

Public Document Pack



To: Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Cooke, Fairfull, Farquhar, Greig, Houghton, Hutchison, Malik, Radley, Thomson and Watson.

Town House,
ABERDEEN 05 September 2023

FINANCE AND RESOURCES COMMITTEE

The Members of the **FINANCE AND RESOURCES COMMITTEE** are requested to meet in the **Council Chamber, Town House on WEDNESDAY, 13 SEPTEMBER 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 (LEGAL)

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 8 August 2023 (Pages 5 - 8)

COMMITTEE PLANNER

- 6.1. Committee Business Planner (Pages 9 - 18)

NOTICES OF MOTION

- 7.1. Notices of Motion

REFERRALS FROM COUNCIL, COMMITTEES AND SUB COMMITTEES

- 8.1. Referrals from Council, Committees and Sub Committees

BUDGETS

- 9.1. Capital Programme Delivery: Projects Update - RES/23/284 (Pages 19 - 76)
- 9.2. District Heating – Network Expansion / Waste Heat Utilisation (City Centre Link) - COM/23/290 (Pages 77 - 86)

An exempt appendix is contained within the Exempt Appendices Section on the agenda below.

SERVICE DELIVERY

- 10.1. Joint Procurement Strategy 2023-2026 - COM/23/266 (Pages 87 - 144)
- 10.2. Performance Management Framework Report – Commissioning and Resources - COM/23/285 (Pages 145 - 180)

CITY GROWTH AND STRATEGIC PLACE PLANNING

- 11.1. No reports in this Section

PROPERTY AND ESTATES

- 12.1. Condition and Suitability 3 Year Programme - RES/23/276 (Pages 181 - 218)

Exempt Appendices are contained within the Exempt Appendices Section of this Agenda below.

WORK PLAN AND BUSINESS CASES

- 13.1. Work Plan and Business Cases - COM/23/279 (Pages 219 - 234)

Exempt Appendices are contained within the Exempt Appendices Section of this agenda below.

EXEMPT/CONFIDENTIAL BUSINESS

- 14.1. Belmont Cinema Preferred Operator - COM/23/275 (Pages 235 - 288)

- 14.2. Ness Landfill – Lease Proposals - RES/23/296 (to follow)

EXEMPT APPENDICES

- 15.1. District Heating – Network Expansion / Waste Heat Utilisation (City Centre Link) - Exempt Appendix (Pages 289 - 294)
- 15.2. Condition and Suitability 3 Year Programme - Exempt Appendices (Pages 295 - 308)
- 15.3. Work Plan and Business Cases - Exempt Appendices (Pages 309 - 370)

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

Should you require any further information about this agenda, please contact Mark Masson, mmasson@aberdeencity.gov.uk or 01224 067556

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Finance and Resources Committee

ABERDEEN, 8 August 2023. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Al-Samarai (as substitute for Councillor Hutchison), Cooke, Fairfull, Farquhar, Greig, Houghton, Macdonald, Radley, Tissera (as substitute for Councillor Malik) 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 7.1 (Council Financial Performance – Quarter 1, 2023/24 – 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 item so as to avoid disclosure of information of the classes described in paragraph 6 of Schedule 7(A) to the Act.

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 was intimated:-

(1) Councillor Macdonald advised that she had a connection in relation to agenda item 6.1 (Council Financial Performance – Quarter 1, 2023/24) by virtue of her being a member of Aberdeen Heat and Power Board, however having applied the objective test, she did not consider that she had an interest and would not be withdrawing from the meeting.

MINUTES OF MEETINGS OF FINANCE AND RESOURCES COMMITTEE OF 5 AND 6 JULY 2023

3. The Committee had before it the minutes of meetings of the Finance and Resources Committee of 5 and 6 July 2023.

The Committee resolved:-

to approve both minutes.

Finance AND RESOURCES COMMITTEE

8 August 2023

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 reasons for deferral in relation to item 15 (Financial Settlement from Transport Scotland for the De-trunking of the A92/A96 (Haudagain Improvement));
- (ii) to request that the Chief Officer – Strategic Place Planning circulate an update to members of the Committee in relation to item 11 (Sustainable Drainage System (SUDS) Section 7; and
- (iii) to otherwise note the Planner.

TRANSPARENCY STATEMENT

During discussion of the following item of business, a question relating to Sport Aberdeen was raised. At this juncture, Councillor Cooke advised that he had a connection in relation to this by virtue of him being an observer on Sport Aberdeen Board. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.

COUNCIL FINANCIAL PERFORMANCE - QUARTER 1, 2023/24 - RES/23/255

5. The Committee had before it a report by the Director of Resources which provided details of the financial position of the Council as at Quarter 1 (30 June 2023) and the full year forecast position for the financial year 2023/24, 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 1 as detailed in Appendix 1;
- (b) note the Common Good financial performance to the end of Quarter 1 as detailed in Appendix 3, specifically the £0.733m reduction in cash balances due to investment volatility;
- (c) note that the General Fund full year forecast position remains very uncertain at this time and subject to the successful implementation of actions as per Appendix 2 and no further financial shocks, then a full year outturn position of 'on budget' is anticipated;
- (d) note that financial resilience to mitigate the risks of overspending is underpinned by the resources available on the Council Balance Sheet and General Fund

Finance AND RESOURCES COMMITTEE

8 August 2023

Reserves in particular. As at 31 March 2023 the uncommitted value of those reserves was £12m, the minimum that the Council Reserves Statement recommends and as approved by the Council;

- (e) note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget;
- (f) 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;
- (g) note that the forecast for General Fund Capital budget is that it will be lower than its revised budget and Housing Capital expenditure will be on budget in 2023/24 as described in Appendix 2;
- (h) note that due to the prevailing market conditions of high inflation and supply chain volatility, and the requirements of the Prudential Code for the Council to manage capital investment through a programme that is prudent, affordable and sustainable, the Chief Officer – Capital will present a review of the General Fund Capital Programme to this Committee in September. In conjunction with individual reports on capital business cases, that report will demonstrate our approach to value for money and to ensure that external scrutiny is robustly evidenced; and
- (i) approve the write off of debt as noted in Appendix 5.

The Committee resolved:-

- (i) to approve the recommendations;
- (ii) that the Chief Officer – Finance circulate details to Councillor Watson in relation to Sport Aberdeen's credit line arrangements;
- (iii) that the Chief Officer – Finance circulate details to Councillor Tissera in relation to how many ACC officers over the age of 65 had sought VSER in the past 2 years and at what cost to the Council; and
- (iv) that in relation to the closure of the small financial assistance grant scheme, that the Chief Officer – Finance circulate details to all members of the Committee in relation to the organisations and the financial sums involved.

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

COUNCIL FINANCIAL PERFORMANCE - QUARTER 1, 2023/24 - EXEMPT APPENDIX

6. The Committee had before it an exempt appendix relating to the Council Financial Performance – Quarter 1, 2023/24 report. (Article 5 of this minute refers).

The Committee resolved:-

to note the information contained within the exempt appendix.

- **COUNCILLOR ALEX MCLELLAN, Convener**

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	A	B	C	D	E	F	G	H	I
1	FINANCE AND RESOURCES COMMITTEE BUSINESS PLANNER								
	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	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
3			13 September 2023						
4	Fleet Replacement Programme (Annual Report)	To present the current position of the programme for Fleet Vehicles and Assets		John Weir/Derek Jamieson	Operations and Protective Services	Operations	1.1.6	D	This report will be delayed until 22 November 2023 to review EV infrastructure influences to maximise the benefits of the Fleet Replacement Programme.
5	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		
6	Outline Business Case: Northfield Primary Schools Excess Capacity	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	1.1.4	D	The E&CS Committee will consider a report in this regard within the next two cycles. a report will be brought back to this committee once it has been considered by E&CS Committee.

	A	B	C	D	E	F	G	H	I
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2									
7	Outline Business Case: Oldmachar Primary Schools Excess Capacity	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	1.1.4	D	The outline business case has been completed, and officers have concluded that more work is needed before a preferred option can be identified, so there is no requirement for the Committee to approve the outline business case at this stage. A report on the matter is to be presented to the Education and Children's Services Committee meeting on 12th September, and a service update on the outcomes of that meeting will be circulated to members of this Committee, prior to its meeting on 13th September.
8	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		
9	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		Claire Royce	Operations and Protective Services	Operations	3.2 & 3.3	D	The Sustainable Drainage System (SUDS) Section 7 report is complete however a key point in the report is seeking maintenance funding for suds infrastructure from developers through the S75 legal agreements. Unfortunately this would be contrary to the current regulations governing S75's. We have been made aware that another local authority has approved guidance which seeks to do this. We have been trying to arrange a meeting with them to discuss but as yet have not been able to do so (circ by email - David Dunne - 9/8/23)

	A	B	C	D	E	F	G	H	I
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2									
15	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>	The Committee on 5/7/2023 agreed to defer this item for the following reason outlined in the planner:- No further update on Phase 3 of the Learning Estates Investment Programme funding has been announced therefore a service update will be provided to members prior to the meeting on the 13/09/23.	Andrew Jones/Maria Thies	Corporate Landlord	Resources	1.1, 1.1.4, 1.1.9 & 4.1	D	A report will be submitted to the next meeting of the Education and Children's Services Committee on 12 September 2023. A report will then be submitted to the F&R Committee at the meeting on 22 November 2023.
16	Joint Procurement Strategy 2023-2026	To seek approval of Finance & Resources committee on the Joint Procurement Strategy for 2023-2026		Mel Mackenzie	Commercial and Procurement	Commissioning	2.1.5		
17	Belmont Cinema Preferred Operator	<p>The purpose of this report is to advise members of the outcome of marketing testing in relation to an operator for the Belmont Cinema and Media Centre, and to provide further detail of the proposal offers received;</p> <p>The report provides further information on each offer; including summaries of community benefits, timescales and associated risks and Officers analysis of the proposal and recommendations to progress with a preferred operator.</p>		Mark Bremner	City Growth	Commissioning	4.1		
18	Condition & Suitability 3 Year Programme (ANNUAL REPORT)	This report seeks approval of an updated 3-year Condition and Suitability (C&S) Programme.		Alastair Reid	Corporate Landlord	Resources			
19	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	Brought forward from Novemebr 2023 meeting.	Alex Paterson/Louise Fox	Data & Insights	Customer	2.1.3		
20	District Heating – Network Expansion / Waste Heat Utilisation (City Centre Link)	The purpose of the report is to present the proposed project to Committee and seek approval to undertake a procurement exercise to commission a feasibility study and outline business case for Phase 1 of the project.and to explore external funding sources to support the capital delivery of the project.		Barry Davidson	Head of Commercial and Procurement	Commissioning	1.1.5		

	A	B	C	D	E	F	G	H	I
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2									
21	Bucksburn Swimming Pool – Update September 2023	Council on 14 June 2023 agreed to instruct the Chief Executive, in consultation with Sport Aberdeen, to engage with Bucksburn and Newhills Community Council and Save Bucksburn Swimming Pool and any other relevant group and report the outcome of this engagement to the Finance and Resources Committee in September 2023.	Originally from a Notice of Motion by Councillor Crockett	Stephen Booth	Corporate Landlord	Resources	1.1	D	Officer's have been in contact with the groups regarding the possibility of a community asset transfer and have met with groups on site to look at the building. A comprehensive range of information has been provided to the group by both Sport Aberdeen and Council officers. At the time of the committee deadline officers had been unable to agree dates to meet the group to discuss a CAT. It is the intention to bring a full update to the next meeting.
22	Ness Landfill – Lease Proposals	The F&R Committee on 7/12/22 noted that as reported to The CG&R Committee on 21/6/22 the JV are still considering options for the site of the hydrogen production and refuelling facility. No proposal has yet been agreed by the Hub Board. an update will be provided by service update when this is agreed. Solar Park Proposal - Commercial discussions continue between the JV and the Council into the establishment of a solar park at Ness landfill site. the outcome of these discussions, assuming an agreement is reached, will be reported to the next committee.		Stephen Booth	Corporate Landlord	Resources	1.1		
23			22 November 2023						
24	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		
25	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	1.1.4	D	This will now be going to the meeting in March 2024

	A	B	C	D	E	F	G	H	I
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26	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	1.1.4		
27	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	1.1.4		
28	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		
29	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		
30	Annual Committee Effectiveness Report	To present the Annual Committee Effectiveness Report		Mark Masson	Governance	Governance	GD 8.5		
31	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.	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		
32	Denis Law Trail	The F&R Committee on 5/7/23 agreed:- (1) to instruct the Chief Officer – City Growth to develop a business case for Phase 2 delivery of the murals, including identifying external funding opportunities, and report back to Finance and Resources Committee 22 November 2023; and (2) to instruct the Chief Officer – City Growth to obtain the necessary agreements from the Denis Law Legacy Trust as noted at 5.1 of the report before proceeding to spend public money on this project to include confirmation that appropriate intellectual property rights/licences for design of the trail and images licence have been agreed for phase 2 delivery of the murals, and including identifying external funding opportunities, and report back to the Finance and Resources Committee on 22 November 2023.		Laura Paterson	City Growth	Commissioning	1.1.4		

	A	B	C	D	E	F	G	H	I
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33	Development Plan Draft Participation Statement	The Committee on 6/7/23 agreed to instruct the Chief Officer – Strategic Place Planning to report the results of the public consultation and any proposed revisions to the Draft Participation Statement to this Committee on 22 November 2023.		John Todd	Strategic Place Planning	Commissioning	3.3		
34			30 January 2024						
35	No reports at this stage								
36			13 March 2024						
37	Christmas Village Feedback Report	The Committee on 29/3/23 agreed to instruct 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.		Matthew Williams	City Growth	Commissioning	2.1 & 3.2		
38	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.	Early 2024	Gale Beattie		Commissioning			
39	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.	Early 2024	City Growth	City Growth	Commissioning			
40	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		

	A	B	C	D	E	F	G	H	I
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2									
41			08 May 2024						
42	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	May-24	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
43	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	May-24	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
44	Invest Aberdeen Update	The F&R Committee on 6 July 2023 agreed to instruct the Chief Officer – City Growth to circulate a report to the committee members by June 2024.	By June 2024	Joel Evans	City Growth	Commissioning	2.1.1 & 3.4		
45			07 August 2024						
46	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		
47	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		
48			12 September 2024						
49	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		

	A	B	C	D	E	F	G	H	I
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50	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		
51			05 November 2024						
52	No reports at this stage								
53			2024 TBC						
54	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	City Growth	City Growth	Commissioning			
55	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	Elsbeth Winram	City Growth	Commissioning	2.1.2		
56	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		
57	Newhills Additional Primary School	The F&R Committee on 17/5/23 agreed to instruct the Chief Officer – Corporate Landlord to report back to a future meeting of the Finance and Resources Committee in 2024 with the Full Business Case	TBC - 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
58			TBC						

	A	B	C	D	E	F	G	H	I
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2	Developer Obligations - Asset Plans	<p>The CG&R Committee on 26/09/19 agreed to note that the Chief Officer – Strategic Place Planning would undertake the consultation on the draft Asset Plan template as outlined within this report and report the outcomes to a future meeting of this committee.</p> <p>Council on 10/03/21 agreed that given the significant impact on the development industry in the last 12 months, to instruct the Chief Officer - Strategic Place Planning to report to the City Growth and Resources Committee by the end of 2021 on the legally binding developer obligations that have been signed with the Council</p> <p>The CG&R Committee on 3/2/22 agreed to defer this.</p> <p>The recent publication of the Draft National Planning Framework 4 (NPF4) and draft Development Plan Regulations, building on the provisions of the Planning (Scotland) Act 2019, and associated proposed infrastructure levy, may now have superseded the proposals to develop asset plans. In the absence of a clear route forward it is recommended to provide a service update when more information is known on the Scottish Governments position on the current consultations and the possible introduction of an infrastructure levy.</p>	National Planning Framework 4 was just published in February 2023, officers are looking at the implications of that in relation to Developer Obligations and the yet to be defined Infrastructure Levy including in the planning Act. (update provided by David Dunne for the 29/3/23 meeting)	David Dunne/James Welsh	Strategic Place Planning	Commissioning	3.2		
59									
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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	13 September 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Capital Programme Delivery: Projects Update
REPORT NUMBER	RES/23/284
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	John Wilson
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 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.
- 1.2 The report highlights those issues considered worthy of particular note which are specific to individual programmes/projects.
- 1.3 In addition, the report also incorporates the outcome of the recent reprofiling of the General Fund Capital Programme, which has been carried out to take account of the year end position for 22/23 and other current project related factors.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Note the status of delivery of the Section 3.0 highlighted programmes/projects contained within the approved Capital Programme.
- 2.2 Note Council on 23 August 2023 considered the Medium Term Financial Strategy which outlined the continued financial challenges facing the Council over the next 5 years.
- 2.3 Approves the reprofiled General Fund Capital funded projects/programmes as shown in Appendix B – Table 2, noting the use of the existing contingency budget in the programme.

3. CURRENT SITUATION

Background

- 3.1 At the Finance & Resources meeting held on Wednesday 1 February 2023 a new reporting content/style was submitted to inform key project updates within the approved General Fund and Housing Capital Programme. This report continues with that format and reports progress since then in terms of, but not limited to, contract/construction issues, timeline delivery and financial viability.

Union Terrace Gardens

- 3.2 Practical Completion was achieved on 22 December 2022 with the laying of turf in the lower gardens temporarily postponed, until favourable weather following the Spectra Event.
Turf works were completed in June 2023 with a period of several weeks (encircled by protective fencing) following to enable the new turf to become established. The protective fencing has since been removed.
- 3.3 Snagging works continue across the project with weekly progress updates between contracting parties.
- 3.4 A local firm, SugarBird Wines Ltd is due to be appointed as the preferred bidder for the Burns Pavilion with legal particulars to be concluded.
The Union Pavilion is currently let to the 'Our Union Street' organisation while marketing of the pavilion continues to secure a long term letting.

Countesswells Primary School

- 3.5 The Council took possession of the new building on 1 March 2023. The Countesswells School has been operating from this new building since the Spring 2023 school holiday period.
- 3.6 As reported previously, there are existing developer obligations in accordance with an agreed Section 75 agreement, however members will be aware the developer Countesswells Development Limited went into administration. Officers are still seeking clarification on what this means in relation to funding and other related commitments.

Greyhope School & Community Hub

- 3.7 The works are progressing with the construction circa 85% complete. The expectation is the school will be complete and handed over to ACC in October 2023, as planned.

Tillydrone Primary School (New Riverbank Primary School)

- 3.8 The Principal Contractor has taken possession of the site and is progressing with the detailed design, fabrication and delivery of the cross laminated timber structure elements which is a 'contractor designed portion' of the Contract. The

parties are closely monitoring this and will review the construction programme when confirmation of delivery dates are confirmed.

Bucksburn Temporary Accommodation

- 3.9 As noted in Appendix 1, this new accommodation is now in operation.
- 3.10 It has been previously highlighted that the project has experienced a number of cost pressures, which will require virement of monies from the contingency budget line. Officers are currently quantifying the extent of additional monies and in the interim it is proposed an interim budget virement is implemented from the Contingencies budget.
- 3.11 The primary reasons for this are there have been several variations which have been mainly attributed to the civils works (deeper than expected foundations and unforeseen utility diversions), and also significant legal expenses (from NYOP, the Funders Legal team, along with the requirement of specific requested technical reports).

B999 Shielhill Road Junction

- 3.12 As reported previously, the project's delivery timeline will be determined by the time taken to obtain the necessary land to build the scheme.
- 3.13 The project's land footprint is now defined. Owner verification activity is underway. Approaches for voluntary land purchase will be progressed through Summer. However, it now appears likely that the owners of some land (required for the junction improvement) are unable to be identified, because of very old title information.
- 3.14 This will likely lead to the need for a Compulsory Purchase Order (CPO) to be progressed later this year. The implications of this are that land assembly will not be completed this year, with the CPO process likely adding 12-24 months to the project programme.

South College Street Junction Improvements (Phase 1) Construction

- 3.15 Local company W M Donald has been appointed as the main contractor for the project. The main project works commenced on site in June 2022. As of the start of July 2023 all project roads and junctions have reopened.
- 3.16 The works are now substantially complete with additional lanes on Palmerston Place and South College Street between its junctions with Wellington Place and Riverside Drive fully operational. The new North Esplanade West/ Palmerston Place junction is now also in use.
- 3.17 The project required a significant number of utility apparatus diversions, a number of which lie on the work programme critical path. The majority are now complete; however, delays have been incurred due to the volume and complexity of telecoms apparatus to be diverted by Openreach.

- 3.18 While performance has been generally acceptable, seeing the majority of the project roads open on time, there continues to be a small area of incomplete works to the northeast of the new North Esplanade West/ Palmerston Place junction near Old Ford Road. This area of the site will remain inaccessible to the contractor until Openreach cables are diverted and Scottish Water undertake a repair of the combined sewer beneath. Significant effort is being made by all parties to resolve matters. This is currently delaying the second left turn lane from Palmerston Place on to North Esplanade West coming in to use until the Autumn, the timing of which is subject to performance of utility firms. To date this has not caused any traffic issues.

Energy from Waste (EfW) Construction

- 3.19 Works and commissioning are progressing and the completion date is expected imminently. As noted previously the delivery of the project to date has been hampered by several issues, both internally and externally.
- 3.20 The Principal Contractor continues to receive and manage the three councils' waste at the facility.
- 3.21 With reference to paragraph 3.19 above, the Contractor is seeking recompense through the Contract.
- 3.22 The Contractor has sought adjudications to consider several contractual matters. These are in the form of claims for both time and money. The council continues to defend its position whilst being open to seek resolution of matters outwith the adjudication/arbitration mechanisms. As claims are submitted, they are being considered in accordance with the contract between the parties and as such additional expenditure is being and will be incurred in protecting the Councils' position. At this stage these costs can be accommodated within the approved project budget.

New Mortuary at Aberdeen Royal Infirmary (ARI)

- 3.23 As noted previously work commenced on the new Mortuary at Aberdeen Royal Infirmary (ARI) on Monday 10 October 2022.
- 3.24 The project is advancing well, all ground works complete, steelwork erection has commenced with zone 1 & 2 completed, works to zone 3 near complete with zone 4 progressing.
- 3.25 Engagement with Hazlehead Academy and Mile End Primary School highlighting 'construction'. Pupils were involved in designing posters around Construction which was named 'Construction Careers'. These posters have been enlarged and placed at the site offices and on the site hoarding on Westburn Road visible to the public (Refer to picture in Appendix A). Three pupils received art sets for the categories, Innovation, creativity, and overall construction representation. This represents the start of education relationships in the area.
- 3.26 The project is planned to be complete in Spring 2024.

Complex Care

- 3.27 The Strategic Business Case for the project was approved at Finance and Resources Committee in December 2022 with the Outline Business Case approved at Finance and Resources Committee in March 2023.
- 3.28 Officers with external support have developed the design information to RIBA Stage 4. Tenders have been issued and are due back in October 2023.
- 3.29 Negotiations are ongoing with external parties to confirm the extent of grant funding which can be provided. Full planning consent has now been granted for this project.

Tillydrone Cruyff Court

- 3.30 Following the committee decision on 5 July 2023 for additional monies to be allocated to the budget, the project has been re-tendered.
- 3.31 Following a tender review process the contract has been awarded to local Contractor Hunter Construction (Aberdeen) Limited. The works are planned to commence in October 2023.

Housing Revenue Account (HRA)

- 3.32 As reported to the last committee with regard to the Council Led new housing sites, works continue to progress at the Summerhill, Kaimhill and Tillydrone projects and works have been suspended at Craighill and Kincorth.
- 3.33 As noted previously the two remaining projects at Craighill and Kincorth are at a stage where the enabling works for both projects are complete. Following the last committee decision to re-tender both projects on 5 July 2023, there is an ongoing high level value engineering exercise being carried out by the design team to consider a number of options on both sites, to try and deliver a more cost effective capital cost for each project.
- 3.34 The design works include, but are not limited to, reviewing external finishes, reducing storey heights from four storeys to three storeys on the blocks of flats. Consideration will also be given to see what cost benefits can be derived by amending the Gold Standard, either as a whole, or in part, while still retaining the majority of the benefits of the Gold standard. However it should be noted this piece of work excludes any reduction in any environmental and heat in use standards as these are seen as critical strategically going forward.
- 3.35 Consideration is also being given to phasing the sites over a longer period to reduce the short term impact on the capital budget by spreading costs over a two or three year period, with budget costs for these different options being prepared.
- 3.36 The outcome of this action will be reported to the next appropriate committee.

