas and roadmaps will enable us to achieve Aberdeen’s carbon emission goals.</p>
<p><b>Regional and City Strategies</b></p>	<p>The proposals within this report conform with the objectives of the Regional Economic Strategy, the Net Zero Routemap and the H2 Aberdeen Strategy.</p>

**9. IMPACT ASSESSMENTS**

Assessment	Outcome
Integrated Impact Assessment	Not required

<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

10.1 COM/22/123 International Travel 2022/23 – 29 June 2022

## 11. APPENDICES

11.1 Appendix 1: International Travel Annual Update 2022/23

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Jim Johnstone
<b>Title</b>	Service Manager – City Growth
<b>Email Address</b>	jjjohnstone@aberdeencity.gov.uk
<b>Tel</b>	07748930511

## APPENDIX 1

### International Travel Annual Update

<b>Event</b>	<b>ONS Stavanger</b>
<b>Date</b>	30 – 31 August 2022
<b>Attendees</b>	2 x City Growth Officers
<b>Overview</b>	<p>Advance meetings set up at ONS with local authority representatives from the Øygarden, Stavanger and Hammerfest regions of Norway, and Esbjerg in Denmark.</p> <p>Sessions around hydrogen financing, hydrogen supply chain, circular economy, energy start-ups and offshore wind supply chains were attended.</p> <p><b>Øygarden</b> – an island municipality in Vestland Country stretching along South-West coast of Norway. There is no existing relationship with Øygarden, the meeting was undertaken at the request of Procurement colleagues. Bergen’s cargo port will be moving to Øygarden and thus the region is poised for development and involvement in offshore wind projects, hydrogen and particularly CCUS, thus interested in establishing connection with Aberdeen.</p> <p><b>Stavanger</b> – a network member of WECP and annually involved in Aberdeen’s Christmas Tree and Light Switch-on celebration. Arrangements for the Christmas Tree activity on 17 November were discussed, Stavanger hope to bring over a wider energy-related delegation to meet with stakeholders and conduct site visits having not been able to do so for the past few years. In relation to WECP, Stavanger support moving the Working Group meeting to coincide with CERA Week and are keen to work with Esbjerg/Aberdeen/Stavanger as European member meetings on specific collaboration, possibly around university connections or energy solutions.</p> <p><b>Hammerfest</b> – an MoU partner. Updates on energy and transitioning projects in both cities were given, Hammerfest are undergoing port investment and development; Horisont Energi have launched Barents Blue project around production of ammonia and carbon capture and Nussir are constructing the world’s first fully electrified copper mine. Offshore floating wind around Hammerfest coast future potential. Future virtual and in-person meetings discussed.</p> <p><b>Esbjerg</b> – introduction made to new president city of WECP. Esbjerg also in support of Working Group meet to coincide with CERA Week. Esbjerg Mayor driving specific collaboration between European cities of Esbjerg/Aberdeen/Stavanger, particularly around university connections. Also keen to expand membership of WECP and hear more about MoU new and potential connections Aberdeen has.</p>

<b>Follow-up</b>	<p><b>Øygarden</b></p> <ul style="list-style-type: none"> <li>• Send HPO brochure around hydrogen</li> <li>• Retain contact for future follow-up once cargo port is established and trade or export opportunities for Aberdeen businesses can be explored</li> </ul> <p><b>Stavanger</b></p> <ul style="list-style-type: none"> <li>• Establish wider itinerary for Christmas Tree Light visit</li> <li>• Regular Stavanger/Esbjerg/Aberdeen virtual meet set up to progress ideas for a European WECP project, with support from Scottish Government obtained</li> </ul> <p><b>Hammerfest</b></p> <ul style="list-style-type: none"> <li>• Invitation to Mayor of Hammerfest to attend WEC Summit in Aberdeen in October</li> <li>• Update MoU action plan and circulate for approval</li> <li>• Connection of Ports</li> </ul> <p><b>Esbjerg</b></p> <ul style="list-style-type: none"> <li>• Regular Stavanger/Esbjerg/Aberdeen virtual meet set up to progress ideas for a European WECP project, with support from Scottish Government obtained</li> <li>• Meetings with suitable cities, interested in WECP membership (Kaohsiung, Taiwan)</li> </ul> <p><b>New contacts</b></p> <ul style="list-style-type: none"> <li>• Norwegian Energy Partners, to follow up with RE business-to-business events.</li> <li>• Possible electrolyser production – City Development to follow up</li> </ul>
<b>Future attendance</b>	ONS is still dominated by oil and gas operators and related companies. Impact of attendance is more limited without a wider presence from Scotland or UK trade bodies.

<b>Event</b>	<b>WECP Annual General Meeting, Esbjerg</b>
<b>Date</b>	5 – 8 October 2022
<b>Attendees</b>	Lord Provost plus one supporting City Growth Officer
<b>Overview</b>	<p>Attendance at the WECP Officers' Meeting and the AGM. Agenda items included WECP strategy review, bylaws update, marketing and communications, member reports, business to business co-operation and academic partnerships. Full minutes documented and received.</p> <p>Attendance at a Green Transition event with the Danish Energy Agency, to make connections with Danish and global developers in renewable projects.</p> <p>Guided tour of Port of Esbjerg.</p> <p>Delivered presentation at Aalborg University event on research-based knowledge as key to the green transition, raising profile of Aberdeen's involvement in the World Energy Council just transition project; Net Zero Technology Centre's innovative programmes and the</p>