Summerhill New Build Housing

- 3.37 Five of the blocks at Summerhill have now been handed over with three remaining to follow. Block 6 was planned to be handed over in May 2023 however this has been delayed until later in the summer with Block 8 in Winter 2023 and the final block, Block 7, handed over in Spring 2024.

Cloverhill New Build Housing

- 3.38 The project continues to progress well on site and the first phase of 36 No. units were handed over on 1 August 2023 with a number of other phases to be handed over between then and 2026. Three commercial units were also handed over and discussions are underway with potential Tenants.
- 3.39 The next phase of 31 units is due later this calendar year. Members should refer to Communities, Housing and Public Protection Committee 5 September 2023: New Housing Cloverhill Gold Standard : report no RES/23/286, which outlines the expected benefits to be derived for the new Council tenants who will occupy this development.

Clinterty Travellers Site

- 3.40 Works commenced in October 2022 to upgrade the Gypsy Traveller site at Clinterty with a budget of £6.5m, which is circa 50% funded by the Scottish Government. The Contractor for the works is the Council's Building Services. The works are now scheduled to be completed in Autumn 2023.

Unable to be Relet (UTBR)

- 3.41 As reported previously, following a period of discussion and negotiation throughout Summer/Autumn 2022, Council Officers secured funding support grant of circa £6.15m from the Scottish Government Ukraine long term resettlement fund.
- 3.42 Three external contractors have been successful in progressing onto a framework to carry out the works. Work has been allocated to each of them that aligns with their capability and current availability of resources.
- 3.43 Work continues to progress well with approximately 400+ units now had refurbishment / repair works carried out with the orders for furnishings/white goods following where necessary. Work continues with housing colleagues to allocate the completed units to Ukrainian households as they become available. Approximately 270 units are now occupied.
- 3.44 The project is on target to be delivered ahead of programme with works completion in late Autumn 2023.

4. FINANCIAL IMPLICATIONS

- 4.1 Notwithstanding all of the above, the Chief Officer – Capital continues to review the approved Capital Programme in light of external pressures, such as, but not limited to;

- Inflation
- Energy supply and cost
- Covid 19 impacts
- War in Ukraine and
- Brexit.

4.2 There is still a significant risk that costs will increase for those projects under construction and also those in the future pipeline. Close collaboration is being maintained with finance colleagues.

4.3 Reference is also made to Appendix 5 2022/23 Reprofilling of Capital Programmes of report RES/22/152 where the general principles of the capital review are explained.

4.4 The outcome of this review is set out in Appendix B.

Medium Term Financial Strategy

4.5 Reference is made to the Medium Term Financial Strategy (MTFS) report: RES/23/250 which was approved at the Council meeting held on 23 August 2023.

4.6 That report alludes to the likelihood and creation of a “growing funding gap”.

4.7 Members are aware that the Council are obliged to deliver its obligations within a balanced budget. In the context of the approved Capital Programme, and bearing in mind paragraphs 4.1 and 4.2 above, regular consideration needs to be carried out on whether to delay, pause or cancel any projects which are still not legally committed.

4.8 Throughout the financial year the Chief Financial Officer monitors the budget and uses various controls and tools to ensure a balanced budget is delivered.

4.9 In a similar context, the Chief Officer - Capital is tasked with delivering the approved Capital Programme whilst ensuring that sufficient budgetary provision exists.

4.10 For awareness purposes, Members should note that in light of the MTFS and looking forward, there may be a need for savings having to be made from the approved Capital Programme.

4.11 Similarly should the Capital Programme commitments increase with the introduction of any new projects, with the associated funding implications this would have for the Revenue Budget, then taking cognisance of the implied growing funding gap, any necessary financial savings will have to be made from work areas across other Clusters.

4.12 This report does not make any recommendations at this point in time but simply wishes to put Members on high alert to the current financial risks related to the

approved Capital Programme and the wider affordability implications this has across the Council.

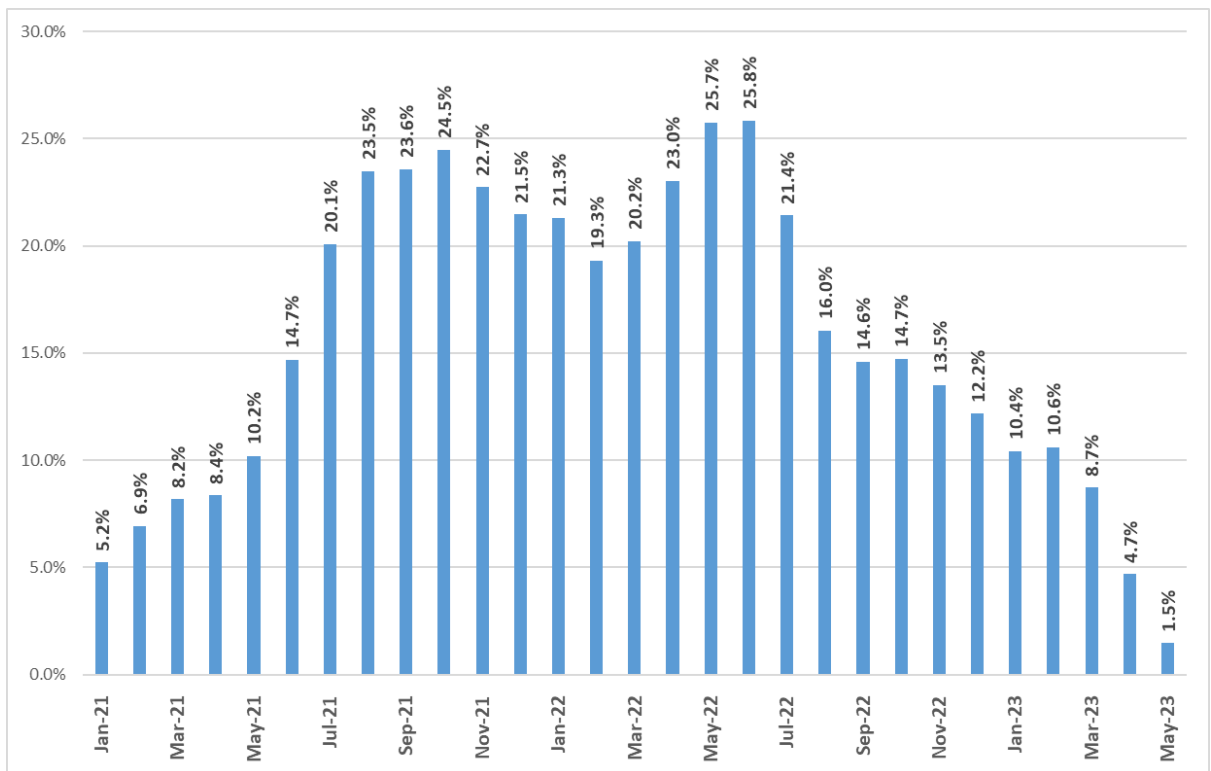
4.13 The earlier any key decisions can be made will allow more time for planning and mitigation consideration of likely impacts following on from those decisions.

Current Situation with regard to the Construction Sector

4.14 The construction sector is starting to see a more settled period but with the ever present risk of change, given external factors across the world, there is still a need to be cautious.

4.15 Broadly speaking we are starting to see the following construction trends;

- Material supply is no longer the issue it was. Data from the Department for Business, Energy, and Industrial Strategy (BEIS) Construction Material Price Indices (CMPIs) suggests that material cost is starting to level off. Refer to the following graph. However caution is still needed as there is still evidence that specific products, such as concrete, cement and plasterboard, carry a higher risk due to higher production costs.



The graph exhibits the 12 month percentage increase benchmarked against the same month a year previous – if we consider May 2023 for instance, a 1.5% increase against the same month last year (May 2022). In comparison, compare June 22 with June 21 prices, it was up to 25.8% against June 21 prices. Looking across the graph, we can see that there is a downward trend and this is encouraging.

However it does need to be kept in mind that even the latest figure of 1.5% increase means that costs remain much higher than pre 2020/21 prices.

- Labour and subcontractor markets remain challenging, which leads to limited competitive tension through the tendering process.
- Due to this volatility some packages of work, such as Mechanical and Electrical are proving difficult to predict.
- There is still a lack of tender returns for some projects.
- Inflation continues to increase general goods, commodities, and materials but at a more moderated increase looking forward. However this is at a much reduced rate compared with recent years.

All of which, when taken together, means there still remains a high risk of premium tender offers.

Key Changes in the current approved General Fund Capital Programme

- 4.16 In a period of uncertainty as we have had over the last few years and looking forward, it is important that any significant budgetary changes, where appropriate, encapsulate external scrutiny.
- 4.17 The key reasons for the change in the respective project expenditures are related to project variations and consideration and valuation of delay claims. To this end, the Capital Team have been advised by external professional organisations acting as the Contract Administrator and other support consultants, with further financial and legal advice being sought when necessary.
- 4.18 For the following listed budget lines (projects) within the approved Capital Programme please refer to appendices A and B which outlines their 'Before' and 'After' re-profiling respectively.

Riverbank Primary School

- 4.19 In light of the savings which have been realised following the decision to go out and retender the new Riverbank Primary School project, the project has been re-profiled. There are two elements to this;
1. At the Finance and Resources Committee held on 5 July 2023 the committee approved the virement of £490k from the Tillydrone Primary School project (new Riverbank Primary School) to the Tillydrone Cruyff Project. Refer to paragraph 3.30 above.

2. Following consideration of budget needs and inclusive of known risks it is considered prudent to vire a further £4.167m to the 'Contingencies' budget line.

Aberdeen Art Gallery

- 4.20 Members will recall that a dispute had crystallised between the Council and the Contractor for the Aberdeen Art Gallery. Prior to the Court of Session appearance an agreed settlement was reached to settle all outstanding issues.
- 4.21 To this end, a confidential Settlement Agreement was agreed in accordance with governance protocol. There is supporting documentation from the external Legal Advisor which informs and supports the negotiated position.
- 4.22 Now that a year has passed it is considered appropriate that the project expenditure is consolidated and the Capital aspect of the project is concluded.

This requires £1.8m to be vired from the 'Contingencies' budget line.

Milltimber Primary School

- 4.23 Now that a year has passed since achieving Practical Completion it is considered appropriate that the project expenditure is consolidated and the Capital aspect of the project is concluded.

This requires £0.3m to be vired to the 'Contingencies' budget line.

Union Terrace Gardens

- 4.24 Similarly, throughout the delivery of the project there have been necessary variations instructed and claims to be considered and quantified. To this end a negotiated settlement in accordance with our agreed governance protocols has been reached with the Contractor. There is supporting documentation from the external Contract Administrator, external Quantity Surveyor and external Legal Advisor which informs and supports the negotiated position.
- 4.25 Practical Completion was reached in December 2022 and as we near the one year anniversary it is appropriate that the project expenditure is consolidated and the Capital aspect of the project is concluded.

This requires £2.35m to be vired from the 'Contingencies' budget line.

Bucksburn Academy Temporary Accommodation

- 4.26 Updated cost estimate, refer Section 3. As noted the final cost has still to be determined but for the reasons listed it is considered prudent to vire an interim £0.34m from the 'Contingencies' budget line.

Aberdeen Hydrogen Hub (Joint Venture)

- 4.27 The re-profile of the approved budget for the Aberdeen Hydrogen Hub (Joint Venture) project is based on the expectation that the Joint Venture will ask for the remainder of the Council's budget (excluding the economic benefit funding that we have committed to providing) at the point of Financial Investment Decision (FID).
- 4.28 In essence this implies an anticipation that the project will be delivered sooner.

Bridge of Don Household Waste Recycling Centre (HWRC)

- 4.29 Following confirmation of the authority requirements, work on the initial design proposals commenced in Spring 2023. As part of this work the proposal went through a cost check, before moving onto the next design phase, to benchmark it against the allocated budget. It however highlighted a significant cost difference.
- 4.30 At that point, the design process was paused to allow a review of the proposal and consideration of value engineering options that might reduce the costs. The outcome of that review has confirmed that an increased budget will be required.
- 4.31 It is noted that there is sufficient budget in the overall Capital Programme as there is enough cover within the Contingencies budget line. At this point in time, no monies have been vired at this stage of project development.
- 4.32 To meet the authority requirements a new updated Outline Business Case (OBC) will be prepared and submitted to the next appropriate committee.
- 4.33 In the meantime, accepting that the need for the project has been justified, and the timeline for delivery is still desirable, it is the intention that the design development will continue to progress but looking to implement value engineering where viable.

New Projects

- 4.34 There are a number of projects listed under the heading 'New Projects' where their respective spend profile has been re-profiled. This is simply to acknowledge the current status of their expected delivery timelines.
- 4.35 A new project line has been created for the 'Tillydrone Cruyff Court' project. Refer to paragraph 4.19 above and also Appendix A which provides additional project information.

School Estate Indicative Budgets

- 4.36 Members are aware that within the financial period 23/24-27/28 and beyond there is a significant future capital expenditure planned programme of works related to the schools estate.

- 4.37 At this stage of the programme's delivery it is only worth noting that some design development spend may need to be brought forward to 24/25 from latter years but it is still too early to confirm whether this will happen and what financial reprofiling will be necessary.
- 4.38 At this point in time, it is proposed not to change any of the current spend profiles for the school estate programme but to note it will be amended leading up to the setting of the budget for FY 24/25.

5. LEGAL IMPLICATIONS

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

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?
Strategic Risk	Failure to manage Council finance and resources could lead to failure to achieve strategic objectives.	Regular financial reporting and monitoring activities, to incorporate financial resilience to address financial pressures arising in year is maintained and monitored.	M	Yes
Compliance	Failure to be able to comply with project requirements	Increase site visits and monitoring of the construction works. If required, review alternative options as soon as possible.	L	Yes
Operational	Balancing the pressures of finite resources both internal and external to the Council	Regular engagement between relevant Clusters within the Council along with ongoing engagement with Framework hosts, Suppliers, Procurement & Services re	M	Yes

		alternative products or delivery methods.		
Financial	Escalation of costs	Development of suitable price mechanisms. Use of Business Intelligence to predict market changes/trends. Price Increase Request Process.	M	Yes
	Differing market conditions depending on commodity/service	Market engagement/use of business intelligence to assist in predicting market changes and trends.	M	
Reputational	Programmes/projects being delayed or stopped	As above.	M	Yes
Environment / Climate	Failure to consider sustainable options due to costs.	Ensure all contracts consider environmental considerations, and early market engagement is conducted to seek market intelligence.	M	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
Impact of Report	
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	Reviewing the approved Capital Programme in light of the cost pressures resulting from external drivers, will enable the Council best to meet and prioritise the delivery of its capital funded programmes /projects.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Prosperous People Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.

Prosperous Place Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Regional and City Strategies	Reviewing the approved Capital Programme in light of the cost pressures resulting from external drivers, will enable the Council best to meet and prioritise the delivery of its capital funded programmes /projects to align with its regional and city strategies.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	For the purpose of this report which is an update on the overall Capital Programme and delivery of key projects within it, it is confirmed by Chief Officer John Wilson that no Integrated Impact Assessment is required.
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

- 10.1 Finance and Resources Committee 1 February 2023: Capital Programme Delivery : Projects Update : report no RES/23/043.

11. APPENDICES

- 11.1 Appendix A – Supporting Project Annex Information
- 11.2 Appendix B – General Fund Programme/Project Budget Tables

Table 1: General Fund Capital – Selected projects prior to reprofiling

Table 2: General Fund Capital – Projects reprofiled

12. REPORT AUTHOR CONTACT DETAILS

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Appendix A – Supporting Project Annex Information

Union Terrace Gardens

Reference is made to report RES/23/043 submitted to the Finance and Resource Committee on 1 February 2023.

Practical completion was issued in December 2022. The Union Terrace Gardens project has seen the development of three new buildings and walkway structures, path network, improved events space and landscaping and restoration of Union Terrace arches and Victorian toilets.

The main contractors project e-newsletter has been updated regularly throughout the construction period to include community updates for UTG – to view online please visit:

<https://spark.adobe.com/page/2d616dac-6ab8-4d25-884b-f52386322fe0>

1. Update since last report provided May 2023

Snagging works are drawing to a conclusion
Turfing works have concluded

Public toilets were opened but the lock mechanism for the front facing bi-fold security doors was damaged. The toilets were temporarily closed. The Principal Contractor has investigated the matter and remedial measures have been carried out to enable the toilets to be brought back into use.

Union Pavilion is currently let to the 'Our Union Street' organisation while marketing of the pavilion continues to secure a long term letting.

Sugarbird Wines Ltd is the preferred bidder for Burns Pavilion. Legal discussions are at an advanced stage while Sugarbird continue to design their fit out and secure the necessary statutory consents in advance of taking occupation.

2. Spend to end of Q1 2023/24;

Gross Budget	Spend to Date
£29.8m	£29.723m

3. Interdependencies

None

4. Progress Photographs



Countesswells Primary School

This two-stream primary school, with early years provision, was delivered in accordance with a Section 75 legal agreement dated 20 March 2016. The Council was granted ownership of the allocated site on 14 May 2021.

1. Update since last report provided at May 2023.

The project was completed and handed over to the Council on 1 March 2023. Countesswells School has been operating from this new building since the Spring 2023 holiday.

2. Planned progress in next reporting period (consider 3 months)

Snagging works will continue through the period of operational use for a period of 12 months (ending Spring 2024).

3. Spend to end of Q1 2023/24;

Gross Budget	Spend to Date
£20.5m	£19.861m

Greyhope School & Community Hub

This community hub and two-stream primary school, with early years provision, was instructed by the Education & Children’s Services Committee, on 1 March 2017, on the site of the previous Torry Academy.

The Council achieved commercial close, with its delivery partner Hub North Scotland, on 18 March 2022. Hub North Scotland have appointed Morrison Construction as its design-and-build contractor. The construction programme commenced on 25 April 2022. It is currently expected the Council will take possession of this new building, as planned, in October 2023.

1. Update since last report provided at May 2023.

The overall construction works are an estimated 85% complete. The works to the external walls, windows, doors, roof internal partitions, services, and decoration are nearing completion. Good progress has been made with the other finishing works, and the installation of the fixed furniture. Good progress has also been made with the external works to form the playground, seven-a-side pitch and car park.

2. Planned progress in next reporting period (consider 3 months).

In the next period it is anticipated that this new building will be practically completed and handed over to the Council.

3. Spend to end of Q1 2023/24.

Gross Budget	Spend to Date
£28.1m	£23.934m

4. Interdependencies

The cost of the asbestos removal and demolition of the previous Torry Academy building have been factored into the overall capital development cost of the project.

This project has met the requirements of the Regeneration Capital Grant Fund and, as a result, £2m was claimed towards the cost of this project on 31 October 2019. This grant was awarded so as to allow the development of a Community Hub which is tailored to meet the needs of the community.

Developer obligation funding of £283K has also contributed towards this project.

5. Progress Photographs



View towards main entrance, with Library on right



New pitch progress



Dining and Assembly Hall progress



Library and Cafe progress



Classroom progress



Primary 5s, 6s & 7s activity space

Tillydrone Primary School Project Update

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 Riverbank School to this new building was ratified by Members.

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.

The proposed building will take advantage of the change in level on the site, the main public entrance and reception area will be at upper ground floor level and will be accessed from Coningham Gardens. Also located on this floor is the Early Years provision and the multipurpose hall and dining facilities. All the teaching accommodation is located on the lower ground floor with all class bases afforded direct access to external space.

1. Update since last report provided at May 2023.

Robertson Construction have taken possession of the site. The contractor has continued to make progress on developing the superstructure design and is working with the manufacturer on the design, fabrication and delivery of the cross laminated structure elements. There is therefore an inherent risk around the delivery and erection of the structure at present. The local community was updated in August 2023.

2. Planned progress in next reporting period (consider 3 months)

Deliveries of the superstructure (primarily cross laminated timber) will begin with erection commencing thereafter.

3. Spend to date

Spend to the end of Q1 2023/24 is as follows:

Gross Budget	Spend to Date
£40.51m	£8.259m

4. Interdependencies

Decant of existing Riverbank School thus allowing redevelopment of the existing building to relocate St Peters (RC) School.

5. Progress Photographs

None

Bucksburn Temporary Accommodation Update

Capital funding was approved at the Budget Meeting in March 2022 to provide modular accommodation at Bucksburn Academy to meet the expected increase in pupil roll for August 2022. Bucksburn Academy was built in 2009 and was delivered as part of Aberdeen City Council's 3Rs Public Private Partnership (PPP) project which delivered 2 secondary schools and 8 primary schools. The school is operated and maintained by the 3Rs company, NYOP Education, under a PPP contract. Any short-term options to increase the capacity of the school on a non-permanent basis (e.g. the installation of modular accommodation) can only be carried out with the agreement of NYOP and funders consent.

To help facilitate progress and mitigate programme delays, ACC's Legal Team has worked very closely with NYOP to progress the contractual nature of this change which has allowed the project team to progress with the project over the last 12 months.

1. Update as of July 2023

The modular accommodation is now fully operational. The remaining works regarding the covered walkway and landscaping is to be completed over the summer holidays.

2. Spend to date

Spend to end of Q1 2023/24 is as follows:

Gross Budget	Spend to Date
£2.560m	£2.544m

3. Interdependencies

The temporary units only have planning permission for up to 5 years. The additional capacity will be accommodated within the planned permanent extension to Bucksburn Academy.

4. Progress Photographs (from July 2023)



Classroom



Installation of the units

South College Street Junction Improvements (Phase 1)

When complete the project will support the City Centre Masterplan's infrastructure strategy for bus priority measures aimed at removing the impact of congestion on bus journey times through the city centre. The project is jointly funded by Aberdeen City Council and a grant from the Scottish Government's Bus Partnership Fund.

1. Update since last report provided at May 2023 (Capital Programme Committee):

The works are now substantially complete with additional lanes on Palmerston Place and South College Street between its junctions with Wellington Place and Riverside Drive fully operational. The new North Esplanade West/ Palmerston Place junction is now also in use.

While performance has been generally acceptable, seeing the majority of the project roads open on time, there continues to be a small area of incomplete works to the northeast of the new North Esplanade West/ Palmerston Place junction near Old Ford Road. This area of the site will remain inaccessible to the contractor until Openreach cables are diverted and Scottish Water undertake a repair of the combined sewer beneath. Significant effort is being made by all parties to resolve matters. This is currently delaying the second left turn lane from Palmerston Place on to North Esplanade West coming in to use until the Autumn, subject to performance of utility firms.

2. Planned progress in next reporting period (consider 3 months):

The full opening of North Esplanade West/ Palmerston Place junction eastbound approach lanes. Commencement of project monitoring and evaluation activities.

3. Spend to the end of Q1 2023/24 is as follows

Gross Budget	Spend to Date
£10.7m	£6.570m

4. Interdependencies

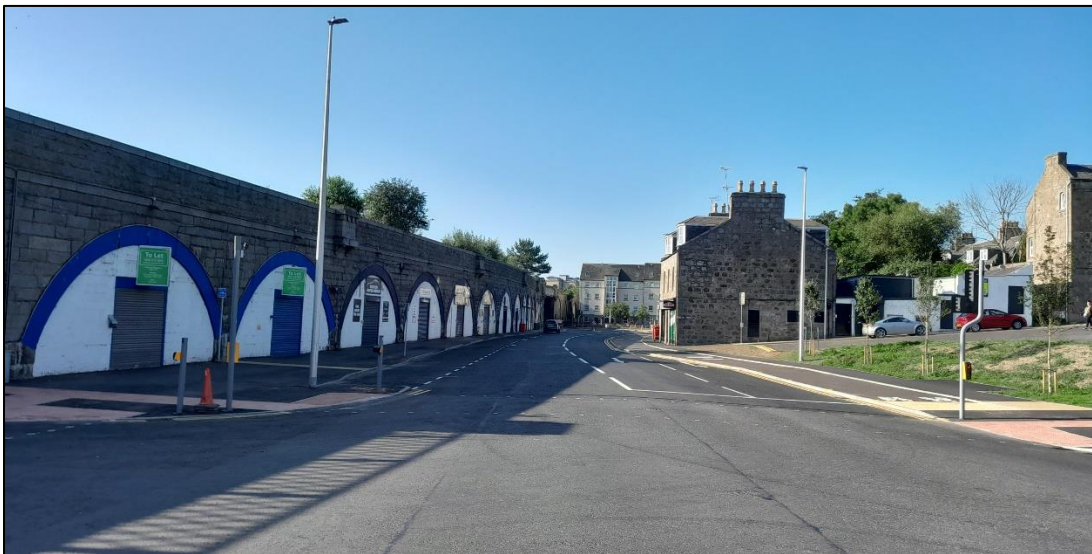
The project will support the City Centre Masterplan's infrastructure strategy for bus priority measures enabling the implementation of public realm enhancements along Guild Street and Union Street, providing alternative options to accommodate the rerouting of vehicular traffic.

The corridor's improved capacity and operation will also complement its position in the new roads hierarchy. In tandem the project will enhance infrastructure for walking and cycling along its length.

5. Progress Photographs



North Esplanade West looking toward Palmerston Place West July 2023



South College Street looking towards Bank Street July 2023



South College Street looking towards Wellington Place July 2023

NESS Energy Project Update

On 4 March 2019, the Council approved the award of the Ness Energy Project Residual Waste Treatment contract for the implementation of the Project to EFW Ness Limited, a wholly owned subsidiary of Acciona Industrial UK limited and an Inter-Authority Agreement, IAA3. Similar approvals were given by Moray Council and Aberdeenshire Council on 4 March 2019 and 7 March 2019 respectively. The contract was signed on 8 August 2019 and construction commenced shortly after.

The contract requires that EFW Ness Limited design, build and operate an energy from waste facility capable of treating 150,000 tonnes of non-recyclable waste per year and produce approximately 12MW of electricity for export to the National Grid and supply up 10MW of heat in the form of hot water to a district heating scheme to be developed separately by Aberdeen City Council.

The contract foresaw a construction period of three years and an operations period of 20 years. The construction works have been delayed in part by the Covid pandemic but also as a result of other factors.

1. Update since last report provided in May 2023.

Construction works have continued, to the point where the only significant remaining element is the aluminium tile roof which is scheduled for completion in August 2023. Hot commissioning started at the NESS Energy facility on 24 February 2023 and was completed on 5 June 2023 when the minimum 60-day trial period commenced. The trial period and associated Performance Guarantee Tests were completed on 12 August 2023. The first export of electricity to the national grid was achieved on 19 May 2023 and the facility is capable of providing hot water to the Torry District Heating network. All waste from the three councils is now being managed through the NESS facility.

2. Planned progress in next reporting period.

Substantial completion of the construction works will be achieved, final consents will be achieved and the facility will transition to the 20-year Services Phase. Day-to-day management of the facility will transfer to Indaver UK Limited, the Operating Subcontractor.

3. Spend to date

Spend to the end of Q1 2023/24 is as follows:

Gross Budget	Spend to Date
£70m	£ 58.222m

4. Interdependencies

The three councils' waste services are migrating their waste deliveries to the NESS Energy facility and the Project Team is maintaining close contact with colleagues to ensure a smooth transition.

5. Progress Photographs

View from Site Entrance August 2023





Aerial Photos – 31 August 2023







North East Scotland Joint Mortuary Project

In March 2020 the appointment of Kier Construction (PSCP) & AECOM (CA & PM), following a competitive tender process, for the development of a new facility to replace the two existing Aberdeen based mortuaries with a purpose-built facility. This new facility will be operated as a single integrated multi-partner, multi-purpose mortuary serving all providers including NHS Grampian, Aberdeen City Council, Aberdeenshire Council, Moray Council, Orkney and Shetland Island Councils, the University of Aberdeen, Crown Office Procurator Fiscal Service and Police Scotland.

The contractor started with the ground works on the 10 October 2022 which is now complete and the project is progressing well. The overall construction completion is targeted for Spring 2024.

1. Update since last report in May 2023.

Steelwork erection is on programme with Zone 1 completed. Zone 2 and 3 is progressing well against the programme. The Site entrance has been formed, Bio-Site and site pod installed with hoarding completed ready for the remaining up Forsterhill Road.

2. Works to be progressed over the next period.

- Compound hoarding, haul road and service protection for north-east new site entrance.

- Utility connections and tie-ins across Foresterhill Road.
- Removal of Speed Bump on Foresterhill Road.
- Zone 2 & 3 Steel erection completion.

3. Spend to the end of Q1 2023/24 is as follows.

Construction Budget	Spend to Date
£31m	£3.723m

4. Interdependencies

The delivery of this project will facilitate closure of the existing Council managed mortuary at Queen Street.

5. Progress Photographs

Steelwork Erection



Hazlehead Academy and Mile End Primary School artwork.

Complex Care

Individuals with learning disabilities and complex care needs require the provision of suitable, robust accommodation, which is currently unavailable within our existing housing stock. Unsuitable environments can lead to challenges in the management of need and communication, often resulting in challenging behaviour. This requires the development of sustainable and robust accommodation which will meet the profile of need for those with complex care requirements. These requirements are evidenced through good practice and wider learning on a local and national basis.

This project aims to deliver:

- 8 No. individual homes which meets the environmental specifications for individuals with complex care needs through a new build delivery approach as considered within the project options appraisal. In addition, this accommodation will provide adequate office/respice space for care provider employees who will provide 24/7 onsite support.
- Adequate community and service links to allow individuals with complex care needs to integrate and participate in their local community.
- Learning and a model for further development for unmet and future need that will allow the operating model to be as flexible as possible for the unknowns future delivery.

1. Update since last report ;

N/A

2. Planned progress in next reporting period (consider 3 months)

The project is currently out to tender.

Tender assessment

3. Spend to date

The design works and business case development undertaken to date have been funded by the Aberdeen Health and Social Care partnership.

Spend to the end of Q1 2023/24 financial is as follows:

Gross Budget	Spend to Date
£0.877m	£0.048m

4. Interdependencies

None

5. Progress Photographs

Plan



Typical Views





Tillydrone Cruyff Court

The proposed development is a replacement outdoor facility for the Tillydrone community, originally behind Alexander Terrace. The new multi-use games area which will be located on Formartine Road will ensure increased opportunities for the community to access a high quality, fit for purpose outdoor free to use facility.

1. Update since last report ;

A new budget was approved at committee and a new procurement exercise was carried out. Following tender review, the contract was awarded to Hunter Construction (Aberdeen) Limited.

2. Planned progress in next reporting period (consider 3 months)

Site commencement is expected in October 2023.

3. Spend to date

Spend to the end of Q1 2023/24 is as follows:

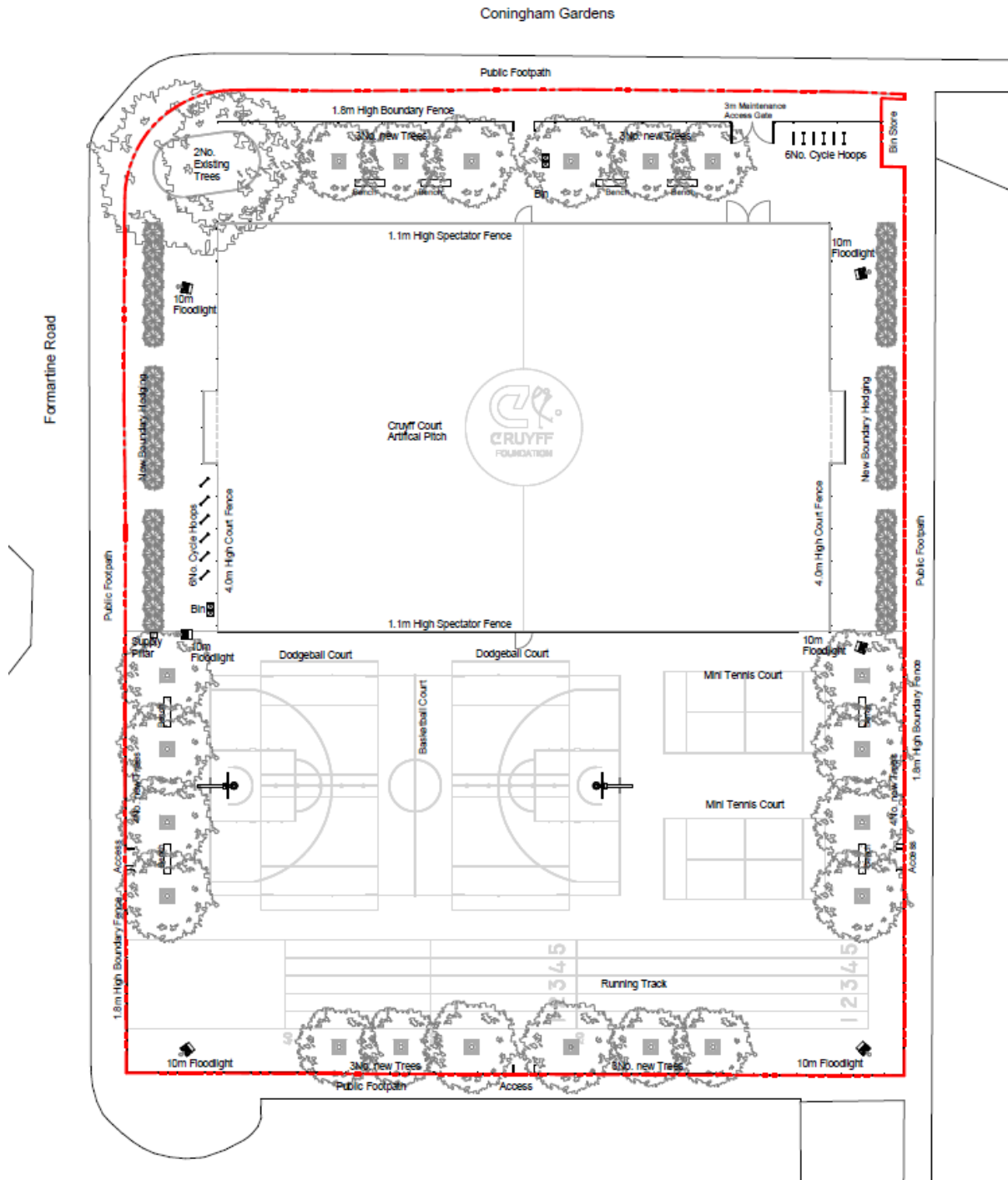
Gross Budget	Spend to Date
£0.8m	£Nil

4. Interdependencies

The outfall connection for the project is already in place at the interface where the site adjoins the new Riverbank Primary School site. The connection will be made at the appropriate stage in the construction sequencing.

5. Progress Photographs

General layout plan.



ACC Tillydrone

The Tillydrone housing project is part of the wider Aberdeen City Council Housing Programme 2022. The purpose of the wider housing programme is to address a long-term shortage of affordable social rented housing in the city.

The supply of affordable private rented sector housing has increased significantly within the city since 2014 and efforts now need to concentrate on addressing the continuing shortage of affordable social rented housing. Therefore, Aberdeen City Council (ACC) is undertaking a new build housing programme which presents an opportunity to create 21st century housing that is high quality, economic, sustainable, energy efficient and incorporates a degree of flexibility to meet the future needs of tenants.

The proposed new development is located on the former St Machar Primary School in the Tillydrone area of Aberdeen. The site is bound on the North by Aberdon Court, the East by Tillydrone Avenue, the South by Harris Drive and the West by West by Conningham Terrace and the boundary with the new Riverbank Primary School site.

CHAP Construction have been appointed as the Principal Contractor responsible for construction, with works commencing on 22/11/2021.

1. Update since last report provided in May 2023

The Tillydrone housing project is progressing well, with internal works ongoing to Block 6 and 9. Superstructure works remain ongoing for Blocks 1,2,3,4,7 & 8. The programme is currently 2 weeks behind schedule due to inclement weather conditions which hampered the contractor's ability to progress superstructure works. They will aim to accelerate works where appropriate to bring the project back in line with the contract programme.

The contractor has provided the sample room for ACC review and approve.

2. Planned progress in next reporting period (consider 3 months)

Works on site continue with all blocks progressing however currently there is still a minor delay to the overall handover which is programmed for Spring 2024. Discussions are currently ongoing in relation to the partial possession of the South site prior to completion of the North site as the opportunity will depend on the completion of the required utilities. It is anticipated that the South site will be available for handover in Winter 2023 and the protocols to potentially allow this to happen are under review.

3. Spend to date

Spend to end of Q1 2023/24 is as follows:

Gross Budget	Spend to Date
£24.7m	£11.837m

4. Interdependencies

The project requires Aberdeen Heat and Power to extend the supply network to the boundary of the site, which will allow connection to the site distribution network.

5. Progress Photographs



ACC Kaimhill Project Update

The project is to construct a mix of 35 no. bungalow's/housing units to Gold Standard, this will be across 9 blocks and also include a new community play park and community green space. The site is greenfield albeit a bowling green and tennis court habiting the plot prior to construction.

In Spring 2022, Principal Contractor was given access to the site to commence the works. All planning pre-commencement conditions have been approved, discharging Condition 1 from planning.

Works have been progressing well, on-site services (water, electricity and sprinkler) works, and Ground Source Heat Pump (GSHP) works ongoing.

Faithful + Gould are currently supporting ACC to secure the grant funding from the Scottish Government (SG) for the GSHP's. Mott MacDonald have been appointed as the SG's engineer to review the installation process and provide evidence of the ongoing works.

The majority of substructure and timber kit works (Blocks 2 – 9) are fully erected and fit out has commenced. Internal joiner works and Mechanical/Electrical/Plumbing (MEP) 1st fix have commenced for Blocks 2 – 9 along and the majority of roofing works completed. Block 1 timber kit erection is ongoing.

The updated project programme has been reviewed with the Principal Contractor and it has been advised that the project will still complete late Autumn 2023 This will allow ACC Housing colleagues to undertake lettings early 2024.

The expected handover date is being coordinated with relevant colleagues within the Aberdeen City Council.

1. Update since last report provided in May 2023

The Kaimhill site is progressing well with the majority of the buildings starting to be made watertight.

Block 3 through to block 2 substructure masonry, internal drainage & services and floor slabs complete. Block 1 substructure works to follow on now that the new play park has opened to the public.

On site utilities commenced in March 2023. Section 56 off-site works at Inchbrae Drive also commenced in March and were completed in August. The off-site pumping main works are now following.

Blocks 3 – 9 timber kits are complete including window & external door installations. External superstructure snagging is complete to Block 3 with Blocks 4 & 5 ongoing.

Block 2 timber kit erect ongoing with Block 1 to follow on now that the new play park is open, and the old play park has been dismantled ready for ACC to collect.

Roof works complete to blocks 3-5; block 6 ongoing.

Internally, 1st fix joiner / plumbing / heating / electrical complete on blocks 3-7.
1st fix ventilation works ongoing to blocks 3-6 in advance of Ames taping.

2. Planned progress in next reporting period (consider 3 months)

Within the next month, all timber kit works will be complete, blocks 3 – 5 plant rooms will be complete, and water supply will be live to all plots. Wayleaves are due to be processed by ACC legal to allow the site to go live and testing / commissioning to commence by the Principal Contractor.

ACC maintenance team will be invited to have a tutorial on the operation of the GSHP's.

By late Autumn 2023, all blocks are estimated to be fully complete for handover and external road works / landscaping will be complete. This will tie in with ACC's expectations to have tenants entering by January / February 2024.

3. Spend to end of Q1 2023/24 date

Gross Budget	Spend to Date
£13.8m	£9.129m

4. Interdependencies

None

5. Progress Photographs





ACC Summerhill Project Update

The project is to construct 369 housing units, this will be across 8 blocks with a mix of one, two and three bedroom flats. The site is brownfield, formerly the location of Summerhill Academy. The Principal Contractor for the works is Chap Construction Ltd.

1. Update since last report provided in May 2023

Handover dates and project position for remaining blocks:

Blocks 1 + 2: Handover Complete (14.11.22)

Block 5: Handover Complete (12.12.22)

Block 3: Handover Complete (6 February 2023)

Block 4: Handover Complete (20 February 2023)

Block 6: Summer 2023

Block 8: Winter 2023

Block 7: Spring 2024

Block 6: Handover imminent pending conclusion of Building Warrant completion certificate.

Block 8 & 7:

While external works are behind programme, internal works are advanced beyond programme mitigating potential delay. Works progress well, but buildability of external walkways may impact progress. Block 8 is due to be handed over in early Winter 2023 and Block 7 in Spring 2024.

The Lang Stracht/Stronsay Drive junction works are mostly complete and opened to the public; minor works have been completed in the last period, with minor snagging. Works at new road junctions between the development and Stronsay Drive should be completed in the next period.

2. Planned progress in next reporting period (consider 3 months)

As noted above.

3. Spend to end of Q1 2023/24

Gross Budget	Spend to Date
£57.8m	£51.495m





ACC: Cloverhill Project Update

The Cloverhill site forms part of the wider Aberdeen City Council Housing Programme to deliver 2000 additional council homes. Cloverhill provides a total of 536 units, 3 commercial units, community centre, football pitch and public park areas in the Bridge of Don area of the city.

Cloverhill is a Developer lead scheme presented by Bancon Homes Limited comprising of 536 units. Bancon started on site on the 7 February 2022, the Practical Completion date for the Project is the Autumn 2026. The Project will be delivered over phases as follows;

- Section 1 Build - Flats (36 units, 3 shops) - Summer 2023
- Section 2 Build - Semi/terrace Mix (31 units) - Autumn 2023
- Section 3 Build - Flats & Semi/terrace mix (10 + 48 units) incl comm hall - Spring 2024
- Section 1A Build - Semi/terrace mix (43 units) – Winter 2023
- Section 7 Build - Semi/terrace mix (30 units) – Summer 2026
- Section 8 Build - Semi/terrace mix (23 units) – Autumn 2026
- Section 5A Build - Semi/terrace mix (34 units) & Sports Pitch – Summer 2026

- Section 4 Build - Semi/terrace mix (35 units) – Autumn 2024
- Section 2A Build - Semi/terrace mix (36 units) – Summer 2025
- Section 5 Build - Semi/terrace mix (58 units) – Summer 2025
- Section 6 Build - Semi/terrace mix (70 units) – Winter 2025

Section 3A Build - Flats, Semi/terrace mix (24 +21 units) – Autumn 2024
Section 4A Build - Semi/terrace mix (37 units) – Winter 2025

1. Update since last provided in May 2023

Cloverhill site is progressing well It was agreed to extend the handover of phase 1 to end of June 2023 and, phase 2,3,1a and 3a have also been pushed out as well.

Phase 1 handover went ahead as planned with the completion of the first 36 units.

2. Planned progress in next reporting period (consider 3 months)

There is no change to the overall project programme and works will continue to meet the planned phased delivery .

3. Spend to date

Spend to end of Q1 2023/24:

Contract Sum	Spend to Date
£137.5m	£53.262m

4. Site Progress Photographs

External Project Images





ACC Greenferns

The Greenferns site is a 73.6ha site located on the eastern boundary of the city between Bucksburn and Sheddocksley. The Greenferns site is included as an Opportunity Site (Ref: OP 33 & 28) within the adopted Aberdeen Local Development Plan (2017) (ALDP).

The allocation establishes the principle of developing the site as an extension of the city boundary for around 1,470 homes and 10 hectares of employment land. The site is owned by ACC. The site forms an important contribution to the city's future housing and employment land requirements ensuring the area has enough new homes and employment land requirements.

It is anticipated that the overall development of the site will take place over a number of years depending on demand for private housing sites from housing developers, but it is anticipated that this location will positively contribute to the continued growth of the city over the next decade and beyond.

As part of the housing programme ACC identified the opportunity to provide additional social housing and have identified the opportunity to bring forward around 350 new

social rented homes as part of the overall development in the early phases of the project with the potential for further social rented units being provided as part of the subsequent phases of the development.

1. Update since last Report in May 2023

The Planning Permission in Principle was lodged in February 2023 and the project is currently progressing well through the normal statutory review process in line with normal practice. ACC Negotiations have been ongoing with ACC Planning to finalise the conditions to be attached to the planning consent along with agreeing developer contributions. ACC Planning have indicated that the matter should go to Committee in Autumn 2023 for consideration. A Section 75 agreement will require to be agreed to regularise the future development of the site when further detailed planning applications are lodged in due course.

2. Planned progress in next reporting period (consider 3 months)

The detailed design work for phase 1 of the project along with the site wide infrastructure is now progressing along with the review of the most appropriate approach to providing energy for heating to the scheme in line with the Council's aim of hitting their sustainability targets. It is anticipated that Planning Permission in Principle will be submitted in Autumn 2023 with the detailed planning application for the phase 1 of the housing development to be lodged towards the end of 2023.

Site Photograph



ACC Greenferns Landward

The Greenferns Landward site extends to approximately 69.6ha and is located in the Newhills area to the northwest of Aberdeen. The site is predominantly in agricultural use at the present time.

The Greenferns Landward site is included as an Opportunity Site (Ref: OP22) within the adopted Aberdeen Local Development Plan (2017). This establishes the principle of developing the site for around 1,500 new homes. The site therefore forms an important contribution to meeting the City's housing land requirements, ensuring the area has enough new homes to meet demand.

It is anticipated that the overall development of the site will take place over a number of years depending on demand for private housing sites from housing developers, but it is anticipated that this location will positively contribute to the continued growth of the city over the next decade and beyond.

As part of the housing programme ACC identified the opportunity to provide additional social housing and have identified the opportunity to bring forward around 150 new social rented homes as part of the overall development in the early phases of the project with the potential for further social rented units being provided as part of the subsequent phases of the development.

1. Update since last report provided in May 2023

Design progress has been slower than anticipated mainly due to potential issues around traffic capacity in the local road network and the broader road network upgrade requirements needed as part of the larger Newhills Development Framework. The desire for a north/ south link road through all the developments in the Development Framework means that the key junction points require to be agreed for the road through Greenferns Landward. This work remains ongoing, and negotiations continue with ACC Roads.

An in principle agreement is now in place with ACC Planning to move forward with a Planning Permission in Principle for a smaller number of housing units (435 No.). The Transport Assessment will be scoped and undertaken on this basis. The location of this allocation will allow the design team to review the earthwork and site platforming strategy that is a key part of the development of the masterplan. The masterplan will be completed for the entire site to ensure the future development of the site is not compromised when only one portion of the site is brought forward under the Planning Permission in Principle.

2. Planned progress in next reporting period (consider 3 months)

Work is ongoing with ACC Roads and the design team to agree an acceptable solution that will allow the overall masterplan to be developed. The overall project programme has been delayed and it is anticipated that the Planning Permission in Principle will be submitted in Winter 2023.

Site Photograph



Clinterty Travellers Site Project Update

The site redevelopment will increase caravan capacity whilst retaining the provision of 21 individual plots. A mixture of plot sizes will be provided to ensure the site meets the needs of the travelling community.

Each plot has an amenity building providing cooking, washing and storage spaces.

The proposed development has been designed to meet the Scottish Government Interim Site Design Guide for Gypsy/Traveller Sites in Scotland.

The Contractor for the works is the Council's Building Services.

1. Update since last report provided in May 2023.

All 21 No. amenity blocks have been installed awaiting commissioning by the supplier. Civil and utility works have continued throughout the site.

2. Planned progress in next reporting period (consider 3 months)

Practical Completion of the project is expected with residents expected to return as soon as practical thereafter.

3. Spend to date

Spend to the end of Q1 2023/24 financial is as follows:

Gross Budget	Spend to Date
£6.48m	£2.977m

4. Interdependencies

None.

5. Progress Photographs

August 2023



Bridge of Don House Waste Recycling Centre - Project Update

The current Bridge of Don Household Waste and Recycling Centre (HWRC) at Scotstown Road, built several decades ago in Bridge of Don, is no longer fit for purpose in regard to the size of site and its location.

A replacement HWRC was identified in the Waste Strategy 2014-2025 under Target 4 to develop facilities within the Aberdeen area to recover our resources (unwanted materials). There is a requirement to construct a modern HWRC to cater to high traffic levels and collect a wider range of recyclable materials.

Opportunity site (OP13) is identified in the current Aberdeen Local Development Plan (ALDP 2017) and the Proposed Aberdeen Local Development Plan (ALDP 2020) for the replacement HWRC at the former Aberdeen Exhibition & Conference Centre (AECC) site. OP13 is safeguarded for waste-related uses under extant Policy R4: Sites for New Waste Management Facilities, this safeguarding of OP13 has been carried through to the ALDP under Proposed Policy R3: New Waste Management Facilities.

1. Project Update August 2023.

The design team has been appointed and are preparing the proposal to comply with Operations and Protective Services requirements.

Initial proposals have been developed and a cost check has been carried out. This has highlighted that the allocated budget is insufficient.

2. Planned progress in next reporting period (consider 3 months)

Prepare a revised outline business case covering the need for the facility and detailing the additional funds required to complete the project and submit this to the next appropriate Committee for consideration.