	decommissioning, subsea and transition-based centres at the city's universities.
<b>Follow-up</b>	<p>To share outputs of Phase 1 of the World Energy Council Just Transition projects with WECP member cities and investigate potential to widen consortium membership at later phases to include other cities.</p> <p>To continue to promote Aberdeen's WECP network links to local businesses through engagement and participation in SDI and DIT supply chain events and field officer visits. WECP intends to reconvene on a business-to-business cooperation workstream at the Board Meeting during CERAWeek in March 2023, to engage with AREG and other city stakeholders as a potential conduit to facilitating collaboration between Aberdeen businesses and those from WECP cities.</p> <p>To support Esbjerg who will lead the workstream on furthering academic partnerships. To facilitate initial engagement with University of Aberdeen, RGU and NESCOL to determine interest in student/teacher exchange in courses related to energy production and technology.</p> <p>To continue to promote Aberdeen's projects and progress in renewables and to share those achievements of WECP network cities on our own social media channels, through maintaining active links with the WECP Marketing and Comms postholder.</p>

<b>Event</b>	<b>WECP Board Meeting at CERAWeek, Houston</b>
<b>Date</b>	6 – 10 March 2023
<b>Attendees</b>	1 x City Growth Officer
<b>Overview</b>	<p>Attendance at the WECP Working Group Board Meeting and the CERAWeek Conference. CERAWeek proved to be a valuable learning experience due to the diverse conference agenda which featured high-level speakers and attendees including presidents of notable energy companies and holders of Secretary of State positions.</p> <p>WECP hosts a schedule of events within the CERAWeek programme, and WECP members receive free access to the Executive Conference and Innovative Agora sessions.</p> <p>Participation as panel member in session “European Energy Security: What role for green hydrogen?”, chaired by S&amp;P Global.</p> <p>Chaired a table at WECP's Hydrogen Leadership Dinner, leading discussions with other governments and business leaders around generating inward investment for cities and hydrogen collaboration opportunities.</p>

<p><b>Follow-up</b></p>	<p><b>Calgary</b></p> <ul style="list-style-type: none"> <li>• City Growth to follow up on connection made with the Mayor of Calgary around energy transition and city centre regeneration</li> </ul> <p><b>Perth</b></p> <ul style="list-style-type: none"> <li>• Potential collaboration opportunities focused on hydrogen, City Growth to follow up with Govt of Western Australia officers</li> </ul> <p><b>Boston Consulting Group</b></p> <ul style="list-style-type: none"> <li>• Delivered presentation at WECP Board Meeting which is to be shared</li> </ul> <p><b>German Federal Government</b></p> <ul style="list-style-type: none"> <li>• Potential collaboration opportunities focused on hydrogen, City Growth to follow up</li> </ul> <p><b>Greater Houston Partnership</b></p> <ul style="list-style-type: none"> <li>• Engagement with representatives of Greater Houston Partnership at Aberdeen-Houston Gateway, to connect local businesses looking to export with the Partnership</li> </ul>

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Energy Transition Zone Jobs and Skills Plan
<b>REPORT NUMBER</b>	COM/23/105
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Angela Taylor
<b>TERMS OF REFERENCE</b>	3.2

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### 1. PURPOSE OF REPORT

- 1.1 This report provides an introduction to the Jobs and Skills Plan created by ETZ Ltd for the proposed Energy Transition Zone, with the Plan attached as Appendix One.

### 2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Notes ETZ Ltd's Energy Transition Zone Jobs and Skills Plan; and
- 2.2 Instructs Chief Officer - City Growth to provide a regular service update report to the Finance and Resources Committee members as the Plan is being updated and implemented.

### 3. CURRENT SITUATION

- 3.1 On 3 March 2020, Council instructed Chief Officer - City Growth to evaluate the Energy Transition Zone Training and Jobs Plan and report back on the extent to which local people are accessing training or job opportunities that are generated if any development occurs.
- 3.2 No new development has yet taken place at the proposed Energy Transition Zone, which has been identified in the south of the city as an area which will be developed to not only support Aberdeen businesses to make the transition to renewable energies from oil and gas, but also to attract new energy transition businesses into the area, while creating sustainable employment opportunities for local people and the broader region in the short term and for generations to come.

- 3.3 Three sites within the proposed Energy Transition Zone are included in the Local Development Plan, which awaits Scottish Government approval for adoption.
- 3.4 The Plan states that the proposed Zone will “provide energy transition organisations and the local community with amenities, job opportunities and a long-term business environment, harnessing the region’s resources and skills to maximise the future value potential from energy transition developments. Initial investment prioritises skills development, in recognition of the importance of creating and retaining sustainable energy jobs, as well as engaging local communities in delivering a just transition. This investment aims to support businesses and the current and future workforce to build resilience to economic fluctuations and contribute to job retention and creation, and new skills development.”.
- 3.5 The Energy Transition Zone Jobs and Skills Plan does not provide detail of the numbers and types of jobs to be created, but rather sets out a framework for how ETZ Ltd intends to secure employment, as well as creating sustainable new local jobs. ETZ Ltd anticipates that the proposed Zone will support up to 2,500 direct jobs at its peak in 2030, with 10,000 more transition-related jobs created across the North-east, realising around £400m GVA.
- 3.6 A masterplan for the proposed Energy Transition Zone has been submitted to the planning authority and it is anticipated that it will be considered by the Planning Development Management Committee in Spring, with enabling works anticipated (subject to planning consent being granted) early next year. ETZ’s position is that the employment opportunities for the area will become more apparent with a masterplan in place. Job numbers will be identified through job density linked to the masterplan.
- 3.7 The Plan sets out jobs and skills conditions that all investors and organisations leasing or purchasing land in the proposed Energy Transition Zone will be encouraged to adhere to, to ensure Fair Work practises and the creation of sustainable local jobs are enshrined. These include:
- Developing tailored workforce development plans;
  - Creating local employment and business opportunities;
  - Signing up to the Scottish Government’s Young Person Guarantee;
  - Using local and regional training providers wherever possible;
  - Championing Fair Work First;
  - Promoting diversity and inclusion; and
  - Contributing towards the Energy Transition Zone Community Fund.
- 3.8 These are in addition to ETZ Ltd’s standard investor conditions, which include:
- Offering the Real Living Wage
  - No use of zero-hours contracts; and
  - Compliance with the Modern Slavery Act.
- 3.9 There is a clear focus on a just transition, recognising that opportunities must be available to all young people and local communities, with stated alignment

to Scottish Government policies including the Climate Emergency Skills Action Plan, No One Left Behind, and the Young Person Guarantee.

3.10 It sets out a commitment to support training provision for young people as well as focusing on closing the skills gap for Aberdeen's most disadvantaged residents and tackling gender imbalances in the energy sector.

3.11 Given that there are currently no job outcomes and there are unlikely to be until such time as development gets underway (subject to planning approvals, including the masterplan), it is recommended that a further report is brought to Committee in due course.

#### 4. FINANCIAL IMPLICATIONS

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

#### 5. LEGAL IMPLICATIONS

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

#### 6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no environmental implications arising from the recommendations in this report.

#### 7. RISK

7.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	No significant risks identified.		L	Yes
<b>Compliance</b>	No significant risks identified.		L	Yes
<b>Operational</b>	No significant risks identified.		L	Yes

<b>Financial</b>	No significant risks identified.		L	Yes
<b>Reputational</b>	No significant risks identified.		L	Yes
<b>Environment / Climate</b>	No significant risks identified.		L	Yes

## 8. OUTCOMES

<u><b>COUNCIL DELIVERY PLAN</b></u>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b></p> <p><a href="#">Working in Partnership for Aberdeen</a></p>	<p>The proposals in this report support the following aspects of the Policy Statement:</p> <p><b>Building a Greener and Sustainable City</b></p> <ul style="list-style-type: none"> <li>• Work with partners to deliver a just transition to net zero and plan to make Aberdeen a net zero city by no later than 2037, and earlier if that is possible</li> <li>• Support Aberdeen’s continued pioneering of Hydrogen technologies and make the case to bring alternatively powered rail services to the City</li> </ul> <p><b>A Prosperous City</b></p> <ul style="list-style-type: none"> <li>• Develop our economy in a genuine partnership with the private sector, third sector and residents</li> <li>• Work with partners to stimulate sustainable economic development, including a managed transition to a carbon neutral economy and work in partnership with the academic, business and other relevant sectors to ensure the long-term future of the energy industry</li> </ul> <p>By asking members to note the proposed Energy Transition Zone Jobs and Skills Plan, and instructing the Chief Officer City Growth to provide an update when more information about the type and number of jobs, and investors, is available.</p>

<u><a href="#">Aberdeen City Local Outcome Improvement Plan</a></u>	
Prosperous Economy Stretch Outcomes	The proposals in this report support the delivery of LOIP Stretch Outcome 1: 10% increase in employment across priority and volume growth sectors by 2026; Stretch Outcome 2: 90% of working people in Living Wage employment by 2026. The paper seeks to inform members about the methods by which fair and sustainable jobs will be secured and created via the proposed ETZ through its Jobs and Skills Plan.
Prosperous People Stretch Outcomes	<p>The proposals within this report support the delivery of the following LOIP Stretch Outcomes:</p> <ul style="list-style-type: none"> <li>• 5. 95% of care experienced children and young people will have the same levels of attainment in education, emotional wellbeing, and positive destinations as their peers by 2026.</li> <li>• 6. 95% of children living in our priority localities will sustain a positive destination upon leaving school by 2026.</li> </ul> <p>The report sets out how ETZ Ltd intends to use its Jobs and Skills Plan for the proposed Energy Transition Zone to create fair and sustainable employment opportunities for people of all working ages, and to encourage young people via education and post-school links to take advantage of those opportunities,</p>
Prosperous Place Stretch Outcomes	The delivery of LOIP Stretch Outcomes 13 - No one in Aberdeen will go without food due to poverty by 2026; and 14 - Addressing climate change by reducing Aberdeen's carbon emissions by setting out how the proposed Energy Transition Zone and its Jobs and Skills Plan will provide jobs in the local area and region, using inclusive approaches to upskill and reskill people into fair and sustainable employment and supporting the transition to green energy.
<p style="text-align: center;"><b>Regional and City Strategies</b></p> <p>Regional Strategies: (i.e. Regional Economic Strategy, Regional Skills Strategy) City Strategies and Strategic Plans Net Zero Routemap for the City</p>	The proposals in this report support the Local Development Plan, the Strategic Development Plan and Regional Economic Strategy and Regional Skills Strategy, as well as the Net Zero Routemap by setting out a Plan for the delivery of investment jobs, and skills in the proposed Energy Transition Zone, which will support energy transition in Aberdeen, as well as securing and creating fair and sustainable employment for the city and region.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