3. Spend to date

Spend to the end of Q1 2023/24 financial is as follows:

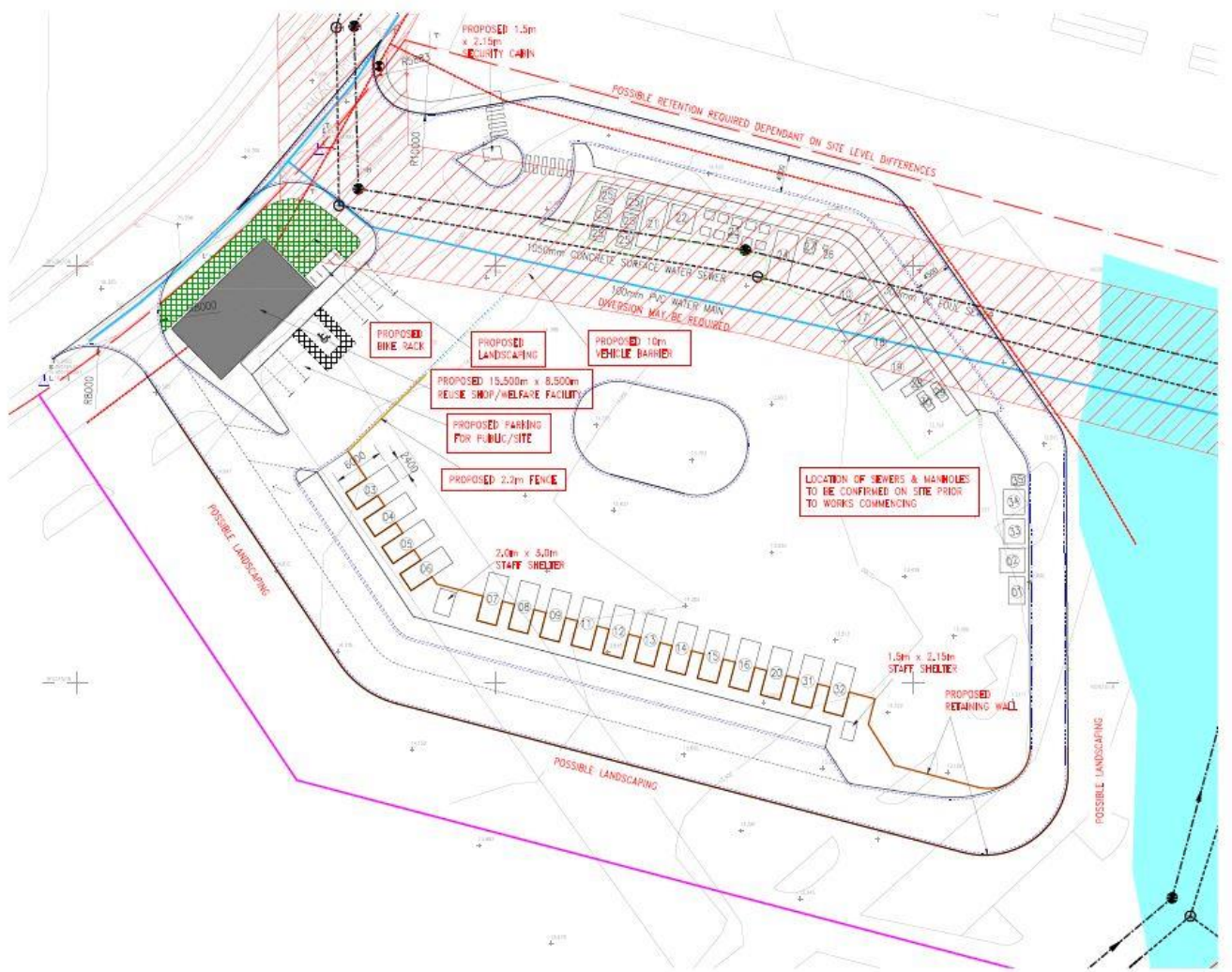
Gross Budget	Spend to Date
£2.88m	£0.022m

4. Interdependencies

None.

5. Progress Photographs

Draft proposal



Appendix B - General Fund Programme/Project Budget Tables

Table 1: General Fund Capital – Selected projects prior to reprofiling

Updated General Fund Capital Programme		Budget	Budget	Budget	Budget	Budget
		2023/24	2024/25	2025/26	2026/27	2027/28
BEFORE RE-PROFILING		Year1	Year2	Year3	Year4	Year5
NHCP No.		£'000	£'000	£'000	£'000	£'000
Fully Legally Committed Projects						
799B	Art Gallery Redevelopment - Main Contract (HLF)	0	0	0	0	0
809	New Milltimber Primary	788	0	0	0	0
824	Union Terrace Gardens	385	0	0	0	0
840	Tillydrone Primary School	21,857	11,700	0	0	0
896	Bucksburn Academy Extension (temporary solution)	205	0	0	0	0
		23,235	11,700	0	0	0
Partially Legally Committed Projects						
891	Aberdeen Hydrogen Hub (Joint Venture)	13,163	4,400	0	0	0
		13,163	4,400	0	0	0
Projects with indicative budgets						
999	Contingency	5,473	4,207	4,500	0	0
		5,473	4,207	4,500	0	0
New Projects - Roads Investment						
933	Installation of New Bus Shelters	142	142	142	142	142
		142	142	142	142	142
New Projects - Other						
936	Kittybrewster Feasibility and Condition Suitability	1,000	2,000	0	0	0
937	Extend Aberdeen's district heating network - Market Street Link	1,150	5,000	2,900	16,490	9,000
944	Asset Rationalisation - Site Preparation & Clearance Tillydrone Cruyff Court	1,500	2,500	1,300	0	0
		3,650	9,500	4,200	16,490	9,000
	Totals	45,663	29,949	8,842	16,632	9,142

Table 2: General Fund Capital – Projects reprofiled

Updated General Fund Capital Programme		Budget	Budget	Budget	Budget	Budget
		2023/24	2024/25	2025/26	2026/27	2027/28
AFTER RE-PROFILING		Year1	Year2	Year3	Year4	Year5
NHCP No.		£'000	£'000	£'000	£'000	£'000
Fully Legally Committed Projects						
799B	Art Gallery Redevelopment - Main Contract (HLF)	1,800	0	0	0	0
809	New Milltimber Primary	488	0	0	0	0
824	Union Terrace Gardens	2,735	0	0	0	0
840	Tillydrone Primary School	12,000	16,400	500	0	0
896	Bucksburn Academy Extension (temporary solution)	545	0	0	0	0
		17,568	16,400	500	0	0
Partially Legally Committed Projects						
891	Aberdeen Hydrogen Hub (Joint Venture)	16,900	378	160	125	0
		16,900	378	160	125	0
Projects with indicative budgets						
999	Contingency	5,450	4,207	4,500	0	0
		5,450	4,207	4,500	0	0
New Projects - Roads Investment						
933	Installation of New Bus Shelters	70	214	142	142	142
		70	214	142	142	142
New Projects - Other						
936	Kittybrewster Feasibility and Condition Suitability	50	2,950	0	0	0
937	Extend Aberdeen's district heating network - Market Street Link	1,150	5,000	16,480	5,960	5,950
944	Asset Rationalisation - Site Preparation & Clearance	500	3,500	1,300	0	0
	Tillydrone Cruyff Court	490				
		2,190	11,450	17,780	5,960	5,950
Totals		42,178	32,649	23,082	6,227	6,092

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	13 September 2023
EXEMPT	The covering report is not exempt, however the content of Appendix 1 is exempt under paragraph 6 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973
CONFIDENTIAL	No
REPORT TITLE	District Heating – Network Expansion / Waste Heat Utilisation (City Centre Link)
REPORT NUMBER	COM/23/290
DIRECTOR	Gale Beattie
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Barry Davidson
TERMS OF REFERENCE	1.1.5

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present details of the proposed project to expand the district heating network and connect the network to a low carbon heat source.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Authorise the Head of Commercial and Procurement to undertake a procurement exercise to commission a feasibility study (to include network design to RIBA stage 3) and outline business case for Phase 1 of this project; and
- 2.2 Instructs the Head of Commercial and Procurement to explore external funding sources to support the capital delivery of this project and to report the outcomes of recommendations 2.1 and 2.2 to this Committee during Q3 2024.

3. CURRENT SITUATION

Background

- 3.1 Aberdeen City Council had a vision over 20 years ago to create a city wide network of low carbon heat sources to alleviate fuel poverty in the city.
- 3.2 Aberdeen Heat and Power Company Ltd (known as Aberdeen Heat and Power) was developed as an arm's length external organisation of Aberdeen City Council with the principal aim of providing affordable heat and reducing fuel

poverty in multi-storey domestic properties through the installation of district heating using gas fuelled combined heat and power (CHP) generators.

- 3.3 Producing district heating using gas fuelled CHP generators has reduced the overall impact of carbon emissions from heating and hot water demand in properties connected to the district heating network. Now there is a requirement to transition from gas to other forms of low/zero carbon alternatives in order to meet the Scottish Government emission reduction target of Net Zero by 2045 and deliver Aberdeen City Council’s own Climate Change Plan targets.

Project Proposal

- 3.4 To meet the Scottish Government’s Net Zero target, and the Council’s Net Zero vision, Aberdeen City Council and Aberdeen Heat and Power have ambitions to reduce the carbon emissions produced from district heating through a phased programme of network expansion and decarbonisation of the current gas fuelled district heating energy centres using hybrid heat sources such as energy from waste, waste heat from fish processing, and waste heat from hydrogen production to provide low carbon heat and hot water to domestic, commercial and industrial properties.
- 3.5 The expansion of the district heating network and the connection to a low carbon heat source will provide connected households with access to affordable heat and support the alleviation of fuel poverty.
- 3.6 It is anticipated that the project will be delivered over three phases and the proposed network phasing map can be found in Appendix 1 to this report (note that the network routings and connections shown in the map are indicative only and will be subject to the outcome of detailed feasibility studies).
- 3.7 The recommendations in this report apply to Phase 1 only which considers the utilisation of heat production from the NESS Energy from Waste (EfW) plant in Torry.
- 3.8 Heat demand modelling in the Torry area identified that only a small portion of the available heat from the EfW plant will be utilised in the local Torry area (the Torry Heat Network) and therefore there is capacity to distribute heat to the existing city centre heating network and to support further network expansion.
- 3.9 Phase 1 will initially develop the localised heat network within Torry to connect to the existing heating networks within Aberdeen City Centre and Seaton schemes. The indicative schedule to deliver the recommendations in Section 2.1 and 2.2 of this report are as follows:

Activity	Date
Publish contract notice on Public Contracts Scotland	Sep 2023
Publish contract award notice on Public Contracts Scotland	Nov 2023
Feasibility study completion	May 2024
Outline business case completion	July 2024
Report outcomes to Finance and Resources Committee	Q3 2024

- 3.10 Potential heat sources identified for Phase 2 and Phase 3 (referred to in Appendix 1) will provide for the continued network expansion across the city delivering heat and hot water for domestic, commercial, and industrial use.
- 3.11 Recommendations relating to Phase 2 and Phase 3 of the project will be the subject of a future report(s) to this Committee.

4. FINANCIAL IMPLICATIONS

- 4.1 The cost to develop the Phase 1 feasibility study and produce an outline business case would be met from existing budget NHCP 937 (the General Fund Capital Programme, as approved at the Council budget meeting on 1 March 2023, included £34.5m capital funding for this project).
- 4.2 In addition to Council funding, Council officers are exploring external funding sources including grant funding from the Scottish Government Heat Network Support Unit (funding of up to 100% of development costs for detailed feasibility studies up to a value not exceeding £50k and up to 50% of development costs for detailed project development, i.e. outline business cases is available from the fund). Grant funding from the Scottish Government Heat Network Fund and/or Just Transition Fund, would also be sought to support the capital delivery of this project and the outcome of any bid will be reported to Committee.

5. LEGAL IMPLICATIONS

- 5.1 The proposed investment by the Council as a public authority (previously “the state” under State Aid rules) to create a heat network is considered likely to be a low subsidy control compliance risk due to the clear compliance with Scottish and UK policy with regard to the creation of low carbon heat networks.
- 5.2 This assessment draws on the Council’s past experience in relation to the Torry Heat Network. However due to legislative changes since then, an assessment will be completed to ensure the current proposals are compliant with current legislation. This includes the Heat Networks (Scotland) Act 2021 and the Heat Networks (Metering and Billing) Regulations 2014.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 Whilst there are no direct environmental implications arising from the recommendations of this report, the delivery of this project will lead to a significant reduction in the use of fossil fuels within the district heating network and have a positive impact on the Council’s carbon reduction and net zero targets.

7. RISK

- 7.1 The recommendations contained within this report and the assessment of risk contained within the table below have been carefully considered against the Council's Risk Appetite Statement. The proposals set out in the recommendations are consistent with the Council's approved risk appetite statement.
- 7.2 The table below provides a summary of the risks identified at the time of writing and it is anticipated that the table will be refreshed to reflect the outcomes of the Phase 1 feasibility study and outline business case.
- 7.3 The risk ratings specified reflect the risk level post-mitigation and assume that the control actions identified will be implemented and completed.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) <small>*taking into account controls/control actions</small>	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Potential for non-delivery of the heat network extension / connection to a low carbon heat source would negatively impact on the development of a low carbon regional economy, delaying the transition to net zero and leaving residents and businesses exposed to rising energy prices and market volatility	This project would support the Council to deliver this strategic objective and align with the LOIP and Local Heat and Energy Efficiency Strategy (LHEES) Ensure that the heat network expansion routes are viable in terms of maximising heat connections, capitalising on available waste heat, design resilience into the heat network and ensuring that domestic customers are protected through Heat Trust	L	Yes

Compliance	Subsidy control and grant funding	Full legal review of funding proposals for compliance with subsidy control requirements and any grant funding conditions will be undertaken	L	Yes
	Delay in securing legal rights to lay the heat network infrastructure over jointly owned property (including a right of access for operation and maintenance)	Ensure that the project delivery programme allows sufficient time for rights to be secured	M	
	Compliance with future Heat Network legislation	Continue to monitor any changes that may have an impact on the delivery of the project	L	
Operational	Operation and maintenance of the network	All operation and maintenance of the network to be undertaken by Aberdeen Heat and Power	L	Yes
Financial	There is a risk that all three phases of the project cannot be delivered without securing additional funding	In addition to the existing budget (NHCP 937), Council officers are exploring external funding options including the Scottish Government Heat Network Fund and the Just Transition Fund	M	Yes

	<p>There is also a risk that the tendered costs will be higher than currently estimated</p>	<p>A contingency sum has been built into the project budget to manage this risk and more accurate costings will be available following the completion of the feasibility study and outline business case</p> <p>In the event that the budget is exceeded, a range of options including external funding (capital grant/capital loan) will be presented to the Council</p> <p>Consideration will also be given to the project phasing, for example commercial connections could be prioritised to offset the capital costs required to deliver the project</p>		
Reputational	<p>Non delivery of this project would damage the city's reputation as an exemplar of best practice in low carbon heat supply</p>	<p>This project would support the Council to deliver this strategic objective</p>	L	Yes
Environment / Climate	<p>Non delivery of this project will have a significantly adverse</p>	<p>This project would support the Council to deliver this strategic objective</p>	L	Yes

	impact on the City's carbon emissions and net zero targets			
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8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement</p> <p><u>Working in Partnership for Aberdeen</u></p>	<p>The proposals within this report support the delivery of the following aspects of the policy statement:-</p> <p><u>Building a Greener and Sustainable City</u></p> <ul style="list-style-type: none"> - 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. - 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. <p><u>Homes for the Future</u></p> <ul style="list-style-type: none"> - The project will support the Partnership commitment to extend Aberdeen's district heating network, to offer affordable warmth and help alleviate fuel poverty.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The proposals within this report will support the delivery of the following LOIP Stretch Outcomes:</p> <ol style="list-style-type: none"> 1. No one will suffer due to poverty by 2026: <ul style="list-style-type: none"> - The expansion of the district heating network and the connection to a low carbon heat source, will provide connected households with access to affordable heat and support the alleviation of fuel poverty across the city. 2. 400 unemployed Aberdeen City residents supported into fair work by 2026:

	<ul style="list-style-type: none"> - The construction programme for this district heating project will support the local economy and provide training and employment opportunities.
Prosperous People Stretch Outcomes	<p>The proposals within this report will support the delivery of the following LOIP Stretch Outcomes:</p> <p>11. Healthy life expectancy (time lived in good health) is five years longer by 2026:</p> <ul style="list-style-type: none"> - The most common physical health impacts experienced by those living in cold homes are respiratory and circulatory illnesses. The availability of affordable heating will contribute towards the meeting of this objective.
Prosperous Place Stretch Outcomes	<p>The proposals within this report will support the delivery of the following LOIP Stretch Outcomes:</p> <p>13. Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% and adapting to the impacts of our changing climate:</p> <ul style="list-style-type: none"> - The expansion of the district heating network and the utilisation of waste heat will allow the current gas fuelled heating systems to be replaced by hot water produced from the EfW plant, this has the potential to save 7,332,000 kg of carbon dioxide, (a reduction of ~89% in carbon emissions) from the existing network. Further carbon reductions will be achieved as new connections are added to the network.
<p>Regional and City Strategies</p> <p><u>City Strategies</u></p> <p>Climate Change Plan 2021-2025</p>	<p>The proposals within this report will support the delivery of the following City Strategies:</p> <p>Extending the district heating network and connecting to a low carbon heat source will support the Council's transition to net zero and interim targets for a reduction in carbon emissions.</p>

Buildings and Heat Strategy (Net Zero Aberdeen)	The proposals within this report will accelerate the switch to low carbon heating and hot water and support the journey to net zero.
Local Housing Strategy 2018-2023	Extending the district heating network and connecting to a low carbon heat source will support strategic outcome 5 of the Local Housing Strategy – “fuel poverty is reduced which contributes to meeting climate change targets”.
<u>Council Strategies</u>	The proposals within this report will support the delivery of the following Council Strategies:
Medium Term Financial Strategy / TOM 1.2 Transformation Programme	Revenue generation through the sale of heat will support the delivery of the TOM 1.2 Transformation Programme and contribute towards addressing the funding shortfall identified in the Medium Term Financial Strategy. Security of a low-cost heat supply will reduce the Council’s dependency on imported fuels and exposure to volatile energy markets and will support the delivery of the TOM 1.2 Transformation Programme and contribute towards addressing the funding shortfall identified in the Medium Term Financial Strategy.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required for this report. An Integrated Impact Assessment will be submitted following the completion of the feasibility study.
Data Protection Impact Assessment	Not necessary for this report.
Other	No additional impact assessments have been completed for this report.

10. BACKGROUND PAPERS

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

- Net Zero Vision and Infrastructure Plan – PLA/20/088 – Urgent Business Committee – 6 May 2020;
- Torry Heat Network – Third Progress Report – RES/20/172 – City Growth and Resources Committee – 28 October 2020;
- Torry Heat Network – Fourth Progress Report – RES/22/204 – City Growth and Resources Committee – 21 September 2022; and
- General Fund Revenue Budget and Capital Programme 2023/24 to 2027/28 – RES/23/085 – 1 March 2023

11. APPENDICES

11.1 Appendix 1 – Proposed Network Phasing Map

12. REPORT AUTHOR CONTACT DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	13 September 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Joint Procurement Strategy 2023-2026
REPORT NUMBER	COM/23/266
DIRECTOR	Gale Beattie
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Mel Mackenzie
TERMS OF REFERENCE	2.1.5

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to present the Joint Procurement Strategy 2023-2026 (Appendix A) to committee for approval.,

2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Approve the Joint Procurement Strategy 2023–2026 (Appendix A); and
- 2.2 Note that the Joint Procurement Strategy 2023-2026 will be published once approved by Aberdeenshire Council and The Highland Council.

3. CURRENT SITUATION

- 3.1 Procurement within the public sector in Scotland is governed by Procurement Legislation. Under the Procurement Reform (Scotland) Act 2014 each organisation with a spend of £5,000,000 or greater on regulated procurements in the next financial year must produce a procurement strategy, or to review an existing strategy for the current financial year and make revisions as appropriate. The Procurement Strategy must include statements about how the Council(s) will contribute to the following themes:

- the carrying out of organisational functions and purpose;
- the delivery of value for money; and
- how procurements will be conducted in accordance with general duties which include the sustainable procurement duty

The procurement strategy must also include statements about policy on:

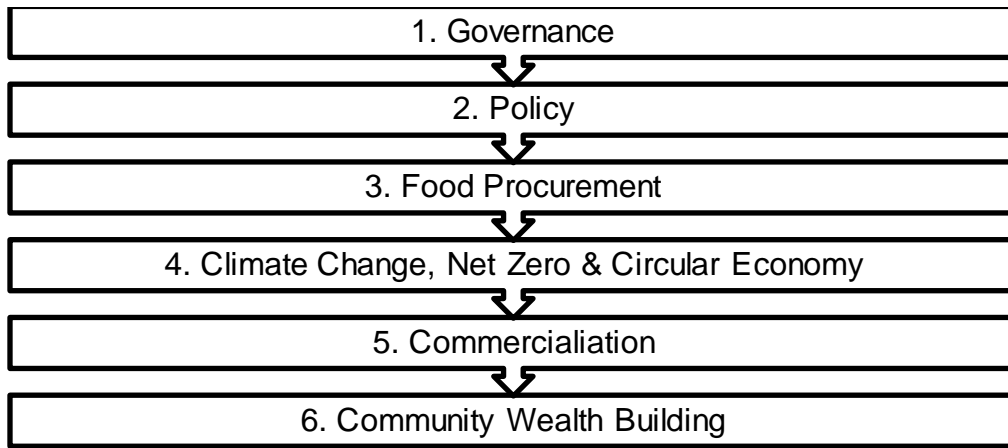
- community benefit requirements in contracts;
- consulting and involving people affected by procurements;

- Fair Work practices including paying the 'real' Living Wage to people involved in the delivery of contracts;
- how the Council will promote compliance by contractors and subcontractors with the Health and Safety at Work etc. Act 1974;
- the procurement of fairly and ethically traded goods and services;
- how procurements, involving the provision of food, will improve the health, wellbeing and education of communities and promote the highest standards of animal welfare;
- paying invoices (or a similar claim) to contractors and sub-contractors in 30 days or less; and
- how the Council will prioritise and take account of climate and circular economy in procurement activity

3.2 The Council's procurement function is shared with Aberdeenshire Council and The Highland Council and the current Joint Procurement Strategy between the parties to the Commercial and Procurement Shared Service was agreed in 2017 and was designed to ensure that all parties achieved compliance with the legislation, support achievement of strategic objectives through innovative, compliant and collaborative market solutions demonstrating value for money and genuine return on investment. In recent years, Local Authorities in Scotland have experienced a trend of rising demand for Council Services and widening budget gaps, as funding to Local Authorities from Scottish Government is reduced. Every aspect of society has been affected by the exceptional circumstances of the Covid-19 pandemic, the broader impact on communities and the local economy, and the Council's role in supporting the local economy, communities and people, will continue to be felt into the foreseeable future, impacts through exit from the EU have added additional strain to the local economy along with the invasion of the Ukraine.

3.3 These global events have significantly impacted global markets and caused significant inflationary pressures creating unique but not insurmountable challenges for the region. To support meeting the challenges faced each Council needs to explore alternative delivery models, collaborations that deliver efficiencies and commercial opportunities that will generate revenue to support sustainability for the future.

3.4 To build and support sustainability for future delivery of services and address challenges faced the revised Joint Procurement Strategy for 2023-2026 includes six key themes, the themes as set out below align with local and national priorities:



3.5 Minor changes both in terms of formatting and wording have been made to the Strategy to improve the flow of the document and the overall aesthetic, the significant changes to the Strategy are summarised below:

1. Addition of themes:
 - a. Climate Change, Net Zero & Circular Economy
 - b. Commercialisation
 - c. Community Wealth Building
2. Addition of reference and information on the Strategic Procurement Board
3. Inclusion of specific reference to Local Outcome Improvement Plans
4. Inclusion of reference and information on link to Medium Term Financial Strategies
5. Addition of Public Procurement Priorities
6. Addition of Appendix 3 – Strategy Outcomes and Key Actions to Deliver
7. Addition of Appendix 4 – Strategy Performance Indicators
8. Addition of Appendix 5 – Commercialisation Areas

3.6 The draft Joint Procurement Strategy 2023-2026 at Appendix A was considered at a Joint Council workshop held in May to allow for consultation with key services of the Council including those where collaboration would be key to meeting key priorities and high spending service areas. The feedback from that workshop has been considered and incorporated into the draft attached for approval by the committee. The Strategic Procurement Board and Strategy Board have also been consulted and approved the draft strategy.