## 10. BACKGROUND PAPERS

10.1 None

## 11. APPENDICES

11.1 ETZ Ltd Energy Transition Zone Jobs and Skills Plan (Appendix One)

## 12. REPORT AUTHOR CONTACT DETAILS

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# ENERGY TRANSITION ZONE LTD

## Jobs & Skills Plan

### Contents

Introduction

Activities

Workforce Development

Summary

Appendix



# Introduction

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# ETZ Ltd: Who We Are

Energy Transition Zone Ltd ('ETZ Ltd') is a private sector-led and not for profit company spearheading the North East of Scotland's energy transition ambition. We are supported by significant ongoing funding from both the Scottish and UK Governments with a clear focus on repositioning the region as a globally-recognised new and green energy cluster.

The focal point of our activity is the delivery of a unique Energy Transition Zone which comprises a 250 hectare site in close proximity to the new Aberdeen South Harbour. ETZ Ltd is enabling 40 hectares of development opportunities to create the largest dedicated energy transition complex in Scotland. This will include a Marine Gateway and specialist campuses for Offshore Wind, Hydrogen, Innovation and Skills.

ETZ Ltd also acts as catalyst to accelerate energy transition across the region. Our experienced team utilise long established connections across the globe, share expertise and are taking forward a range of initiatives and programmes designed to provide individuals and organisations with the skills and training necessary to secure future employment opportunities as we transition.

Owing to a world-class oil and gas sector, the North East of Scotland is home to a highly skilled workforce which is the bedrock of our local economy. It is the ideal location for many expert engineers, manufacturers and scientists. The 2022 RGU Making the Switch report highlights that the region is already home to 45,000 energy jobs, almost 30% of the UK's total, with further research showing that 90% of the oil and gas workforce has medium-high skills transferability to renewable energy sectors.

Furnishing the workforce with the skills needed to maximise employment opportunities is key to realising local community benefits, attracting more companies to the region and ensuring a managed and just transition. ETZ Ltd have developed a dedicated Jobs & Skills Plan, outlining our skills development commitments and related impacts on regional jobs and communities.



# A Specialist Campus Model

A comprehensive investment programme is underway to deliver sites for high-value manufacturing and the wider energy transition supply chain. This coordinated investment will include a Marine Gateway and the creation of specialist campuses for Offshore Wind, Hydrogen, Innovation, and Skills. In addition, the Community & Energy Coast will make significant enhancements to existing green and biodiverse spaces. Each Campus will have a transformational anchor project that will unlock future investment and job creation.

We are building Scotland's first dedicated Advanced Manufacturing Skills Hub in the Skills Campus. ETZ Ltd is making a £5 million investment, supported by Scottish Government Just Transition Funding, to provide a new flexible teaching facility to be operated in collaboration with North East Scotland College. The Hub has secured crucial private sector funding and support, allowing an accessible and wide array of courses for both full-time and part-time students to be developed. The space will also be home to a mobile skills lab that will be used to extend the facility's reach by visiting local schools to promote clean fuel technologies and energy careers.

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# Our Commitment

The Energy Transition Zone will provide energy organisations and the local community with amenities, job opportunities and a long-term business environment; harnessing the region's resources and existing skills to maximise the future value potential from energy transition developments.

Initial ETZ Ltd support prioritises skills development, in recognition of the importance of creating and retaining sustainable energy jobs, as well as delivering a just transition for local communities. Skills-related initiatives will engage with schools, further education and higher education, and industry partners to provide accessible and inclusive training at all levels. These activities will support the creation of sustainable, quality jobs, and ensure local people have access to relevant training and employment opportunities, helping the region become a global leader in energy transition activities, and Scotland and the UK to become a net exporter of energy transition technologies and skills.

The Jobs & Skills Plan will be reviewed and updated annually to reflect the evolving energy landscape, industry demand, emerging jobs and community needs.

ETZ Ltd's approach aligns with the Scottish Government's Climate Emergency Skills Action Plan (CESAP) priorities. Corresponding priorities are denoted throughout the following sections:

**P1**

Supporting a green labour market recovery from COVID-19

**P2**

Building better understanding and evidence of future skills needs to support Scotland's transition to net zero

**P3**

Developing the future workforce for the transition to net zero

**P4**

Driving awareness and action to support reskilling and upskilling for the transition to net zero

**P5**

Ensuring fairness and inclusion in the skills system as part of a just transition to net zero

**P6**

Taking a collaborative approach to ensure a skills system responsive to changing demands

ETZ Ltd's work will catalyse further investment and accelerate the growth of a globally recognised and integrated energy cluster. The Energy Transition Zone will support up to 2,500 direct jobs at its peak in 2030, with 10,000 more transition-related jobs created across the North East of Scotland, realising around £400m GVA.

# Vision

ETZ Ltd's ambition is to provide people with the skills needed to capitalise on energy transition activities and ensure local communities benefit from employment opportunities. This will be achieved through initiatives that provide training courses, increase accessibility to skills and qualifications, and promote energy careers.

Whilst exact jobs roles and numbers will be determined by future investor opportunities, energy sector jobs are expected to be wide ranging and cover all education levels, such as:

- **Electrician, Wind Turbine & Automotive Technicians**
- **Electrical, Chemical & Mechanical Engineering**
- **Communications, IT & Software Engineering**
- **Health, Safety, Sustainability & Environment**
- **Procurement & Supply Chain Management**
- **Welding & Fabrication**
- **Project Management**
- **Transportation**
- **Logistics**





# Actions & Impact

Input

## Understand Industry Demand

Operators & Developers

Supply Chain

R&D / Emerging Tech

Associated start-up, construction & maintenance

## Develop Skills Provision to Meet Demand

School

College

University

Private Training

Investment

## Increase Accessibility

Increase public knowledge on energy industry, associated careers and training access through information events and outreach

Create new pathways into energy careers by promoting different educational routes, such as apprenticeships

Enhance workforce transferability into green energy from fossil fuels and other industries through training and cross-skilling

Engage under-represented groups, those distanced from work, carers, returners, with flexible training options and funded course places

Attract young people to energy industry through school engagement

Target regeneration areas through postcode preference training places and skills funding

Promote inclusive recruitment processes to enhance employability

Maximise local benefits through detailed Workforce Development Planning

Impact

## Regional Employment

Investment brings employment opportunities at all levels

Local job prospects enhanced through new, accessible training, interview guarantees and inclusive recruitment procedures

## Community Benefits

Poverty reduction through increased employment

Local businesses expand with emerging industries

Industry-supported projects and enhancements support local initiatives

## Sustainable Future

Skilled workforce and adaptable business environment attract inward investment

Investment brings further job creation and economic development

# Strategic Approach

ETZ Ltd supports a wide range of training services over all levels, with the ultimate goal of improving employment for local communities, creating a skilled workforce that meets industry needs, and enabling further inward investment to the region.

Activities align with our strategic skills objectives, with priority given to those which:

- Address more than one of the strategic objectives
- Directly impact neighbouring communities
- Lead to tangible local or regional employment benefits

ETZ Ltd partners with companies and organisations to enhance or expand existing activities, in order to minimise duplication and help de-clutter the skills environment. Where no suitable activity or partner already exists, we initiate, develop, manage and run dedicated activities.

ETZ Ltd support may take the form of financial contributions or grants, provision of material, equipment or expertise, facilitation of activities, and/or linking with relevant companies, industry bodies or other organisations

## Objectives



Future-proofing



Up-Skilling



New-Skilling



Re-Skilling

## Actions

Attract school students into energy careers

Promote cross-skilling and transferability of existing skills

Develop new courses to meet energy industry requirements

Create and promote access to re-training opportunities

## Impact

Ensure the pipeline of people meets future demand

Improve job prospects and reduce regional attrition

Create a competent, skilled, regional workforce

Support local workers transition into new job opportunities



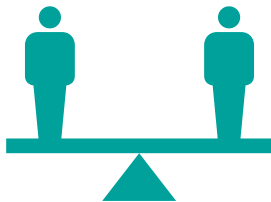
# Achieving a Just Transition

ETZ Ltd's activities support a number of the Scottish Government's Just Transition Fund outcomes:

- **Citizens, communities and place:** skills development and job creation will strengthen local economies
- **Jobs, skills and education:** initiatives will equip people with the skills and knowledge needed to access green jobs
- **Fair distribution of costs and benefits:** industry-sponsored community projects will share the benefits of energy activities with local communities

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- **Business and Economy:** creating a skilled, capable workforce in turn supports a strong, and productive economy, creating further wealth and employment
- **Adaptation and resilience:** providing industry-led, flexible training options help ensure the workforce and economy are adaptable and responsive
- **Decarbonisation and efficiencies:** suitable adaptation of the skill system will contribute low-carbon investment and infrastructure, avoiding carbon 'lock-in'



## Regional & National Policy Alignment

In line with Young Persons' Guarantee, ETZ Ltd support training opportunities for young people and focus on closing the opportunity and employment gap for the regions most disadvantaged residents (e.g. those with disability, ethnic minorities, care-experienced individuals, workless and low-income families, etc.) and help tackle gender imbalances in the energy sector in line with industry and government ambitions.

ETZ Ltd's ambitions to address the changing skills needs of the North East also align with:

- Regional Skills Strategy
- Scottish Government and UK Government's net-zero plans
- Scottish Government's National Strategy for Economic Transformation (Point 5: Skilled Workforce)
- UK Levelling Up and Scottish Government's No One Left Behind





# Activities Timeline





# Timeline

2021

2022

2023

2024

2025+

● National Energy Skills Accelerator

● NEERSF

● OPITO All Energy Apprenticeships

● ECITB Wind Turbine Technician Scholarships Cohort 1

● Scottish Schools Hydrogen Challenge

● Advanced Manufacturing Skills Hub

● Energy Skills Outreach Vehicle

○ ECITB Wind Turbine Technician Scholarships Cohort 2

○ Fuel Change Energy Transition Challenge

○ Fabrication Welding Pathway

○ TechFest Primary Schools

○ Workforce Development (*site dependent*)

● Complete

● On-Going

○ Planned

# Activities Complete

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# North East Economic Recovery & Skills Fund (NEERSF)

The Scottish Government NEERSF awarded £3.15 million to ETZ Ltd to support diversification of skills across the region. Investment in a series of partnerships and programmes delivered impactful energy transition projects that supported people into work, enabled the re- and up-skilling of employees, and increased innovation and growth in local businesses.