4. FINANCIAL IMPLICATIONS

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

5. LEGAL IMPLICATIONS

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

6. 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?
Strategic	No significant strategic risk.	Production and publication of Joint Procurement Strategy offers assurance around delivery against strategic aims and objectives	L	Yes
Compliance	No significant compliance risk.	Production and publication of Joint Procurement Strategy ensures Council is meeting legislative procurement duty.	L	Yes
Operational	No significant operational risk.	Mandatory procurement training for staff involved in procurement activity supplemented with documented guidance & support offers assurance around delivery of strategic aims and objectives	L	Yes

Financial	No significant financial risk.	Performance against the Strategy will be published annually in the procurement annual report, including summary of value achieved/financial efficiencies delivered.	L	Yes
Reputational	No significant reputational risks.	Reporting performance through the annual procurement report to Members and in the public domain ensures transparency.	L	Yes
Environment / Climate	No significant environment or climate risk	Reporting performance through the annual procurement report to Members and in the public domain will demonstrate progress on reducing carbon in contracts, the data collected will also support the Council's Climate change return.	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	The provision of information on outcomes achieved against the Joint Procurement Strategy in the annual procurement report will allow for scrutiny of how activity supports progress against the Aberdeen City Council Policy Statements and the Council Delivery Plan.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	The provision of information on outcomes achieved against the Joint Procurement Strategy in the

Prosperous People Stretch Outcomes	annual procurement report will allow for scrutiny of how activity supports progress against the Aberdeen City Council Policy Statements and the Council Delivery Plan.
Prosperous Place Stretch Outcomes	
Regional and City Strategies	Procurement activity conducted in accordance with the Joint Procurement Strategy will deliver outcomes against several Regional and City Strategies, outcomes delivered against the Joint Procurement Strategy will be reported on annually in the annual procurement report presented to Council, allowing for scrutiny by members.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Stage 1 Assessment has been completed.
Data Protection Impact Assessment	Not required
Other	N/A

10. BACKGROUND PAPERS

10.1 None

11. APPENDICES

11.1 Appendix A – Joint Procurement Strategy 2023-2026

12. REPORT AUTHOR CONTACT DETAILS

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Joint Procurement Strategy

Aberdeen City, Aberdeenshire, Highland Council

01 October 2023 – 30 September 2026

Document Control

Approval Date:	Aberdeen City Council – 13 September 2023 Aberdeenshire Council – 14 September 2023 The Highland Council – 06 September 2023
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Scheduled Review	Annual

1 Contents

1.	Strategy Introduction	3
1.1	Introduction.....	3
1.2	Procurement Vision & Mission Statement	4
1.3	Strategic Context & Rationale	5
1.4	Strategy Themes.....	8
1.5	Approach to Support Strategy Delivery.....	9
1.6	Supporting Policies & Procedures	12
1.7	Risk Management.....	12
2	Strategy Themes.....	13
2.1	Governance	13
2.2	Policy.....	18
2.3	Food Procurement.....	23
2.4	Climate Change, Net Zero & Circular Economy.....	26
2.5	Commercialisation.....	28
2.6	Community Wealth Building.....	30
2.7	Reporting & Performance Review	32
3	Strategy Ownership and Contact Details.....	34
4	Appendices	35
	Appendix 1: Mandatory Requirements Procurement Reform (Scotland) Act 2014 / Statutory Guidance Obligations.....	35
	Appendix 2: Spend Analysis.....	40
	Appendix 3: Strategy Outcomes & Key Actions to Deliver	43
	Appendix 4: Strategy Performance Indicators	46
	Appendix 5: Commercialisation Areas.....	47
	Appendix 6: Glossary of Terms.....	48

1. Strategy Introduction

1.1 Introduction

- 1.1.1 This Joint Procurement Strategy is designed to enable the partner Councils to ensure compliance with the Procurement Reform (Scotland) Act 2014, to achieve their strategic objectives and meaningfully contribute to national priorities through innovative, compliant and collaborative market solutions demonstrating value for money and genuine return on investment. Appendix 1 to this strategy includes the statements and information on how the strategy will meet the requirements of the Procurement Reform (Scotland) Act 2014.
- 1.1.2 Appendix 2 to this strategy shows the spend analysis for each Council with a breakdown of spend across Commodity areas, demonstrating the breadth of procurement activity each Council undertakes in any annual period. With imaginative application, strategic procurement can allow the public sector to save significant amounts of money whilst continuing to modernise, exceed statutory expectations and provide a high level of service delivery tailored to the needs of the communities we serve.
- 1.1.3 The Joint Procurement Strategy aligns with the key strategic drivers of the Council(s) and will assist each Council in meeting statutory obligations, meeting challenges faced and contributing towards strategic outcomes. The Strategic Procurement Board will be responsible for the delivery of the Joint Procurement Strategy (information of the remit of the board can be found in Section 2.7).

1.2 Procurement Vision & Mission Statement



Procurement Vision

“to deliver innovative, sustainable, cost effective and high quality strategic procurement services, maximising outcomes and value and fostering collaboration”



Mission Statement

"deliver procurement outcomes that support the wider strategic aims of the Councils and the communities they serve, furthering local and national priorities to the fullest extent possible"

1.3 Strategic Context & Rationale

1.3.1 Procurement within the public sector in Scotland is governed by Procurement Legislation. Under the Procurement Reform (Scotland) Act 2014 each organisation with a spend of £5,000,000 or greater on regulated procurements in the next financial year must produce a procurement strategy, or to review an existing strategy for the current financial year and make revisions as appropriate. The Procurement Strategy must include statements about how the Council(s) will contribute to the following themes:

- the carrying out of our organisational functions and purpose;
- the delivery of value for money; and
- how our procurements will be conducted in accordance with our general duties which include the sustainable procurement duty

Our procurement strategy must also include statements about our general policy on:

- community benefit requirements in our contracts;
- consulting and involving people affected by our procurements;
- Fair Work practices including paying the 'real' Living Wage* to people involved in the delivery of our contracts;
- how we will promote compliance by contractors and subcontractors with the Health and Safety at Work etc. Act 1974;
- the procurement of fairly and ethically traded goods and services;
- how our procurements, involving the provision of food, will improve the health, wellbeing and education of communities and promote the highest standards of animal welfare;
- paying our invoices (or a similar claim) to contractors and sub-contractors in 30 days or less; and
- how we will prioritise and take account of climate and circular economy in our procurement activity

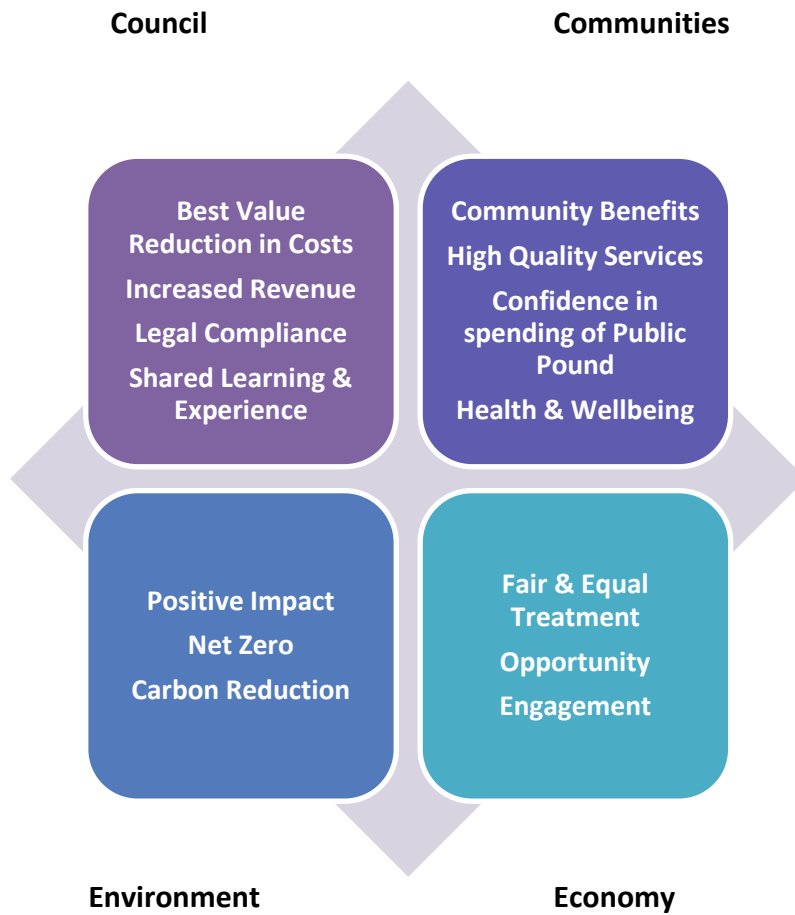
Appendix 1 to this strategy includes the statements and information on how the strategy will contribute to these themes.

**The real Living Wage is different to the UK government's National Living Wage, the Real Living Wage is calculated according to what employees need to live on. The real Living Wage and National Living Wage rates are shown below (as at April 2023):*

<i>Real Living Wage (UK)</i>	<i>National Living Wage</i>
<i>18 and over</i>	<i>23 and over</i>
<i>£10.90</i>	<i>£10.42</i>

1.3.2 Local Outcome Improvement Plan (LOIP)

The Joint Procurement Strategy is aligned with the key outcomes of the Local Outcome Improvement Plan(s) to ensure that within each individual Council area, all people, families, businesses and communities do well, flourish and succeed.



1.3.3 Council(s) Strategic Priority of Energy Transition and Net Zero

Climate change represents a significant global challenge and is not simply an environmental issue. It is a wide-ranging problem with potential ecological, environmental, social and economic implications. The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, which amends the Climate Change (Scotland) Act 2009, sets targets to reduce Scotland's emissions of all greenhouse gases to net-zero by 2045 at the latest, with interim targets for reductions of at least 56% by 2020, 75% by 2030, 90% by 2040.

Through delivery of renewable energy projects, the Joint Procurement strategy aligns with the key energy transition and net zero outcomes of the participating authorities to act sustainably, contribute to carbon emissions reductions targets and towards climate change adaptation.

1.3.4 Medium-Term Financial Strategies

The Joint Procurement Strategy is aligned with the key outcomes of the Medium-Term Financial Strategy of each Council setting out the commitment to procure goods, services and works through procurement that support services to meet the needs of people locally and represent best value.

Medium-Term Financial Strategies around reducing costs and increasing income are aligned to Council Delivery Plans, which in turn aligns the Council(s) commitments to the vision and priorities of the Local Outcome Improvement Plan.

1.4 Strategy Themes

1.4.1 Strategy themes have been identified in line with local and national priorities, each strategy theme will support a key priority and support the enablement and delivery of procurement and commercial activity to allow for achievement of these priorities and delivery of outcomes included at Appendix 3: Strategy Outcomes & Key Actions to Deliver.

1.4.2 Strategy themes are detailed below along with key elements (including mandatory elements as required by the Procurement Reform (Scotland) Act 2014) each theme will seek to support.

Theme	Strategic Driver
1. Governance	<ul style="list-style-type: none"> – How procurement will support Council(s) functions/outcomes – Achievement of best value – Equal treatment, transparency – Procurement Priorities
2. Policy	<ul style="list-style-type: none"> – How the Council(s) will deliver Community Benefits (Social Value) through procurement activity – How the Council(s) will consult and engage with those affected by its procurements – How the Council will incorporate Fair Work Practices into procurement activity – How the Council(s) will Promote compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 Act 1974 (c.37) and any provision made under that Act, and – Policy on the procurement of fairly and ethically traded goods and services, – Policy on prompt payment (ensuring payment to contractors and sub-contractors within 30 days)
3. Food Procurement	<ul style="list-style-type: none"> – Set out an approach to procurement of food related contracts which will – improve the health, wellbeing and education of communities in the Council(s) area, and – promote the highest standards of animal welfare
4. Climate Change, Net Zero & Circular Economy	<ul style="list-style-type: none"> – Policy on incorporation of Climate Change & Circular Economy in procurement activity to support Net Zero targets
5. Commercialisation	<ul style="list-style-type: none"> – Strategy for Commercial activity which will allow for generation of income to support delivery of the Council(s) functions/outcomes
6. Community Wealth Building	<ul style="list-style-type: none"> – Set out how procurement activity can support Community Wealth Building, supporting local economic development, and redirecting wealth back into the local economy - placing control and benefits into the hands of local people.

1.5 Approach to Support Strategy Delivery

1.5.1 A shared service approach to commercial and procurement activity and to this Joint Procurement Strategy is intended to facilitate across the partner councils:

- Partnership and collaboration;
- Effective leadership;
- Development of Workforce Capability;
- Innovative approaches to market;
- Market intelligence/awareness;
- Market Engagement;
- Commercial excellence; and
- Improved performance, transparency, innovation and increased use of digital technology.

The Strategic Procurement Board was established with these principles in mind, the board is responsible for delivering the outcomes set out in the Joint Procurement Strategy and service level agreement between the partners to the joint arrangement. The Board is also responsible for reviewing the performance of the service using key performance indicators and providing scrutiny and challenge, where appropriate (**Appendix 4** Strategy Performance Indicators contains details of performance indicators to apply for the Strategy Period).

The collaborative approach will be taken on a wider basis with partners where appropriate, with councils addressing local priorities through collaboration at national, regional and local levels. The strategy will ensure a proactive approach to collaboration and engagement for example with the SOLACE/Improvement Service focus on Category C1 collaboration (Category C1 - Local/Regional Contracts for commodities and services which are neither classified as A (National Contracts) or B (Sector Specific Contracts) and which could be consolidated in a region or other grouping to the benefit of purchasing power and optimisation of skilled resources.

1.5.2 Delegated Procurement Authority (DPA)

The Commercial and Procurement Services (C&PS) is responsible for the scheme of Delegated Procurement Authority (DPA) across the partner Council(s). Delegated Procurement Authority (DPA) is the authority given to officers across the Council to procure supplies, services and works and to manage contracts. There are four levels of DPA which can be assigned based on the Delegated Procurement Authority Model from Level 1 Transactional Buying to Level 4 Strategic Procurement.

Adoption of this model:

- Encourages the identification and widespread adoption of procurement best practice
- Enables areas of greatest risk to be identified
- Enables, procurement expertise to be focused on those areas
- Encourages a corporate approach to procurement decision making and ensures those with the most knowledge on requirements lead the process to ensure outcomes are met

1.5.3 Building Procurement Capability

Effective Leadership

To ensure that this strategy will successfully act as an enabler for each Council to respond to a changing world and support delivery of innovative, cost effective and high-quality strategic procurement services, Senior leaders across each of the partner Councils need to be engaged and involved in procurement and commercialisation at a strategic level, which will ensure that procurement and commercial activity have full support at Leadership level across the Councils to support maximising outcomes and best value.

To achieve this the below will support engagement and involvement at a Senior Leadership Level:

- The Strategic Procurement Board (see 2.71 for Terms of Reference detail) was established in 2019 to further engage, consult and involve Senior Leaders
- Regular engagement sessions will be held with Management teams across each of the Councils to support, consult, engage and understand how procurement can support service delivery
- A programme of communication will be prepared annually to ensure the profile of procurement

Workforce Development & Capability

To ensure the successful delivery of the Joint Procurement Strategy and procurement activity for each of the Councils, we will adopt an approach aligned with the Public Procurement Priorities of Achieving professional excellence, ensuring we have the right people, right place at the right time across all procurement activity and management of contracts.

Through identifying training needs and creating development plans we will look to achieve objectives of:

- Create and develop talent we require now and, in the future,
- Use the Scottish Government Procurement Capability Framework to identify where we need to build skills & competencies
- Seek to invest in training and development, including professional accreditation where appropriate

The Councils have developed a suite of online training for delegated procurers and internal guidance to support this Procurement Strategy and assist procurers in their projects, this includes a detailed procurement manual and templates to be used across all procurement activity.

Developing Market Capability

The Councils will seek to engage with the local and wider business communities on our procurement activity and will seek to increase capacity and capability in local businesses of

all sizes and across all business sectors (including third sector) to bid successfully for public contracts by way of providing or providing access to:

- i. 1 to 1 surgeries
- ii. training events
- iii. tender specific market engagement events
- iv. supplier bulletins
- v. raise awareness of opportunities by publication of forward procurement plan for each Council (2 year ahead view)

A Supplier Development Action Plan will be prepared annually including activity with opportunities identified for Community Wealth Building. The plans will be developed in conjunction with both internal partners i.e., Economic Development and external partners i.e., Scotland Excel/Supplier Development programme.

The Supplier Development Programme (SDP) is a partnership of Local Authorities, Scottish Government and other public bodies that works together to provide free support on all aspects of tendering to Scottish-based SMEs. SDP helps businesses that have little or no experience of tendering and are often too small to have dedicated bid/tender resources to contemplate bidding for public sector contracts. SDP aims to help such businesses become “tender ready” for contracts, which improves their prospects when submitting tenders. In conjunction with the local authority, SDP delivers this support through a Programme of free training and events which the Councils will include information on in procurement activity to signpost suppliers to this valuable source of support.

The Commercial and Procurement Shared Services will also commit to taking part in regular supplier development events / Meet the Buyer Roadshows to engage with local suppliers and provide information on how to tender for Council opportunities and signpost to sources of support.

1.6 Supporting Policies & Procedures

1.6.1 Although not exhaustive, the following are considered in relation to all procurement projects within the Councils:

Legislation/Statutory Guidance

Procurement Reform (Scotland) Act 2014

[Scottish Government Outcomes for Procurement](#)

[Public Procurement Priorities](#)

[Scottish Government National Performance Framework](#)

Organisational Policies/Strategies

Joint Procurement Strategy

Health & Safety Policies

Equalities Policies

Sustainability & Community Benefits Policy

Energy Transition & Net Zero Strategies

Single Outcome Agreements / Local Outcome Improvement Plans

Medium Term Financial Strategies

Risk Management Framework(s)/Risk Appetite Statement

Tools

Procurement Manual & Associated Templates/Guidance

Procurement Journey

Supplier Journey

Delegated Procurer E-Learning Modules

Risk Assessment Tools

1.7 Risk Management

1.7.1 Risk management forms a fundamental part of implementation of the Joint Procurement Strategy, and the Councils recognise that whilst the optimal position would be to avoid risks there will be occasions where risks must be taken to achieve outcomes.

1.7.2 The Councils will be cautious around risks which may threaten the delivery of outcomes and commissioning intentions. Risks and emerging risks will be monitored closely on an ongoing basis, changes or new risks will be reported on quarterly to the Strategic Procurement Board.

2 Strategy Themes

2.1 Governance

2.1.1 In the Governance Theme of the Joint Procurement Strategy we describe the approach agreed by the three partner Councils to the below:

- How procurement will support Council(s) functions/outcomes
- Achievement of best value
- Equal treatment, transparency
- Procurement Priorities

2.1.2 How Procurement Will Support Council(s) Functions/Outcomes

This Joint Procurement Strategy is fully aligned to the Scottish Government aim to:

“...support Scotland’s economic growth by delivering social and environmental benefits, supporting innovation and promoting public procurement processes and systems which are transparent, streamlined, standard, proportionate, fair and business-friendly”

The strategy is aligned to the wider Public Sector Reform Agenda i.e., delivering public services that are agile, affordable, rise to the challenge of tackling inequalities, support economic recovery and growth across Scotland, and empower communities to take responsibility for their own actions.

Local Outcome Improvement Plans are established with a clear overarching theme of increased prosperity (of our people, places and environment) in addition to innovation and digital inclusion.

The Council’s Sustainable Procurement and Community Benefits Policy has been developed for officers with delegated procurement authority. The guidance reflects the Scottish Model of Procurement, how the model contributes to National Outcomes and Local Outcomes Improvement Plans.

Adherence to this strategy coupled with robust contract and supplier management will ensure the Councils deliver innovative, consistent, compliant and collaborative market solutions demonstrating value for money and return on investment to meet or exceed challenging commercial performance targets.

The Councils have a focus on establishing stronger ties with Community Planning Partners to ensure proactive and meaningful stakeholder/community participation in procurement activity affecting them. This will identify areas where there might be an active role for third sector organisations and our communities. Developing stronger, more constructive supplier and third sector partnership relationships is a key consideration in meeting our aspirations and obligations under the Joint Procurement Strategy.

2.1.3 Achievement of Best Value

Procurement is a key enabler in the delivery of best value, each partner Council will make a commitment to work together and will also continue to work with public sector partners, the private sector and the third sector to seek to deliver maximum value through procurement activity. One of the key aims will be to secure value for money from collaborative contracts between the shared service partners or wider collaboration. Where utilised, national frameworks will be shaped to promote maximum economies of scale and local priorities, through collaboration the Councils seek to secure the maximum social, economic and environmental value from the contracts and the frameworks developed by the Councils and the national frameworks used.

The Councils consider lotting contracts in such a way that they could promote the inclusive participation of SMEs, third sector organisations and supported businesses. “Whole of life costing” and “the circular economy” is promoted in the Council’s Sustainable Procurement Policy. Demand management and the clear separation of “needs” from “wants” will continue to guide procurers at a transactional and strategic level. Procurement reform has encouraged buyers to be less reliant on price in regulated and unregulated contracts.

The Councils will continue to explore innovative evaluation models to challenge the status quo, incorporate social value and identify commercial opportunities, developing these in close consultation with Finance, Legal and Services across the three Councils. A full understanding of budget versus cost of contract and terms and conditions to manage any contractual cost increase requests will be a key consideration in the development of any procurement and the subsequent contract.

Robust internal governance, strong contract and supplier management ensuring contract and supplier performance is regularly evaluated will make sure every pound spent under any contract including those called off under a Framework Agreement or Dynamic Purchasing System achieves maximum value, is justified in terms of the contract and can be justified in terms of prevailing market conditions.

To ensure that the balance of cost, quality and sustainability does not compromise our duties to economic operators, sustainable procurement guidance has been developed with a strong focus on the fundamental principles of transparency, openness and equal treatment that apply whether the tender is valued at above or below higher value thresholds.

2.1.4 Equal Treatment & Transparency

Equal Treatment

The Council(s) commit to implement all compliant measures to facilitate a “an open and competitive marketplace” that creates opportunities for all suppliers across all business sectors regardless of business size. Internal governance and Procurement guidance are designed to ensure:

- i. No economic operator is given an unfair advantage or disadvantage in the bidding process; and
- ii. There is an appropriate scrutiny and transparency in all procurement processes.

The Council's Sustainable Procurement and Community Benefits Policy contains detailed information on issues such as: proportionality and relevancy, the legal position on "localism," specifying brands/trademarks/patents/trading labels and the hierarchy of international standards.

The Policy also sets out the legal parameters within which it is possible to ensure the inclusive participation of local suppliers/SMEs/third sector organisations/supported businesses in the direct (Tier 1) supply chain and (Tier 2) subcontract opportunities. Delivery of community benefits within our own communities is strongly encouraged by the Councils without compromising principles of:

- i. Equal treatment and non-discrimination: giving every bidder an equal chance to win contracts;
- ii. Transparency: stating requirements and award criteria up front and sticking to them;
- iii. Fair and objective "like for like" evaluation.
- iv. Selection and award criteria are proportionate and non-discriminatory to smaller or newly established economic operators i.e., ensuring that the required standard of financial standing is proportionate and non-discriminatory to smaller or newly established economic operators.

The Councils adopt a proportionate and fair approach to maximising the inclusive participation of local suppliers, SMEs and third sector organisations in all procurement exercises including the seeking of quotes. To secure innovation, best value and the best market solution for lower value requirements, internal guidance prompts procurers to consider:

- i) Identification of an appropriate number of capable suppliers to invite;
- ii) Exploration of opportunities for the local supply chain (including third sector and supported businesses where appropriate);
- iii) Aggregation and open tender where the same requirement will be needed more than once or in other areas of the Council; and
- iv) Where aggregation is not possible, to ensure that opportunities to participate in quotation exercises are openly published to ensure awareness across the supply base within and beyond the local geographic area.

Transparency

The Councils commit to ensuring "adequate and appropriate" publicity is afforded to contract opportunities in accordance with (or beyond) statutory requirements. The Councils advocate early, open and inclusive market engagement using the Public Contracts Scotland portal. In terms of engagement with local suppliers, supplier engagement events can establish whether proposed selection and award criteria are sufficiently inclusive, proportionate and relevant.

The Council(s) are committed to consulting with the business community to:

- Identify and reduce barriers to business;
- Keep the tender process as simple and consistent as possible;
- Increase stakeholder understanding of public sector procurement policy/legislation and
- Offer meaningful feedback to suppliers on the evaluation of their proposal.

To do so we will commit to:

- the use of electronic communication for procurement activity at a value of above £10,000;
- stating requirements and award criteria up front and sticking to them;
- Fair and objective “like for like” evaluation; and
- the use of clear and precise language to ensure understanding of the requirements.

The Council(s) also:

- seek to conduct early market engagement, open to all suppliers who may have an interest. In terms of engagement with local suppliers, supplier engagement events can establish whether proposed selection and award criteria are sufficiently inclusive, proportionate and relevant.
- In addition to the above the Council(s) have developed a supplier sources of support document to be issued with all tenders

2.1.5 Procurement Priorities

The Public Procurement Group (PPG) published a set of seven priorities for all public procurement leaders across Scotland. These were refreshed in 2023, going forwards each public procurement body will be required to report progress against these to Scottish Government on an annual basis. The Joint Procurement Strategy will enable each Council to deliver against these priorities and ensure progress is tracked and measured. The priorities, aims and delivery statements are intended to demonstrate our commitment to using the power of procurement to deliver and influence outcomes that are good for the people of Scotland. The updated public procurement priorities and the high level aims within each priority are shown below:

- engage and influence organisation leaders and stakeholders
- raise profile with better communications internally and externally
- identify and own escalated issues

Leadership and visibility



- mainstream sustainable procurement and related tools
- use of intelligent data & local partnerships
- inclusive and responsible supply chains
- understand what good looks like, tracking performance and tackling opportunities to deliver better outcomes

Sustainable Economic Recovery



- Manage business continuity through supply chain shocks (e.g. Pandemic; post-EU Exit)
- Build/support immediate and longer term resilience in critical supply chains
- Collaborate on opportunities to grow capacity & capability in targeted sustainable supply chains

Supply Chain Resilience (Public Sector)



- Understand and exploit any flexibility within current Rules to support economic recovery.
- Explore further options to maximise priority outcomes and financial wellbeing to ensure Scotland maintains its competitive position in the world.

Maximise Impact of the Sustainable Duty (including post EU-exit implications)



- Embed climate considerations in a 'whether', 'what', 'how' and 'how much' we buy approach.
- Integrate climate action in contract and supplier management.
- Develop cross-functional roadmaps that exploit opportunities for economic development while delivering on our climate ambitions.

Climate Emergency (including carbon reduction and a circular economy)



- Create and develop the talent we require now and in the future.
- Develop collaborative targeted capability programmes to build skills & competencies, driving consistency in approaches.
- Ensure that training and professional development is available to the sector during the pandemic and post-pandemic period.

Achieving professional excellence (against national policy and standards)



- Embed national and tailored sectoral systems and best practice tools across the Scottish public sector and supply base
- Increase the visibility / use of other systems in use across sectors
- Develop a strategy to enable the sharing of these systems and tools across sectors to enhance outcomes

Develop our use of systems to exploit sustainable outcomes and support reporting



2.2 Policy

2.2.1 Delivery of Community Benefits (Social Value) through procurement activity

The Council(s) Sustainable Procurement and Community Benefits Policy outlines the commitment to securing positive environmental, social and economic outcomes in all procurement activity where possible to do so (including below threshold procurements, all regulated procurements and framework call offs), policy states at least 10% of award criteria should be allocated to Sustainable Procurement including Community Benefits and Fair Work Practices. The detailed processes underpinning the application of community benefits at below and above the £4M threshold are included within the Policy and the Procurement Manual.

A table of key outcome focused themes is used in procurement activity for bidders to respond to. This approach ensures a robust, achievable approach to sustainable procurement that is relevant and proportionate and ensures each Council is compliant with the mandatory duties within the Procurement Reform (Scotland) Act 2014. The table of key themes below is used to generate proportionate and relevant outcome focussed themes for bidders to address. The table appears in the Sourcing Strategy, Invitation to Tender, Community Benefits Project Plan to ensure the consideration of Community Benefits is conducted throughout the procurement process.

Improve (Wellbeing)	Promote	Facilitate (Involve)
Social	Innovation	SMEs
Economic	Equalities/reduce Inequality	3rd Sector organisations
Environmental	Ethical trading and social justice	Supported Businesses
Health	Fair Work Practices/The Living Wage	Prompt Payment throughout the supply chain
Food poverty/fuel poverty/energy efficiency	Resource efficiency and the circular economy	Community engagement and community empowerment; community projects
Air quality/reduction of harmful emissions/reduction of waste and packaging	Education; employability and skills training	Collaboration and collaborative working

The themed approach to community benefits is intended to provide procurers and suppliers with a clear, compliant, ideas-driven framework to work consistently within. Use of a Community Benefits Project Plan is strongly encouraged for procurements above the £4M threshold, for below threshold a specific award question is included within templates.

Bidders are provided with details of sources of Council /agency/community/third sector advice and sources where practical and financial support is available to develop community benefit requirements in response to any procurement while the tender is live.

2.2.2 Consultation & Engagement (those affected by procurements)

Group	Consultation & Engagement
<p>Business Community & Local Businesses</p>	<p>The Councils will seek to engage with the local and wider business communities on our procurement activity, a key element of the engagement and supplier development will be tender specific market engagement events. These events will be facilitated to ensure that there are open channels of communication and communication is two way, to ensure we consult businesses affected by the specific tender, building upon and maintaining networks, sharing information, seeking input from suppliers to shape requirements for the benefit of the local economy and the business community.</p> <p>A Supplier Development Action Plan will be prepared annually including the opportunities identified for Community Wealth Building, the plan will be developed in conjunction with both internal partners i.e., Economic Development and external partners i.e., Scotland Excel/Supplier Development programme and the Councils will seek to ensure that consultation is included where appropriate.</p>
<p>The Third Sector and Communities</p>	<p>The Councils have established strong ties with Community Planning and third sector interface organisations to ensure proactive and meaningful stakeholder/community participation in procurement activity affecting them. The Councils will continue to seek to identify areas where there might be an active role for community planning partners; third sector organisations and our communities to shape, support or deliver requirements.</p> <p>Established Community Planning networks will enable meaningful engagement and sharing of good practice/case studies with communities directly affected by procurements and will facilitate stronger ties with public sector partners including NHS, blue light services, community councils, Skills Development Scotland, civic forums and community representatives.</p> <p>Developing these relationships will be pivotal in meeting our aspirations and obligations under the strategy. The Councils are keen to support the third sector in practical and compliant ways e.g., potentially offering access to a selection of our contracts for use by the local third sector.</p>

<p>Health and Social Care</p>	<p>Current service users, their carers and/or parents/guardians/representatives are routinely involved in the review of service provision and the preparation for, and evaluation of tenders for social care services. Where appropriate involvement in the planning for and commissioning of social care services will widen beyond this to all members of the local community. Future commissioning plans will be shared with these groups, and they will be able to feed their views through to support shaping future commissioning strategy.</p>
<p>Tenants</p>	<p>Resident surveys and Tenant Participation Groups allow for meaningful engagement with service users in procurements affecting our tenants. Where applicable, the Councils attempt to engage with commercial tenants by similar means.</p>
<p>Internal Stakeholders</p>	<p>Regular engagement sessions will be held with Management teams across each of the Councils to support, consult, engage and understand how procurement can support service delivery, effective consultation will ensure we deliver against the outcomes in the strategy.</p> <p>Engagement and consultation will be conducted with key internal stakeholders (and external stakeholders where relevant) during the development of procurement strategies to ensure outcomes and priorities are delivered.</p>

2.2.3 Incorporation of Fair Work Practices into procurement activity

In all procurement activity (where proportionate and relevant) the Council(s) encourage accreditation of contracted suppliers as Living Wage employers (and encourage progress towards that end) across the supply chain despite the inability to make payment of the Living Wage a mandatory requirement.

The Councils consider that a bidder's employment practices and its approach to its workforce can have a direct impact on the quality of service it delivers and, sometimes, of the goods it supplies and works performed. Fair pay, including payment of the Living Wage, is one of the ways a bidder can demonstrate that it takes a positive approach to its workforce. Wherever it can be deemed relevant to quality of service or goods or delivery/performance of the contract, a bidder's employment practices and approach to the workforce it will engage to perform the contract is evaluated as part of the procurement exercise. A Method Statement has been developed reflecting the full range of protected characteristics under the Public Sector Equality Duty. Bidders are asked to confirm their position on Living Wage across a range of four options, the Sustainable Procurement and Community Benefits Policy states that at least 10% of award criteria should be allocated to Sustainable Procurement including Community Benefits and Fair Work Practices.

2.2.4 Promotion of compliance with the Health and Safety at Work etc. Act 1974 Act 1974

To ensure and promote compliance by contractors and sub-contractors with the Health & Safety at Work etc., the Council(s) encourage delegated procurers to:

- use the standardised statements within the SPD (Single Procurement Document);
- consider safety issues in terms of S43 (3)(c) of the Public Contracts (Scotland) Regulations 2015; and
- where relevant to the contract devote a section of award criteria to health and safety considerations. Where sub-contractors have been identified, by a main contractor, a requirement would be included for the same standards to be demonstrated by sub-contractors

Relevant clauses are included in terms and conditions of contract to ensure that this is a contractual obligation (where required), and these would form part of the Contract Management procedures to ensure that compliance is monitored.

2.2.5 Policy on the procurement of fairly and ethically traded goods and services

The Council's Sustainable Procurement and Community Benefits Policy has been developed to support local and national priorities in terms of Fair Trade/fairly traded and ethically sourced goods and services (to ensure there is no discrimination it is necessary for procurers to refer to "fairly traded goods and services" or "ethically sourced goods and services" and offer alternatives to meet the standard without accreditation).

The Council's Sustainable Procurement Policy provides extensive information on the compliant use of recognised trading labels and guides where "or equivalents" must be accepted.

2.2.6 Policy on prompt payment (ensuring payment to contractors within 30 days)

The Council(s) are committed to prompt payment of invoices to both our contractors and sub-contractors within the supply chain. We commit to pay valid invoices within 30 days of receipt.

Relevant clauses are included in terms and conditions of contract to ensure that this is a contractual obligation (where required), and these would form part of the Contract Management procedures to ensure that compliance is monitored.

Aberdeen City and Aberdeenshire Council currently offer the option for suppliers to join the Supplier Incentive Service (SIS), an early payment programme that gives suppliers the opportunity to be paid earlier than contracted terms, with a pre-agreed small percentage discount applied to an invoice paid early.

2.3 Food Procurement

2.3.1 Impact of Food Procurement

The Council(s) recognise the positive impact buying healthy food and drink and buying this locally (wherever possible) to serve in schools, social care and other facilities can have from an environmental, economic and wellbeing perspective, and also recognise that buying food which is high in embodied carbon or produced in a way that damages nature has a negative impact on people and plant. There is a clear link between the Food Procurement and Climate Change, Net Zero and Circular Economy theme and the aspirations of each Council towards a carbon net-zero, nature-positive future. Whilst a considerable proportion of food and drink requirements are met by national frameworks available via central purchasing bodies the Council(s) are fully engaged in the development of these frameworks and in collaboration with the central purchasing body seek to ensure that good practice is incorporated in terms of specifications, health, community benefits, education, sustainability, the environment, climate and animal welfare. The Council(s) commit to continued involvement in the further development of food related national frameworks through participating in User Intelligence Groups (UIG's) and to work with suppliers locally to encourage participation in the national frameworks to support aims around Community Wealth Building.

2.3.2 Regulated Procurement

Any regulated procurements involving national frameworks or a local Council tender for food and drink will require proportionate and relevant selection and award criteria to be developed e.g. field to fork criteria capturing the origin of

products, increasing the range of fairly traded, ethically and locally sourced products (either directly or through the supply chain), minimising food waste, community benefits health, reduction of packaging, food poverty and reduction in emissions/road miles.

2.3.3 Community Benefits

Community benefits will provide effective ways to promote health, wellbeing and education in schools and the wider community, for example School visits (addressing nutrition) or support for holiday meals for children and young people (providing access to nutritious meals when schools are closed for the holidays). These represent compliant examples of community benefits that are proportionate and relevant to food related procurements.

2.3.4 Supplier Engagement

Engagement with relevant associations, food producers, growers and distributors will be a key element of any procurement process to discuss desired outcomes with the wider market and seek feedback from the market to shape requirements to ensure that contract delivery is structured to optimise engagement from the market and ensure outcomes are achieved.

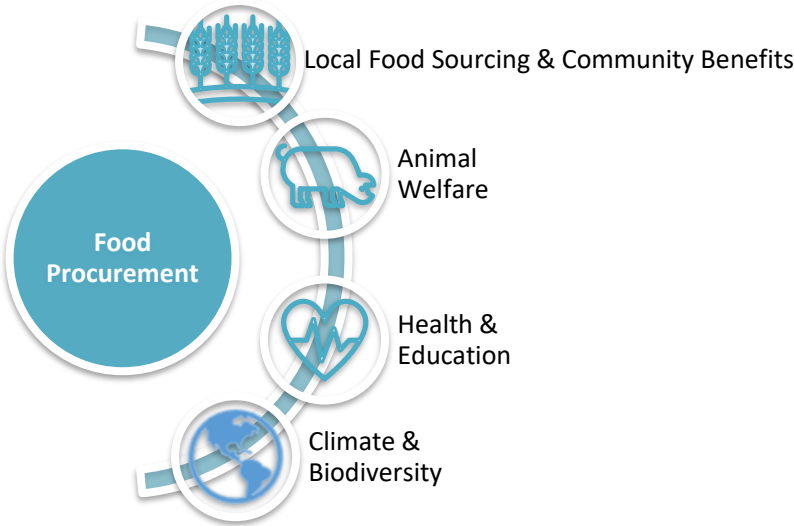
2.3.5 Specification

Through national frameworks and local council contracts the Council(s) will seek to ensure that specifications support the aims above and will seek to ensure that:

- meat free and plant-based options are included;
- most of the fresh beef, lamb, pork (not including bacon) and baked goods are Scottish;

- fresh fish is accredited by the Marine Stewardship Council (MSC);
- eggs are free-range;
- chickens are from the UK to keep to the Red Tractor assurance scheme;
- waste throughout the supply chain is eliminated where possible;
- specifications are developed to support reduction of embodied carbon;
- specifications support regenerative agricultural practices; and
- fair trade accredited products or equivalent are specified where proportionate and relevant.

The guidelines within the Nutritional Requirements for Food and Drink in Schools (Scotland) Regulations 2020 will be a key consideration in the development of food contracts.



2.36 Monitoring & Reporting

Ensuring that the strategy outcomes are met through our contracts for Food & Drink will be a significant element of the contract management arrangements for Food & Drink contracts. Performance against outcomes relating to Food & Drink Procurement will also be captured within each Councils Annual Procurement Report.

2.3.7 Standard & Accreditation

To further ensure the standards of food procured for the Council(s) and to ensure that continually a service of excellent quality is provided in line with national standards and guidelines, each Council will commit to maintaining accreditation of the Food for Life Award. The Food for Life Served Here award is a widely respected and independently assessed scheme, supported by the

Scottish Government, which supports Local Authorities to provide more local food and serve healthy, sustainable meals. It recognises and rewards councils that are serving food made from fresh ingredients, free from undesirable additives and trans fats, which meets UK welfare standards, and complies with national nutrition standards.

Each Council is also a member of the Sustainable Food Places Framework- which realises the integral role of food procurement alongside a wide range of other issues to reward and recognise the ambition of cities and places in creating a sustainable food system.

2.4 Climate Change, Net Zero & Circular Economy

2.4.1 In support of the Council(s) journey to Net Zero, procurement activity will be undertaken in a way that will secure net zero emissions through a Just Transition and promote a circular economy. This will ensure that the journey to reduce emissions and support climate change and resilience is centred on people and wellbeing and will enable the Council(s) to action opportunities to improve the economic, social and environmental wellbeing of their areas including benefit to nature. Procurement will be an enabler and will:

1. support the creation of enabling conditions to reduce emissions;
2. support climate change adaptation to reduce risk and vulnerability to climate change;
3. strengthen climate resilience, enhancing well-being and the capacity to anticipate and respond successfully to change;
4. enhance biodiversity through conservation, protection and promotion; and
5. support transition to a circular economy.

Aberdeen City Council have in place a Sustainable Procurement and Community Benefits Policy which guides sustainable procurement activity at a strategic and operational level, contributing positively and progressively to duties and commitments under Scottish Climate commitments. The policy is sufficiently agile to contribute to broader climate positive aspirations which support global energy transition, application of meaningful circular economy measures and a net zero future. Strategic and practical guidance is provided at key stages: identification of need, specification development, selection/award and contract management, a key consideration within the policy will be around how we strengthen our relationships with our suppliers to support delivery of opportunities to improve the economic, social and environmental wellbeing of the Council(s) areas. It is the intention to develop a revised policy which will be agreed across the three partner councils.

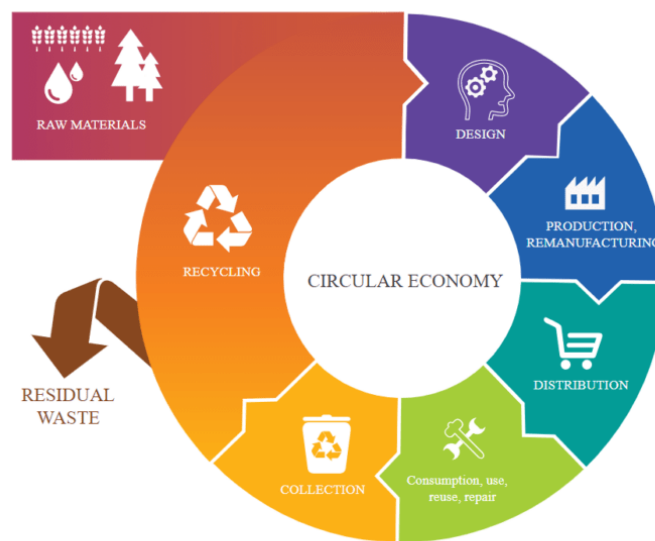
Policy and guidance including climate criteria within templates assists delegated procurers to proactively address key aspects around Climate Change, Net Zero & Circular Economy in procurements and national frameworks call offs. The guidance seeks to promote adoption of the circular economy and provides information to delegated procurers on how to buy goods, services and works which reduce emissions, minimise waste and allow for repair, re-use, refurbishment and/or recycling wherever proportionate and relevant to the subject matter of the contract and supports delegated procurers in making informed decisions.

Bidders are asked as part of their response to tenders to outline commitment on areas directly related to performing the contract, which may include: energy efficiency in buildings, emissions class of fleet vehicles, effective route planning measures, energy/fuel efficiency measures in buildings/vehicles/operations, minimisation of waste, circular economy initiatives, reuse of materials, carbon neutrality initiatives, reduction of material/ packaging/reduced plastic content of packaging, avoidance of single use plastics etc. Performance against this commitment would be a contractual obligation and be monitored during ongoing contract management and it would be anticipated that bidders would provide reports on a regular basis aligned with Contract Management reporting frequency.

From a social and community perspective, circular economy practice would develop and strengthen relationships between citizens and between local businesses, would provide opportunities for the development of new skills, and would develop local supply chain resilience.

Circular Economy Practice will also deliver benefits including:

- Improved climate resilience and relationships
- Reduced costs
- Reduced environmental Impact



The Councils will employ a demand management approach and look for ways to improve how we buy, what we buy, how much we buy and explore opportunities to reduce volumes where possible, as this can have a positive impact on emissions and waste involved throughout the supply chain.

The Councils will report ongoing progress against these commitments in quarterly reports to the Strategic Procurement Board and within each Councils Annual Procurement Report, methods of measuring and monitoring outcomes achieved are being explored to further support tracking of progress and enablement of identification of further opportunities for Climate Change, Net Zero & Circular Economy outcomes.

2.5 Commercialisation

2.5.1 Commercialisation is defined as increasing and seeking new opportunities for commercial activities (selling within commercial marketplaces) and the introduction and embedding of a commercial mindset into everyday Council operations.

The aim of the Commercialisation theme therefore is to embed commercialisation within the Council(s), challenging the nature of how Councils traditionally operate, recognising and building upon achievements and identifying areas of opportunity and growth.

This theme will:

- Function as a key strategic driver to enable the business community and the communities we serve to adapt, diversify and flourish despite economic pressures
- Support the local economy by strengthening relationships and maximising opportunities for the local supply chain, SMEs and third sector organisations to the full extent provided by law
- Provide opportunity to move to alternative delivery models which may include delivery of services by Social Enterprises
- Identify opportunities for increased collaboration and standardisation across the participating authorities
- Deliver ethical and sustainable value for money commercial solutions that support the operational needs and wider strategic aims of the individual Councils and the communities they serve to further achievement against local and national priorities.

2.5.2 Approach to managing Commercial Activity to enable the delivery of this theme is outlined below:



2.5.3 Successful implementation of this theme will require collaborative working across the individual Councils, identifying key partners to enable delivery. Also key to successful delivery of the commercial strategy will be clear and effective leadership and governance. A commercial assessment framework (CAF) has been developed which sets out the governance structure for commercial activity to aid the service design process (commissioning cycle), a commercial delivery plan will be developed which captures the proposed activity over the next three years to support the implementation and realisation of this strategy, the plan will be refreshed annually.

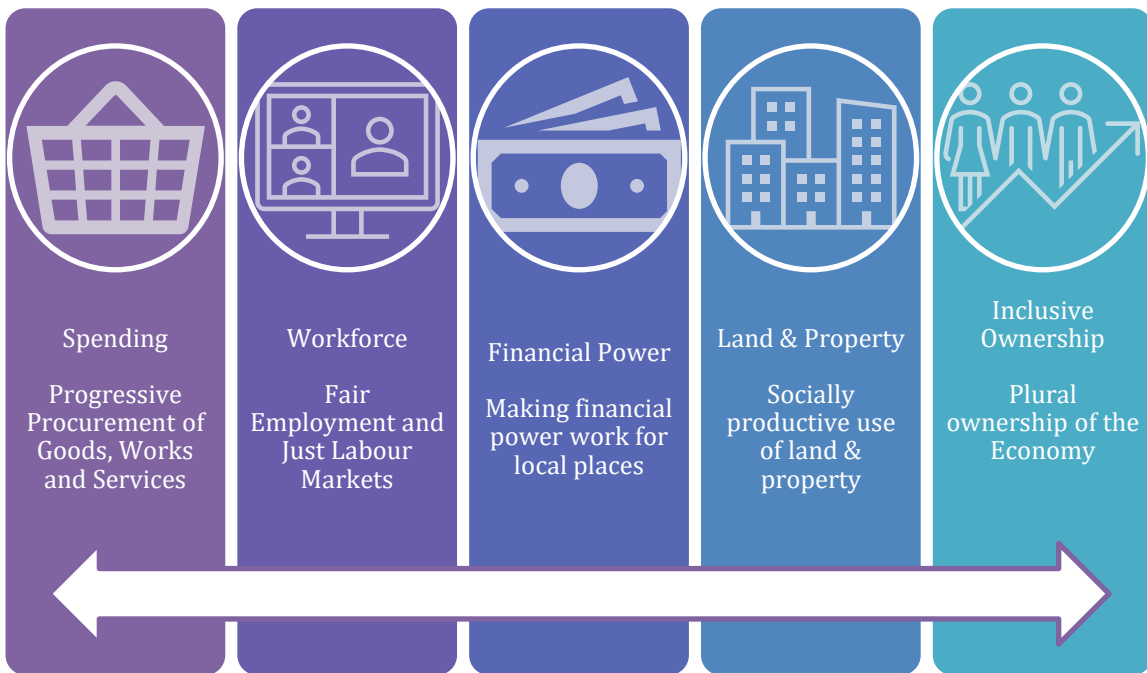
2.5.4 The purpose of the Commercial Assessment Framework is to provide structure and ensure all commercial opportunities are assessed and delivered consistently, including alignment against strategic objectives, potential for leverage opportunities, collaboration and sharing of best practice. The framework sets out the governance structure for implementation and delivery of commercial activities along with how assessment of opportunities will be conducted.

Criteria	Measurement	Measures
Cost effectiveness and delivering a return on investment (ROI)	Value <ul style="list-style-type: none"> - Level of achievable income - Level of achievable savings - NPV (Net present value) 	£ %
Maintaining or improving service delivery	Quality <ul style="list-style-type: none"> - Service Performance - Input - Flexibility/Agility - Removal of barriers to delivery 	% RAG
Managing Risk	Risk Reduction <ul style="list-style-type: none"> - Strategic Risk - Compliance - Operational - Financial - Reputational - Environment/Climate 	RAG
Strategic Fit	Social, Economic & Environment <ul style="list-style-type: none"> - Proposal supports delivery of LOIP Outcomes - Proposal supports delivery of Climate change outcomes - Strategic controls in place - Degree of effort and cost of change - Degree of political buy in 	RAG

2.5.5 An initial assessment of commercial activity (including areas of potential growth) is captured in Appendix 5 Commercialisation Areas. Further opportunities will be identified across each of the participating Councils' commercial portfolios as the theme matures and through delivery of commercial workshops.