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## Key Partners

Xodus, Scottish Carbon Capture & Storage, OEUK  
RelyOn Nutec, Roadwise Driver Training CIC, ORE Catapult



## Timeline

Initiated November 2021  
Completed September 2022

## CESAP Alignment

P1

P3

P5

F U N R

Strategic Objectives Met

## Impact & Outcomes

Fully funded training for individuals and companies across the region to promote sustainable employment and future-proof businesses:

**445** Individuals received offshore energy training

**24** Individuals enrolled in the Xodus transition skills initiative, X Academy

**30** Individuals trained in CCUS introduction courses

**20** Large goods vehicles licence training

**16** Companies provided with future energy skills courses

**26** Individuals trained in carbon dioxide emissions reduction technology

# Ballard Scottish Schools' Hydrogen Challenge

ETZ is a supporting partners of the 2022-23 Scottish Schools' Hydrogen Challenge, managed and delivered by Ballard Motive Solutions Ltd. ETZ Ltd sponsored the regional and grand finals and facilitated workshops in Aberdeen schools, including Lochside Academy. The programme introduces S2 students to hydrogen and fuel cell technology, promoting STEM engagement across Scotland. 190 workshops were delivered to 4,500+ pupils.

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## Key Partners

Ballard Motive Solutions Ltd



## Timeline

November 2022 to  
March 2023

## CESAP Alignment

P3

P5

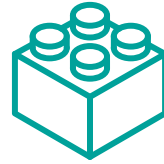
F

Strategic Objectives Met

## Impact & Outcomes

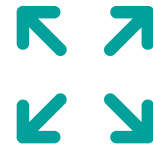


Increase STEM engagement in city secondary schools



Promote renewable technology to students at a critical time in their education as they select subjects

Improve accessibility in low STEM engagement schools



Potential to expand to include Aberdeenshire schools in future years

Promote collaboration and industry partnerships between sponsors



## Associated Initiatives/Organisations

- Aberdeen City Council
- Developing the Young Workforce (DYW) North East



# Activities On-Going

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# National Energy Skills Accelerator (NESA)

Established by ETZ Ltd, NESA is a not-for-profit collaborative initiative between Robert Gordon University, the University of Aberdeen and North East Scotland College, supported by Skills Development Scotland and ETZ Ltd. Supporting the changing needs of the energy sector, NESA aims to accelerate the up-, re- and new-skilling of the existing and future workforce. NESA provides a single point of contact to access a wide range of training and skills development programmes.

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## Key Partners

Robert Gordon University, University of Aberdeen, North East Scotland College, Skills Development Scotland



## Timeline

Established June 2021  
Operations on-going

## CESAP Alignment

P2

P3

P6

F U N R

Strategic Objectives Met

## Impact & Outcomes



Partnerships signed with industry leaders, including Shell and Scottish Power

Skills development offerings will attract new entrants and create new routes into the energy industry for returners, those distanced from work or transitioning from other sectors



£1million from the Scottish Government Just Transition Fund to create an Energy Skills Plan 2022-2030, and develop pilot training courses to support workforce transition

Scottish Funding Council's Regional Pathfinder project expands on the Just Transition Fund project to develop an interactive career pathway tool to explore routes from education through to employment



## Associated Initiatives/Organisations

- Energy Skills Passport
- Energy Skills Alliance
- DYW North East
- OPITO



# OPITO All Energy Apprenticeships

ETZ Ltd has supported OPITO in the development of a dedicated energy transition qualification scheme to educate and upskill the next generation of energy leaders. Four bolt-on qualifications were developed and piloted in Scottish colleges (including NESCoI) throughout 2022. These introductory units aim to benefit local communities around the Energy Transition Zone and beyond by creating pathways into energy careers.

Page 251

## Key Partners

OPITO



## Timeline

Developed 2022  
Delivery on-going

## CESAP Alignment

P3

P6

U

R

Strategic Objectives Met

## Impact & Outcomes



Over 230 learners registered at North East Scotland College to date

Four new SCQF Level 6 units being delivered in colleges across Scotland



New qualifications enhance apprenticeship programmes and create link to support energy transition

Open up pathways for individuals into energy careers, including new entrants and those looking to transition



Strong collaboration between industry and skills bodies including ECITB, COGENT and ESP

## Associated Initiatives/Organisations

- OPITO North Sea Transition Deal's Integrated People and Skills Strategy
- Scottish Apprenticeship Award

# ECITB Wind Turbine Technician Scholarships

Sponsorship from ETZ Ltd enabled the first Scottish cohort of the Engineering Construction Industry Training Board's (ECITB) Wind Turbine Technician pathway to be run at North East Scotland College, providing bursaries for all students on the 2-year programme. Learners gain core engineering skills and an understanding of emerging new technologies. Employers are engaged throughout, maximising student job opportunities.

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## Key Partners

North East Scotland College, ECITB



## Timeline

Pilot commenced September 2022  
Completing June 2024

## CESAP Alignment



Strategic Objectives Met



## Impact & Outcomes

Scotland's first net zero scholarship launched in Aberdeen

£100/week bursaries to combat cost of living crisis



Provide new career pathways, and attract new entrants into the sector

Ensure a pipeline of skilled technicians to meet industry demand as ScotWind construction ramps up

Enhance opportunities for local people currently facing barriers to entering engineering careers



Lay foundations for private sector investment, stimulating industry support for future cohort

## Associated Initiatives/Organisations

- This pilot cohort paved the way for industry support for future cohorts, with a second programme starting in September 2023 jointly sponsored by ECITB, ETZ Ltd and industry partners

# Advanced Manufacturing Skills Hub

Refurbishment of an existing dilapidated site adjacent to NESCol's Alten's Campus, to provide expansive, high-tech training facilities. The Skills Hub replaces NESCol's outdated welding workshops with flexible teaching spaces and cutting-edge equipment. Additional space for communal and community areas will also be included, and green space incorporated to bring nature to an otherwise industrial area.