2.6 Community Wealth Building

2.6.1 Community wealth building (CWB) is an approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people. Developed initially by the Democracy Collaborative in the United States and championed in the UK by the progressive economics think tank Centre for Local Economic Strategies (CLES), Community Wealth Building aims to ensure the economic system builds wealth and prosperity for everyone. Community Wealth Building provides a framework around five pillars as shown below, for the purposes of the Joint Procurement Strategy the Spend Pillar relates directly to procurement and is the focus of this theme.



2.6.2 The procurement and commissioning of goods and services by local authorities and key anchor institutions is a crucial lever in the building of community wealth. It is vital the Council and key partners use their purchasing power and convening abilities to deliver economic, social, and environmental justice to the region through the progressive procurement and commissioning of goods and services. By progressive procurement and commissioning, we mean a number of things. First, it is about increasing the importance of procurement as a corporate function. Second, it is about increasing levels of spend with local organisations and Small to Medium Sized Enterprises (SMES). Third, it is about using procurement and commissioning levers to address the local economic, social, and environmental challenges faced.

2.6.3 This Joint Procurement Strategy will play a pivotal role in furthering this aim and protecting and furthering local economic development in the short, medium and longer term. A pipeline of projects across various business sectors (transport, housing, technology, innovation, leisure and retail, renewable energy, commercial property and education) includes ambitious, forward-looking infrastructure projects that will make a positive difference to the prosperity of the region, our businesses and the quality of life enjoyed by our citizens and communities.

2.6.4 To enable Community Wealth Building and to develop local supply chains, the first step required is to analyse the Council(s) spend and contract data across revenue and capital budgets now and looking forwards to identify opportunities to employ a progressive procurement approach to build supply chains, a data led approach is vital to ensure that opportunities with the most benefit are identified, it is also important that procurement is data led for the reasons outlined below:

- Scale of spend and opportunity from that spend is significant;
- Leverage of procurement and the associated spend can support a range of economic, social and environmental challenges;
- It is important that public money is spent efficiently, effectively, transparently and the intended benefits to communities and local economy are achieved;
- Spend Analysis and Procurement can be used to support Small and Medium-sized Enterprises (SMEs) to bid for opportunities.

2.6.5 An annual review of spend and contract data across the three Councils will be undertaken in partnership with the procuring services and other enabling services i.e., Economic Development/Finance to identify opportunities for Community Wealth Building. Through working in partnership both within the Council and across the partners to the Shared Services we can further leverage the spend to seek and develop opportunities.

2.6.6 Key to delivering progressive procurement to build local supply chains will be developing a targeted approach to Supplier Development activity for the Council(s), building upon and maintaining networks, sharing information, seeking input from suppliers to shape requirements for the benefit of the local economy and to understand their views on how we could employ more progressive procurement to build supply chains. A Supplier Development Action Plan will be prepared annually based on the opportunities identified for Community Wealth Building, the plan will be developed in conjunction with both internal partners i.e., Economic Development and external partners i.e., Scotland Excel/Supplier Development programme.

2.6.7 In order to ensure that there is understanding of the potential outcomes that Community Wealth Building could bring and to get buy in at a political level and also at the Contract Owner/Delegated Procurer level we will develop an awareness-raising campaign with a focus of the Progressive Procurement Theme of Community Wealth Building, ensuring that across the Council(s) there is clear understanding of how procurement is a lever of community wealth building and how through the pre-procurement stage and market engagement we can fully realise our economic, social, and environmental aims We will also seek to engage with the local community and other external partners (including Community Planning Partnerships and Business Networks) for their input into building local supply chains.

2.7 Reporting & Performance Review

2.7.1 Strategic Procurement Board

The Strategic Procurement Board will be responsible for the delivery of the Joint Procurement Strategy. The board have a terms of reference document which is reviewed on at least an annual basis. These terms of reference set out key items as per the below:

- Review the performance of the service and the Joint Procurement Strategy using Key Performance Indicators providing scrutiny and challenge, where appropriate;
- A Chief Executive, as determined by the three Council Chief Executives, will chair the Board meetings, the chair will rotate annually;
- The minute of each meeting of the Strategic Procurement Board will be circulated to the senior leadership/management teams of each Council – to ensure there is awareness at a Strategic Level of progress on delivery of the Joint Procurement Strategy.
- Meetings of the Board will be held quarterly – ensuring regular focus on the delivery of the Joint Procurement Strategy and Outcomes therein.

The board will receive updates on the delivery of the Strategy, the Board would facilitate the escalation and resolution of any issues that may present a barrier to the delivery of the outcomes to ensure the success of the Joint Procurement Strategy.

2.7.2 Annual Procurement Report

The Procurement Reform (Scotland) Act 2014 places an obligation on public sector bodies, obliged to prepare or revise a procurement strategy in relation to a financial year, to also prepare and publish an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of its financial year.

The annual procurement report should be relevant and proportionate to size and spend. It can aid visibility of purchasing activities; be a mechanism for conveying how legislative requirements are met; and outline how a contracting authority's procurement activity is contributing to the delivery of wider aims and objectives.

The Annual Procurement Report must include:

- (a) A summary of the regulated procurements that have been completed during the year covered by the report.
- (b) A review of whether those procurements complied with the contracting authority's procurement strategy.
- (c) To the extent that any regulated procurements did not comply, a statement of how the contracting authority intends to ensure that future regulated procurements do comply.
- (d) A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the financial year covered by the report.
- (e) A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report.

(f) A summary of the regulated procurements the authority expects to commence in the next two financial years.

In addition to the above an annual procurement report must address all matters contained in the procurement strategy. Each of the Council(s) will draft an annual procurement report, which will be approved by the relevant committee within each Council prior to publication of the report on the external website of each Council.

2.7.3 PCIP (Procurement & Commercial Improvement Programme)

The PCIP assessment provides a means of measuring and reporting on the procurement and commercial capability of organisations through the provision of evidence, based around a series of set questions and other evaluation methods. PCIP focuses on the strategy, policies and procedures driving procurement performance in an organisation and, the results they deliver.

The full contents of PCIP including all guidance, Dashboard, Advance Information Requirements, Full, Medium & Lite assessments alongside the Information Bank can be found on the Procurement Journey website [here](#).

Each organisation will be assessed every two to three years, against a set of core national questions used by assessors, which has been agreed by each Procurement Centre of Expertise. National performance bandings are used to support consistency and reporting.

3 Strategy Ownership and Contact Details

Role	Contact Details
Strategy Owner	Craig Innes Head of Commercial & Procurement Services Commercial & Procurement Shared Service Ground Floor Woodhill House Westburn Road Aberdeen AB16 5GB
Strategy Author	Melanie Mackenzie Strategic Commercial Manager Commercial & Procurement Shared Service Ground Floor Woodhill House Westburn Road Aberdeen AB16 5GB

This Joint Procurement Strategy covers the period 01 October 2023 – 30 September 2026, it will be reviewed at least annually, updates will be made available on the external websites of the partner Councils.

4 Appendices

Appendix 1: Mandatory Requirements Procurement Reform (Scotland) Act 2014 / Statutory Guidance Obligations

How the Council(s) intends to make sure that its regulated procurements will:	Act Section	Council(s) Response/Commitment to ensure compliance with mandatory requirements.
Contribute to the carrying out of its functions and achievement of its purposes.	15(5)(a)(i)	<ul style="list-style-type: none"> ▪ This strategy is aligned with the key strategic drivers of the Council(s) including Local Outcome Improvement Plans and will assist each Council in meeting their statutory obligations and challenges faced whilst contributing towards key strategic outcomes. ▪ Adherence to this strategy with strong engagement and robust governance arrangements pre-procurement coupled with effective contract and supplier management throughout the duration of any contract will ensure the Councils deliver innovative, consistent, compliant and collaborative market solutions demonstrating value for money and return on investment to meet or exceed challenging commercial performance targets. ▪ Performance against the objectives within this strategy will be monitored and reported on as per arrangements outlined in Section 2.8 of this Strategy Reporting.
Deliver value for money	15(5)(a)(ii)	<ul style="list-style-type: none"> ▪ Commitment to securing the maximum social, economic and environmental value from the contracts and the frameworks developed by the Council(s) and the sectoral and national frameworks used, ensuring early engagement with suppliers to assist in doing so. ▪ The Council(s) encourage lotting contracts to ensure the inclusive participation of SMEs, third sector organisations and supported businesses. ▪ Whole of life costing, circular economy considerations, demand management, assessment of make vs buy are key considerations within guidance to support delegated procurers at a transactional and strategic level achieve value for money. ▪ Procurement reform has encouraged buyers to be less reliant on price in regulated and unregulated contracts and the Council(s) will ensure an appropriate balance of price vs quality to deliver value. ▪ The Council(s) will continue to explore innovative evaluation models, incorporate social value and identify commercial opportunities to set a price rather than receive a price. ▪ Effective contract and supplier management throughout the duration of contracts will ensure the delivery of value for money.

<p>Compliance with duty to treat economic operators equally and without discrimination</p>	<p>15(5)(a)(iii)</p>	<ul style="list-style-type: none"> ▪ The Council(s) ensure a consistent approach to procurement activity through the delivery of the Joint Procurement Strategy, Scheme(s) of Governance and internal regulations and rules and compliance to Procurement Legislation which ensures: <ul style="list-style-type: none"> – Equal treatment and non-discrimination: giving every bidder an equal chance to win contracts; – Transparency: stating requirements and award criteria up front and sticking to them; – Fair and objective “like for like” evaluation. – Selection and award criteria are proportionate and non-discriminatory to smaller or newly established economic operators i.e., ensuring that the required standard of financial standing is proportionate and non-discriminatory to smaller or newly established economic operators. ▪ All procurement conducted by the Council(s) must be conducted in accordance with the above which ensures compliance with duties under the Act and Statutory Guidance.
<p>Be undertaken in compliance with its duty to act in a transparent and proportionate manner</p>	<p>15(5)(a)(iii)</p>	<p>The Council(s) are committed to consulting with the business community to:</p> <ul style="list-style-type: none"> ▪ Identify and reduce barriers to business; ▪ Keep the tender process as simple and consistent as possible; ▪ Increase stakeholder understanding of public sector procurement policy/legislation and ▪ Offer meaningful feedback to suppliers on the evaluation of their proposal. <p>To do so we will commit to:</p> <ul style="list-style-type: none"> ▪ the use of electronic communication for all procurement activity at a value of above £10,000; ▪ early market engagement; ▪ stating requirements and award criteria up front and sticking to them; ▪ Fair and objective “like for like” evaluation; and ▪ the use of clear and precise language to ensure a common understanding of the requirements. <p>The Council(s) also:</p> <ul style="list-style-type: none"> ▪ seek to conduct early market engagement, open to all suppliers who may have an interest in opportunities. In terms of engagement with local suppliers, supplier engagement events can establish whether proposed selection and award criteria are sufficiently inclusive, proportionate and relevant. ▪ In addition to the above the Council(s) have developed a supplier sources of support document issued with all tenders to signpost suppliers to sources of support available in developing tender responses
<p>Compliance with sustainable procurement duty</p>	<p>15(5)(a)(iii)</p>	

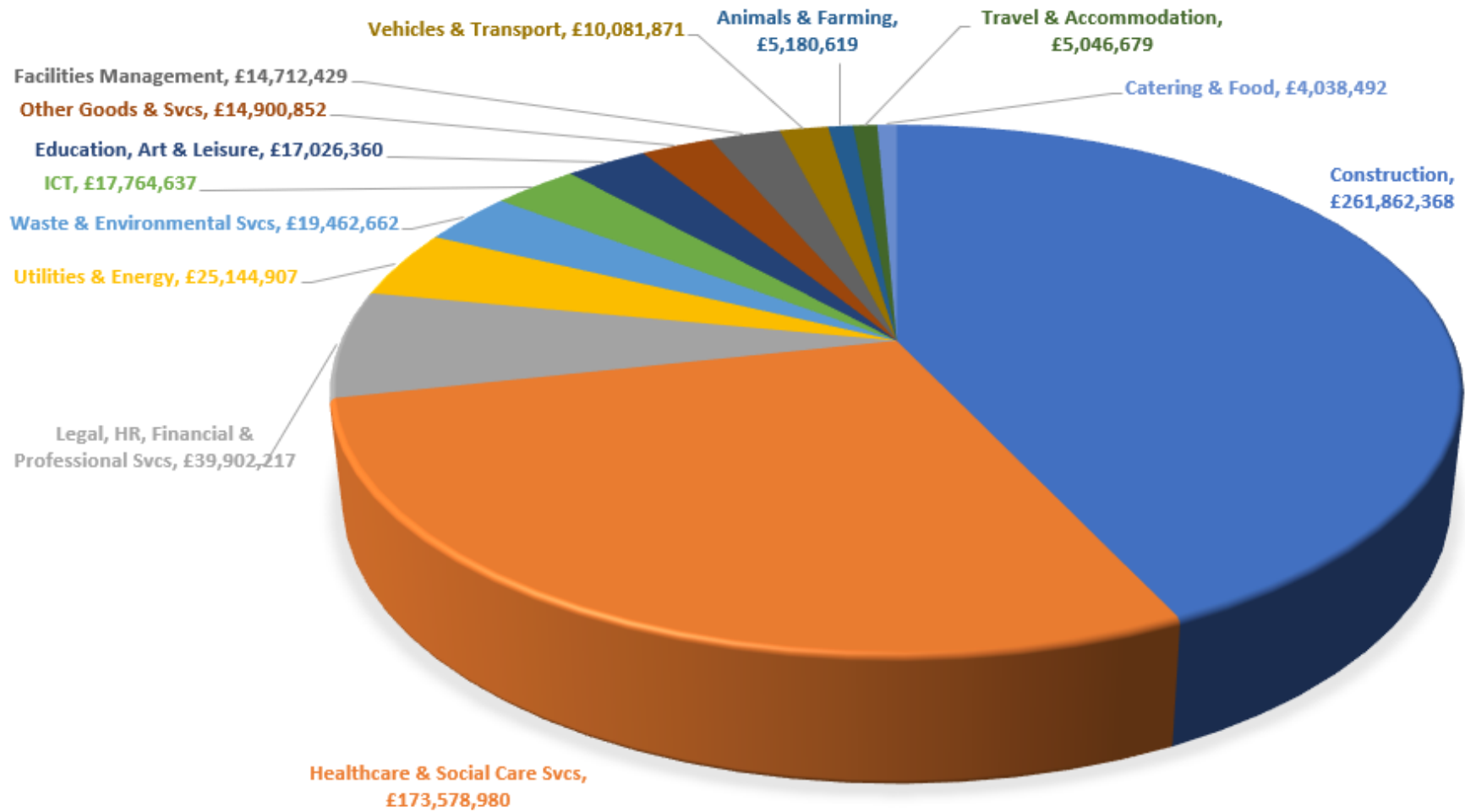
		<ul style="list-style-type: none"> ▪ The Council(s) Sustainable Procurement and Community Benefits Policy outlines the commitment to securing positive environmental, social and economic outcomes in all procurement activity where possible to do so (including below threshold procurements, all regulated procurements and framework call offs), policy states at least 10% of award criteria should be allocated to Sustainable Procurement including Community Benefits and Fair Work Practices. ▪ The detailed processes underpinning the application of community benefits at below and above the £4M threshold are included within the Policy and the Procurement Manual. ▪ A table of key outcome focused themes is used in procurement activity for bidders to respond to. This approach ensures a robust, achievable approach to sustainable procurement that is relevant and proportionate and ensures each Council is compliant with the mandatory duties within the Procurement Reform (Scotland) Act 2014. <p>The themed approach to community benefits is intended to provide procurers and suppliers with a clear, compliant, ideas-driven framework to work consistently within.</p> <ul style="list-style-type: none"> i. Use of a Community Benefits Project Plan is strongly encouraged for procurements above the £4M threshold, for below threshold a specific award question is included within templates; ii. Bidders are provided with details of sources of Council /agency/community/third sector advice (practical and financial support available to develop community benefit requirements) iii. Sources of information/research are disclosed allowing bidders to undertake their own research while the tender is live; and iv. Delegated Procurers are encouraged to publish a short statement addressing proportionality and relevancy in the Contract Notice.
<p>Policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements</p>	<p>15(5)(b)(iii)</p>	<ul style="list-style-type: none"> ▪ In all procurement activity (where proportionate and relevant) the Council(s) encourage accreditation of contracted suppliers as Living Wage employers (and encourage progress towards that end) across the supply chain despite the inability to make payment of the Living Wage a mandatory requirement. ▪ Policy states that at least 10% of award criteria should be allocated to Sustainable Procurement including Community Benefits and Fair Work Practices.
<p>Policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974</p>	<p>15(5)(b)(iv)</p>	<p>To ensure and promote compliance by contractors and sub-contractors with the Health & Safety at Work etc., the Council(s) encourage delegated procurers to:</p> <ul style="list-style-type: none"> ▪ use the standardised statements within the SPD (Single Procurement Document); ▪ consider safety issues in terms of S43 (3)(c) of the Public Contracts (Scotland) Regulations 2015; and

		<ul style="list-style-type: none"> where relevant to the contract devote a section of award criteria to health and safety considerations. Where sub-contractors have been identified, by a main contractor, a requirement would be included for the same standards to be demonstrated by sub-contractors Relevant clauses are included in terms and conditions of contract to ensure that this is a contractual obligation (where required), and these would form part of the Contract Management procedures to ensure that compliance is monitored.
Policy on the procurement of fairly and ethically traded goods and services	15(5)(b)(v)	<ul style="list-style-type: none"> The Council's Sustainable Procurement and Community Benefits Policy has been developed to support local and national priorities in terms of Fair Trade/fairly traded and ethically sourced goods and services (to ensure there is no discrimination it is necessary for procurers to refer to "fairly traded goods and services" or "ethically sourced goods and services" and offer alternatives to meet the standard without accreditation). The Council's Sustainable Procurement Policy provides extensive information on the compliant use of recognised trading labels and guides where "or equivalents" must be accepted.
Policy on approach to regulated procurements involving the provision of food to – (i) improve the health, wellbeing and education of communities in the authority's area, and (ii) promote the highest standards of animal welfare	15(5)(c)	<ul style="list-style-type: none"> The Council(s) commit to buying healthy food and drink and buying this locally (wherever possible) to serve in schools, social care and other facilities recognising the positive impact buying healthy food & drink locally (where possible) can have from an environmental, economic and wellbeing perspective. The Council(s) will participate in groups both nationally and within the local authority sector to ensure that best practice is shared/learned and incorporated in terms of Specifications, Health, Community Benefits, Education and Animal Welfare. The Council(s) commit to continued involvement in the further development of food related national frameworks through participating in User Intelligence Groups (UIG's). Use of award criteria in regulated procurement for Food will be used e.g., field to fork criteria capturing the origin of products, increasing the range of traded, ethically and locally sourced products (either directly or through the supply chain), minimising food waste, community benefits health, reduction of packaging, food poverty and reduction in emissions/road miles. Engagement with relevant associations, food producers, growers and distributors would be a key element of any procurement process to discuss desired outcomes with the wider market and seek feedback from the market to shape requirements
Prompt payment (no later than 30 days after invoice including contractors and sub-contractors)		<ul style="list-style-type: none"> The Council(s) are committed to prompt payment of invoices to both our contractors and sub-contractors within the supply chain. We commit to pay valid invoices within 30 days of receipt.

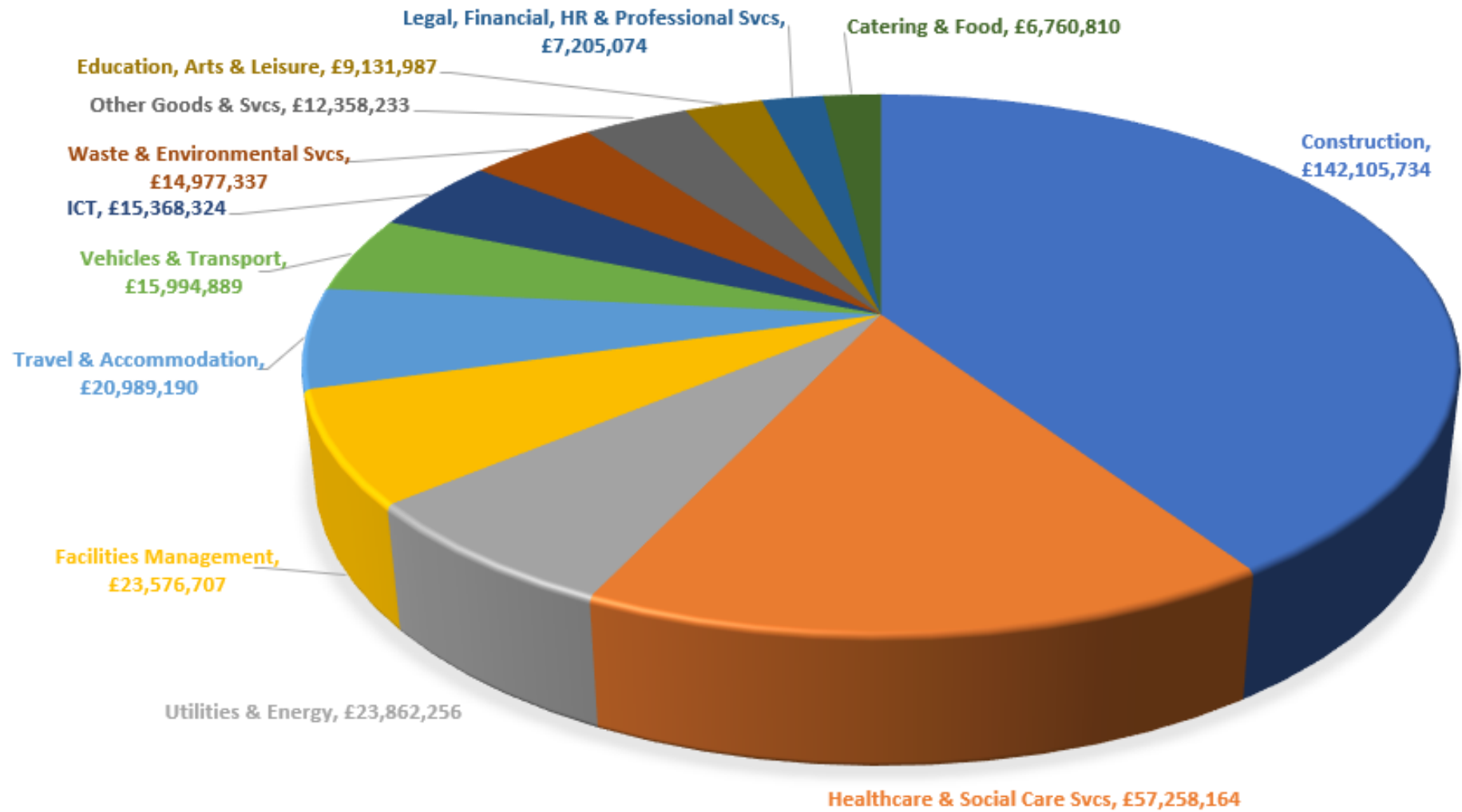
		<ul style="list-style-type: none">▪ Aberdeen City and Aberdeenshire Council offer the option for suppliers to join the Supplier Incentive Service (SIS), an early payment programme that gives suppliers the opportunity to be paid earlier than contracted terms, with a pre-agreed small percentage discount applied to an invoice paid early.
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Appendix 2: Spend Analysis