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## Key Partners

North East Scotland College, Industry Partner



## Timeline

Construction commenced 2023  
Operational late 2024

## CESAP Alignment

P3

P4

P6

F U N R

Strategic Objectives Met

## Impact & Outcomes

NORTH EAST  
SCOTLAND  
COLLEGE



Increase NESCol training capacity

Improve facilities and equipment to enable more advanced training provision



Wider flexibility of training delivery to increase accessibility, such as evening and weekend classes

Showcase training to schools and wider community

Provide space for community groups, such as computer suites to improve IT literacy and address digital poverty



Brownfield site regeneration to circular economy principles



# Energy Skills Outreach Vehicle

A science classroom on wheels, this interactive learning facility will tour the city and shire schools showcasing the latest in energy industry technology and careers. Movable, modular exhibits will allow content to be quickly changed and updated to ensure it remains engaging and relevant for years to come. Powered by renewable energy, the vehicle itself will embody the net zero ambition.

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## Key Partners

North East Scotland College, Aberdeen City Council, Aberdeenshire Council, Industry Partner



## Timeline

Procurement commenced 2023  
Operational 2024

## CESAP Alignment



Strategic Objectives Met

## Impact & Outcomes



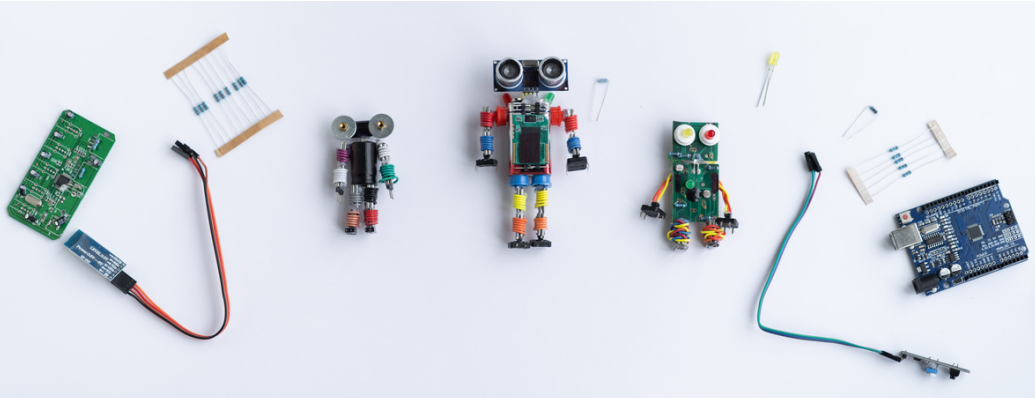
Promote energy careers from early years

Increase STEM engagement in regional schools



Improve accessibility for rural areas and small schools

Promote energy transition to the wider community through attendance at fairs and community events



## Associated Initiatives/Organisations

- Aberdeen Science Centre
- Aberdeen City Council
- Aberdeenshire Council
- Aberdeen Maritime Museum
- TechFest
- Skills Development Scotland
- DYW North East
- NMIS Skills Academy



# Activities Planned





# Fuel Change Energy Transition Challenge

ETZ Ltd and industry partners will support the development of a North East Regional Fuel Change Challenge. This will introduce senior phase students to real-world sustainability and energy transition problems, developing meta-skills and fostering innovation through school-employer engagement. Fuel Change have already helped 2,000+ individuals build the skills needed to thrive in the future.

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## Key Partners

Fuel Change, Industry Partners



Timeline  
2023/24

## CESAP Alignment

P3

P5

F

Strategic Objectives Met

## Impact & Outcomes



Increase energy industry awareness in regional schools



Promote sustainability and energy careers to students

Attract more students to the energy industry

Help learners develop critical meta-skills for successful careers

Deliver through an experienced, innovative education provider



Enhance links between schools and employers

Promote industry collaboration and partnerships



## Associated Initiatives/Organisations

- Aberdeen City Council
- My World of Work
- Aberdeenshire Council
- DYW North East

# ECITB Fabrication Welding Pathway

ETZ Ltd, NESCol and ECITB will develop a flexible fabrication welding programme to be delivered at the Advanced Manufacturing Skills Hub. The part-time programme will allow individuals to re-skill around current employment or commitments. There will be no maths pre-requisite, further increasing inclusivity and accessibility to skills needed for the future, such as construction and wind turbine manufacturing.

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## Key Partners

North East Scotland College, ECITB



**Timeline**  
Commencing 2024

## CESAP Alignment

P3

P4

P6

**U N R**

Strategic Objectives Met

## Impact & Outcomes



Increase accessibility to key skills for in-demand jobs

New, flexible delivery method to suit learners needs



Create new career pathways leading to employment or apprenticeships

Enhanced opportunities for local people currently facing barriers to entering engineering careers



## Associated Initiatives/Organisations

- DYW North East
- Industry Partners

# TechFest Primary School Engagement

In partnership with TechFest, ETZ Ltd plan to support a series of primary school programmes focussed around sustainability and green technology. The interactive sessions will engage young learners in future energy topics, laying the foundations for energy careers through fun and play. TechFest is an innovative charity which has been providing quality STEM events throughout Scotland for over 35 years experience.

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## Key Partners

TechFest



## Timeline

2024/5

## CESAP Alignment

P3

P5

F

Strategic Objectives Met

## Impact & Outcomes



Increase STEM engagement in regional primary schools

Promote energy careers from early years

Deliver through a well respected, teacher-trusted education provider



Potential to expand to national schools



Embed sustainability and net-zero philosophy into primary school curriculum

## Associated Initiatives/Organisations

- Aberdeen City Council
- Aberdeenshire Council
- SSERC STEM Ambassadors



# Workforce Development





# Jobs & Skills Conditions

All companies operating within the Energy Transition Zone are encouraged to adhere to the following conditions relating to jobs and skills:

1

## Develop a tailored Workforce Development Plan

ETZ Ltd will support companies to create a workforce development plan, ensuring local people are prepared for up-coming job opportunities. Details will depend on the size and nature of the enterprise. A Workforce Development Framework has been developed as outlined in the Appendix

2

## Utilise local and regional training providers

World-class education providers and skills development can be accessed regionally via NESAs, and local training providers leveraged wherever possible

3

## Support local businesses

Procurement processes should, whenever applicable, focus on supporting local supply chain companies, to bolster the local economy and minimise environmental impact

4

## Enhance local employment opportunities

Job vacancies should be open to local applicants, and foster inclusivity by following Aberdeen City Council's Guaranteed Interview Scheme

5

## Benefit local communities

Contribute towards the Energy Transition Zone Community Fund (currently under development) and other local projects.

6

## Promote diversity and inclusion

Utilise publicly available toolkits (i.e. OEUK's) and follow inclusive hiring processes:  
[www.oeuk.org.uk/product/oeuks-diversity-inclusion-leadership/](http://www.oeuk.org.uk/product/oeuks-diversity-inclusion-leadership/)  
[www.gov.uk/reasonable-adjustments-for-disabled-workers](http://www.gov.uk/reasonable-adjustments-for-disabled-workers)  
[www.autismunderstanding.scot/information-hub/employment](http://www.autismunderstanding.scot/information-hub/employment)

7

## Champion Fair Work First

Comply with Fair Work First principles, including payment of a real living wage, no inappropriate use of zero-hours contracts and take action to tackle gender pay gaps



# The Pipeline Pledge

The future success and stability of the region depends on engaging and inspiring the next generation to explore careers in energy transition. To achieve a Just Transition opportunities must be available to all young people, and industry must build better links with local communities. ETZ Ltd will strongly encourage all investors to take a 'Pipeline Pledge' committing to:

- Work with Developing the Young Workforce North East to promote work experience, internships, apprenticeships and jobs in regional schools, colleges and universities

- Join the Young Person's Guarantee.
- Join the Scottish Schools Education Research Centre STEM Ambassador programme.
- Support local community projects through voluntary staff time.

ETZ Ltd's jobs and skills conditions, along with the Pipeline Pledge, aim to deliver industry-driven skills development, and meaningful, high-value jobs that will help build a resilient, sustainable economy. These initiatives look to ensure local communities directly benefit from energy transition activities.





# Summary





# Summary

This plan outlines ETZ Ltd's approach to energy transition jobs and skills, and at its core, strives to achieve:

## Local Regeneration

Bring tangible benefits to Torry residents and other disadvantaged communities in the vicinity of the Energy Transition Zone through accessible training, enhanced employment opportunities, and community projects

Harness the region's existing skills, create new pathways into employment and promote energy careers at all levels

## Regional Benefit

## Global Impact

Enable the region to become a net exporter of energy transition technologies and skills, and spotlight the North East as a global energy transition leader

ETZ Ltd works in collaboration with local authorities including Aberdeen City Council on initiatives such as Developing the Young Workforce North East, and with committed industry partners, to maximise energy transition jobs for the people of the North East, promoting a Just Transition, and helping build a sustainable future for Scotland.



## Monitoring Impact

ETZ Ltd will record the follow in order to quantify and track the impact of our activities:

### Building Capability and Skills Metrics

- Number of training programmes developed
- Number of training courses delivered
- Number of individuals trained
- Number of course completers in positive destinations

### Job Retention and Creation Metrics

- Number of jobs created
- Number of apprenticeships created



# Appendix





# Workforce Development Framework

## Phase 1 - Identify Skills Requirements



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# Workforce Development Framework

## Phase 2 - Workforce Development & Skills Provision

Can NESAs provide required skills through existing provision?

Yes

Advise company

Schedule training as required

Move to Phase 3

No

Can local training/education centres provide required skills?

No

Yes

Advise company

Move to Phase 3

Can NESAs provide required skills with new provision development within the required timescale?

Yes

Advise company

NESA develop and deliver new provision

Move to Phase 3

No

Does a suitable private training provision exist?

Yes

Advise company

Move to Phase 3

No

Refer company to Skills Development Scotland

Skills Development Scotland



# Workforce Development Framework

## Phase 3 - Attracting New Entrants

Does the company need to attract individuals to join their workforce, or promote energy transition to the public?

Yes

No

Has the company joined the Pipeline Pledge?

What are the target groups?

Yes

No

END

Primary Education

Secondary Education

Tertiary Education

Wider Community

Existing Workforce

One-Off Events

Other

Refer to TechFest and/or Aberdeen Science Centre

Refer to DYW and/or SSERC

Refer to NESAs

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