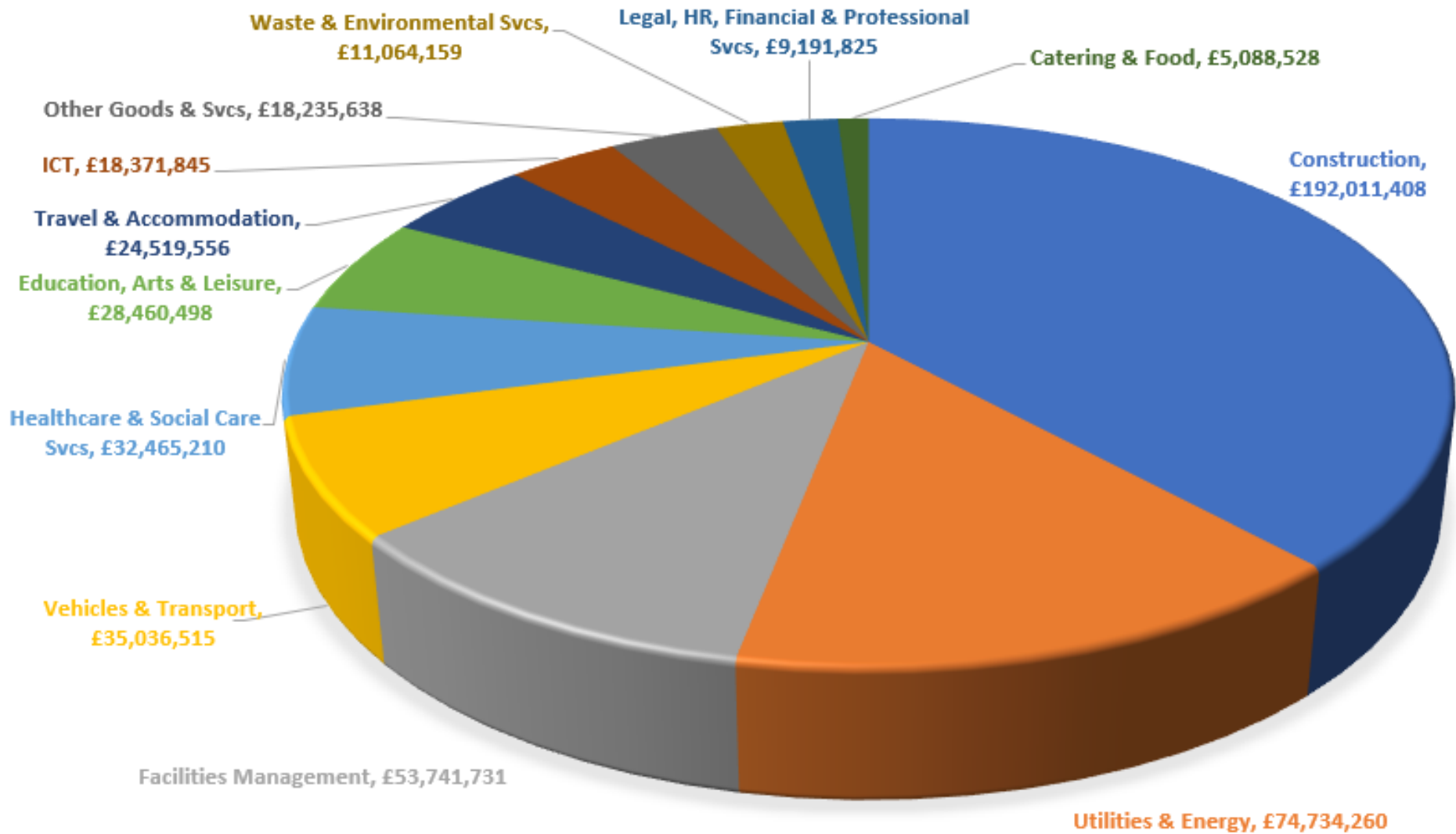
Aberdeen City Council – Full Year 2022 – 2023 Spend Analysis by Category



Aberdeenshire Council – Full Year 2022 – 2023 Spend Analysis by Category



Highland Council - Full Year 2022 - 2023 Spend Analysis by Category



Appendix 3: Strategy Outcomes & Key Actions to Deliver

Governance Theme		
Strategic Outcome	Strategic Driver(s)	Key Actions
<ul style="list-style-type: none"> - Minimise compliance breaches - Ensure all officers involved in procurement are appropriately trained and fully aware of their responsibilities in procuring and in managing contracts - Delivery of Contracts that support Council Services and deliver best value - Delivery of Contracts which support the delivery of budgetary savings 	<ul style="list-style-type: none"> - Supporting Council(s) delivery of functions/outcomes and delivery of Local Outcome Improvement Plans - Achievement of best value - Equal treatment, transparency - Procurement Priorities - Medium Term Financial Strategies 	<ul style="list-style-type: none"> - Review of mandatory training for Delegated Procurers on an annual basis, ensuring that best practice and changes to Scottish Government Guidance or legislation are incorporated on an ongoing basis. - Review of guidance and templates on an annual basis, ensuring that best practice and changes to Scottish Government Guidance or legislation are incorporated on an ongoing basis. - Report on Compliance on a quarterly basis to the relevant board or Senior Leadership team -
Policy Theme		
Strategic Outcome	Strategic Driver(s)	Key Actions
<ul style="list-style-type: none"> - To support the local economy and provide increased opportunities for local small and medium enterprises (SME's), Social Enterprises, Supported Businesses and Third Sector organisations - To ensure there is consultation and engagement with those affected by the Councils procurement - To secure community benefits through procurement activity and ensure these benefits are delivered - In all procurement activity (where proportionate and relevant) to encourage accreditation of contracted suppliers as Living Wage employers (and encourage progress towards that end) across the supply chain 	<ul style="list-style-type: none"> - Deliver positive outcomes for the local economy - To ensure proactive and meaningful stakeholder/community participation in procurement activity affecting them - Delivery of Community Benefits which delivers positive outcomes for Communities/Citizens - Ensure that where possible the Council contracts with Living Wage Employers 	<ul style="list-style-type: none"> - Development of an annual Supplier Development Plan – with a focus on sharing information, seeking input from suppliers to shape requirements for the benefit of the local economy and the business community - Development and maintenance of networks to ensure stakeholders and communities are engaged in the development of procurement activity - Ongoing review of opportunities for inclusion of Community Benefits, increase use of Community Benefits project plans to secure benefits - Further develop mechanisms to track delivery of Community Benefits - Development of supplier sources of support document to be issued with all tenders which includes information on Living Wage accreditation

Food Procurement Theme		
Strategic Outcome	Strategic Driver(s)	Key Actions
<ul style="list-style-type: none"> – Ensure Food is procured which will (i) improve the health, wellbeing and education of communities in the authority’s area, and (ii) promote the highest standards of animal welfare 	<ul style="list-style-type: none"> – Delivery of positive health, wellbeing and education of communities’ outcomes – Ensure food procured is of a high quality 	<ul style="list-style-type: none"> – Engagement with relevant associations, food producers, growers and distributors to discuss desired outcomes with the wider market and seek feedback from the market to shape future requirements to ensure that contract delivery is structured to optimise engagement from the market and ensure outcomes are achieved.
Climate Change, Net Zero & Circular Economy Theme		
Strategic Outcome	Strategic Driver(s)	Key Actions
<ul style="list-style-type: none"> - Ensure that delegated procurers are taking account of Net Zero commitments and embedding Climate and Circular Economy considerations into procurement activity, taking into account existing duties under the Procurement Reform (Scotland) Act 2014 to consider and action opportunities to improve the economic, social and environmental wellbeing of their areas 	<ul style="list-style-type: none"> - Climate Change Duty - Delivery of positive environmental outcomes to support climate change targets 	<ul style="list-style-type: none"> - Ongoing review of opportunities for inclusion of Climate and Circular Economy considerations - Increase inclusion of climate and circular economy considerations in procurement activity - Further develop mechanisms to track delivery Environmental outcomes
Commercialisation Theme		
Strategic Outcome	Strategic Driver(s)	Key Actions
<ul style="list-style-type: none"> - Increased Growth Opportunities and Income Streams - A culture of commercial excellence embedded throughout the Council - Increased employment and training opportunities - New innovative alternative delivery models embedded throughout the Council - Delivery of positive environmental outcomes 	<ul style="list-style-type: none"> - Medium Term Financial Strategies - Local Outcome Improvement Plans (LOIP) - Delivery of positive environmental outcomes to support climate change targets 	<ul style="list-style-type: none"> - Implement programmes of work to deliver opportunities identified across each of the participating Councils’ commercial portfolios - Delivery of commercial workshops. - Develop and delivery of programme of training on how to develop Commercial activity
Community Wealth Building Theme		

Strategic Outcome	Strategic Driver(s)	Key Actions
<ul style="list-style-type: none"> - Develop local supply chains and increase levels of spend with local organisations and Small to Medium Sized Enterprises (SMES) - Delivery of positive economic, social and environmental outcomes to address the local economic, social, and environmental challenges faced. 	<ul style="list-style-type: none"> - Medium Term Financial Strategies - Local Outcome Improvement Plans (LOIP) - Delivery of positive environmental outcomes to support climate change targets 	<ul style="list-style-type: none"> - Annual review of spend and contract data across the three Councils will be undertaken in partnership with the procuring services and other enabling services i.e., Economic Development/Finance to identify opportunities for Community Wealth Building - Development of an annual supplier development plan based on the review findings

Appendix 4: Strategy Performance Indicators

No.	Key Performance Indicators	Target
Local indicators (measured for each individual council)		
1	Community Benefits and Sustainable Procurement	
a	% Spend with local SME businesses	>30%
b	% of contracts with community benefits clause included	>95%
c	% of contracts with fair work practices (Includes living wage) included	>95%
d	% of contract with carbon reduction clause included	>75%
2	Efficiency Savings	
a	Efficiency savings – cashable (% of Addressable Spend)	>0.5%
3	Contract Compliance	
a	% Spend covered by contract (Total including collaborative contract & framework spend)	>80%
b	% Contract Spend which is covered by collaborative contracts (excluding frameworks)	>10%
c	% Contract Spend which is covered by spend on Category A* or Category B* frameworks	>10%

Appendix 5: Commercialisation Areas

Opportunity	Service/Opportunity Area	Which Services and/or Products	How income would be generated
Commercial management of income contracts	PPA management under commercial register, TECA	Energy Teams/Utilities Concession Contracts	Commercial managers would support the negotiation of terms (based on market knowledge and expertise)
Sale of Council Services	Sale of Council services to the private sector	Legal services, pest control, ground maintenance	Service charges Make vs buy analysis Make only or Make & Sell
Creation of Partnerships	Sponsorship, marketing and advertising Utilities Gainshare arrangements Payment audit Gainshare arrangements	Use of Council assets (poster sites, bridges, streetlamps, car parks, parks etc.) for sponsorship, marketing and advertising	Potential gain share arrangement with external provider
Creation of new businesses	Energy Services Company Consultancy Services	Energy Urban Heat Network Anaerobic Digestion Plant EV Charging	Creation of new vehicle to generate income/Consultancy Services
Efficiency optimisation (Sale of Data Analysis/Internal Data Analysis)	Gainshare skills @100% of income rather than fee % shared	Electricity, gas, water, postal services, telecoms	Sale of services to our major suppliers/Third Sector/Other Public Sector Partners.
Investment to increase income	Property Infrastructure Drones		Rental income Repurposing estate Drone Surveys
Empower social value	Community lottery, crowd funding		

Appendix 6: Glossary of Terms

Term	Definition
Central Purchasing Body	a contracting authority that: procures and awards public contracts or frameworks for works, supplies or services intended for one or more contracting authorities; or concludes framework agreements for works, supplies or services intended for one or more contracting authorities.
Circular Economy	an alternative to a traditional linear economy (make, use, dispose) in which resources remain in use for as long as possible, maximum value is extracted from them whilst in use, then residual products and materials are recovered/regenerated at the end of each service life.
Collaboration	when two or more groups of people or organisations engage in procurement work together for mutual benefit.
Community Benefits	clauses within contracts/frameworks requiring tenderers to commit to undertaking some form of wider social, economic or environmental benefit in addition to the core purpose of the contract.
Commercial & Procurement Service	shared commercial and procurement services for Aberdeen City, Aberdeenshire and The Highland Councils, teams within the service Category Management Team (Procurement, Data, Community Benefits & Sustainable Procurement), Social Care Commissioning, Legal Team.
Contract	a legally binding agreement between the Council and one or more suppliers for the supply of specified goods, services or works. The contract sets out the details of what the Council is buying and being delivered with and the rights and obligations of both of the parties.

Contract and Supplier Management (CSM)	the management of the relationship between the Council and the supplier over the term of any contract for the provision of goods/services and or works to the agreed standards and agreed terms, ensuring that both parties (Council and supplier) fully meet their obligations under the agreement. Effective management of contracts can minimise the total cost and maximise Supply Chain efficiencies.
Delegated Procurement Authority (DPA)	authority delegated to procurers to lead and/or oversee the procurement process leading up to and including the award of a contract and any subsequent changes.
Delegated Procurer	an individual who has been granted delegated procurement authority.
Demand Management	management of demand through addressing the drivers for spend, aligning spend to business need and eliminating unnecessary consumption.
Framework Agreements	a framework agreement is an overarching agreement which establishes the terms and conditions under which compliant purchases (“Call Offs”) can be made for a specified period. Can be for a Sector (let by the sector central purchasing body) or national (let by a national central purchasing body) or can also be let by any contracting authority or contracting authorities in collaboration.
Procurement Reform (Scotland) Act 2014	the Procurement Reform (Scotland) Act 2014 works alongside the regulations to provide a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice. The Act focuses on general duties on contracting authorities regarding their procurement activities and some specific measures aimed at promoting good, transparent and consistent practice in procurement processes.
Public Procurement	

	When a public sector body buys/contracts for any goods, works or services: that is public procurement. Public procurement is different from when private companies do business with each other because of the regulations that apply to all public sector contracts over a certain value, or 'threshold.'
Regulated Procurements	regulated contracts are those with a total ("whole of life") value of £50,000 for goods and services and £2M in the case of works.
Small and Medium Enterprises (SMEs)	Small Enterprise - Less than 50 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of less than £5.6m will be taken as an indicator that it is a small enterprise. Medium Enterprise - Between 50 and 249 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £5.6m and less than £22.8m will be taken as an indicator that it is a medium enterprise.
Social Enterprise	a revenue-generating business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.
Supply Chain	is the network of all the individuals, organisations, resources, activities and technology involved in the delivery of the goods, services and/or works from the supplier to the end user.
Supported Business	supported businesses are social enterprises whose main aim is to integrate disabled or disadvantaged people socially and professionally. Their workforce must be at least 30% disabled or disadvantaged. Supported businesses (and only supported businesses) can benefit from reserved contracts.
Third Sector	

	<p>the third sector comprises community groups, voluntary organisations, charities, social enterprises, supported businesses, co-operatives and individual volunteers. The third sector delivers essential services, helps to improve people's wellbeing and contributes to economic growth. It plays a vital role in supporting communities at a local level.</p>
Whole Life Costing	<p>takes account of the cost of a product or service over its life, from determining the need for it through to its eventual disposal and replacement.</p>

COMMITTEE	Finance and Resources Committee
DATE	13 th September 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Performance Management Framework Report – Commissioning and Resources
REPORT NUMBER	COM/23/285
DIRECTOR	Gale Beattie
CHIEF OFFICER	Martin Murchie
REPORT AUTHOR	Alex Paterson
TERMS OF REFERENCE	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 within the remit of this Committee.

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

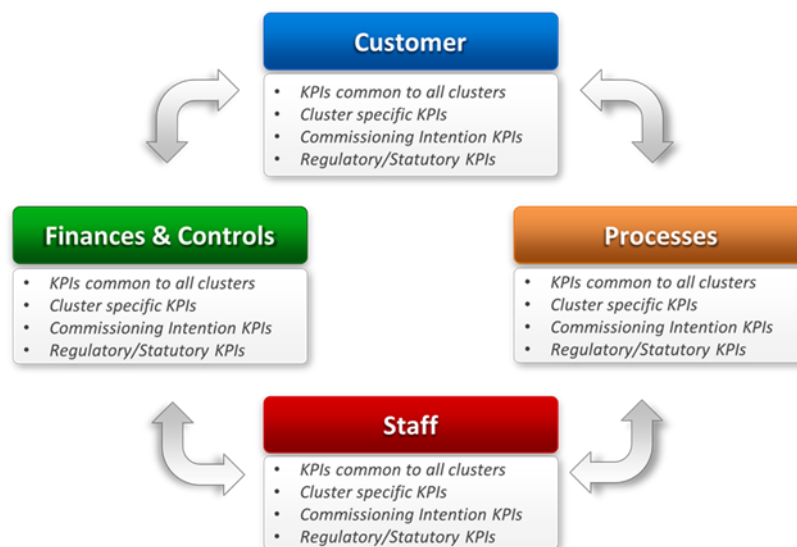
Report Purpose

- 3.1 This report is to provide members with key performance measures in relation to the Commissioning and Resources functions as expressed within the 2023/24 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 majority of measures reflected against in this report align those Standards and measures outlined in the 2023/24 Council Delivery Plan and Commissioning Intentions outlined at the above meeting.
- 3.4 A limited number of measures, enabled by recent data releases, retrospectively capture information and Service Standards outcomes from 2022/23

- 3.5 The Council's refreshed Performance Management Framework for 2023/24 was approved at the meeting of Council on 14th June 2023
- 3.6 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.
- 3.7 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.
- 3.8 Where appropriate, hard and soft data capture against these Standards is incorporated within the suite of measures contained within Appendix A and is reported against on either a quarterly or annual basis, as highlighted.
- 3.9 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.







- 3.10 This report, details performance up to the end of June 2023 or Quarter 1 2022/23, 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.
- 3.11 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. Within this report there is limited movement in the data and overall, there are no major performance concerns from this perspective.
- 3.12 Where relevant, Service Notes or Commentary are provided to inform Member scrutiny and/or to contextualise the metrics within the appendix and, where necessary, to explain any less positive quarterly outcomes.

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

Performance Measures

3.14 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

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”

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?
Strategic	None	NA	NA	NA
Compliance	That the Council fails to meet its legal obligations around Best	Publication of service performance information in the public domain ensures that the Council is meeting its	L	Yes

	Value based reporting	legal obligations in the context of Best value reporting.		
Operational	That the Council does not meet its legal obligations around employee welfare.	Oversight by Elected Members of core employee health and safety/attendance data supports the Council's obligations as an employer	L	Yes
Financial	There is material variation from budget forecasts	Overview data on specific limited aspects of each cluster's financial performance is provided within this report	L	Yes
Reputational	Critical public/partner perception of Council accountability	Reporting of service performance to Members and in the public domain serves to enhance the Council's reputation for transparency and accountability.	L	Yes
Environment / Climate	None	NA	NA	NA

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
<p>Aberdeen City Council Partnership Agreement</p> <p>Improving Educational Choices</p> <p>Creating Better Learning Environments</p>	<p>The provision of information on cluster performance will support scrutiny of progress against the delivery of the following Agreement Statements:</p> <ul style="list-style-type: none"> - 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 positive destinations, including further and higher education, vocational training and apprenticeships. - Promote the number of apprenticeships on offer through the council. - Review and invest in our school estate, ensuring all of Aberdeen's schools are fit for the

<p>City Centre and Beach</p>	<p>educational needs and the challenges of the 21st century.</p> <ul style="list-style-type: none"> - Refresh our tourism and cultural strategies for the city. - 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. - Expand the Beach Masterplan, extending the footprint from the River Dee to the River Don. - Bring forward plans to improve active travel links between the Castlegate and the beach. - Continue to move the City Centre and Beach Masterplans forward, expanding it to include George Street and ensuring it remains current with annual reviews.
<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"> - 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.
<p>Building a Greener and Sustainable City</p>	<ul style="list-style-type: none"> - Declare a climate emergency. - 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. - Support Aberdeen’s continued pioneering of Hydrogen technologies and make the case to bring alternatively powered rail services to the City. - 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 - Delivering a revised Local Transport Strategy.

<p>Greener Transport, Safer Streets, Real Choices</p>	<ul style="list-style-type: none"> - 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. - 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.
<p>Homes for the Future</p>	<ul style="list-style-type: none"> - 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.
<p>A Prosperous City</p>	<ul style="list-style-type: none"> - Develop our economy in a genuine partnership with the private sector, third sector and residents. - 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. - 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. - Seek to buy goods, services and food locally whenever possible, subject to complying with the law and public tendering requirements.
<p>Empowering Aberdeen's Communities</p>	<ul style="list-style-type: none"> - Work with communities to establish trusts, community enterprises, charities or other entities that support community empowerment and community wealth building. - Support people to engage with Community Asset Transfers throughout the process.

[Aberdeen City Local Outcome Improvement Plan](#)

<p>Prosperous Economy</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>
<p>Prosperous People</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>The delivery of services referred to within this report supports each of the Children & Young People Stretch Outcomes 6,7 and 8 in the LOIP.</p> <p>This includes the following Improvement Aims:</p> <p>Outcome 6 Improvement Aim</p> <p>Increase the number of care experienced young people accessing a positive and sustained destination by 25% by 2022.</p> <p>Outcome 7 Improvement Aim</p>

<p>8. Child Friendly City where all decisions which impact on children are informed by them by 2026.</p>	<p>Increase the number of accredited courses directly associated with growth areas by 7% by 2023.</p> <p>Outcome 8 Improvement Aims</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>Prosperous Place Stretch Outcomes</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>Outcome 13 Improvement Aims</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>Outcome 14 Improvement Aims</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>Outcome 15 Improvement Aims</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>
<p>Regional and City Strategies</p>	<p>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</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	It is confirmed by Chief Officer, Martin Murchie, that no Integrated Impact Assessment is required for this report
Data Protection Impact Assessment	A Data Protection Impact Assessment is not required for this report.
Other	No additional impact assessments have been completed for this report.

10. BACKGROUND PAPERS

- 10.1 Council Delivery Plan 2023/24
Performance Management Framework 2023/24

11. APPENDICES

- 11.1 Appendix A – Finance and Resources Performance Summary Dashboard

12. REPORT AUTHOR CONTACT DETAILS

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Appendix A - Performance Management Framework Report, 5th July 2023 – Commissioning, Resources Functions and Personnel and Organisational Development

COMMISSIONING FUNCTION

CITY GROWTH CLUSTER

1. Customer








Cluster Level Measures – 2023/24 Service Standards

Performance Measure	2023/24 Target
We will, with partners, support established businesses and new business start-ups in the city through the Business Gateway service, and will aim for a satisfaction rating of 80% for our interactions	80%
We will maintain and update Accreditation standards for Museums and Gallery and apply for Accredited status for Archives.	100%
We will improve sector-assessed star ratings for visitor venues to achieve highest ratings achievable at Maritime Museum, Art Gallery and Provost Skene's House (based on current criteria and building limitations - Visit Scotland).	Improve
We will improve customer satisfaction levels for events, venues, retail, cafes, exhibitions, and engagement programmes (across City Growth managed events and venues).	Improve
We will make relevant, and up to date data, information and insights permanently available to stakeholders through a North East of Scotland Performs economic data observatory and the Aberdeen Economic Policy Report	100%

We will collaborate with Culture Partners to maximise opportunities and investment within the sector and submit a Culture Value Impact Report annually	100%
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<p>Metric Descriptor</p> <p>Service Commentary</p> <p>The 2023/24 Standards represent a renewed suite of measures which will largely use 2023/24 as a baseline, and will incorporate the development of additional data robustness that will offer extended and sustainable insight around aspects of service delivery (e.g., satisfaction levels)</p> <p>These Standards are intended to be reported against at the conclusion of the fiscal year, but progress updates will be provided against the Accreditation and Visit Scotland driven measures as and when engagement with the national organisations (Museums and Galleries Scotland and Visit Scotland) offer information that is supportive of the outcomes expressed.</p> <p>Outcomes relating to Policy Reports will be reported in the context of the reports themselves at the appropriate points in the Business Planner</p>

Corporate Measures – Cluster Level

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 Target	Long Trend Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – City Growth	1	0	3	2			
% of complaints resolved within timescale stage 1 and 2) – City Growth	0%	N/A	100%	100%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – City Growth	0%	N/A	33.3%	0%			
Total No. of lessons learnt identified (stage 1 and 2) – City Growth	0	N/A	1	0			

2. Processes

Service Level Measures – Museums and Galleries

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Long Trend - Quarterly
	Value	Value	Value	Value	
Number of total visits/attendances at museums and galleries *	358,021	319,983	337,162	330,788	
Number of virtual visits/attendances at museums and galleries	267,038	253,340	256,358	252,017	
Number of visits at museums and galleries that were in person	90,555	65,188	78,720	77,264	

* Includes outreach/enquiries and events-based visits not captured separately in the above table,





Service Commentary




The long trend for each of the quarterly measures continues on a sustained upwards direction. Although the circumstances around the pandemic and variations in the number of accessible venues, precludes more extended analysis for individual contributing measures, (with the exception of virtual visits) the pattern of visits/usage at Quarter 1, exceeds that of the prior three years. This latter dip is likely related to the enhanced physical availability of venues, including full re-opening of the Maritime Museum at the commencement of the Quarter.

Tracking the pattern of visits across a ten-year term indicates that seasonality is a significant influence in quarter-to-quarter variations in City visit levels, both those in person and virtual, and is experienced nationally.

3. Staff





Corporate Measures – Cluster Level

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	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	2	2	0		

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Corporate Figure Quarter 1	Long Trend - Monthly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – City Growth	1	0.9	1	1.2		8.3	
Establishment actual FTE – City Growth	171.22	165.9	174.1	154.3			

4. Finance & Controls

Corporate Measures – Cluster Level

Performance Indicator	Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – City Growth	62.2%		88.6%		99.7%		35.1%	

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 3, 34.8 FTE posts were encompassed within the description above which equated to just over 20% 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 2 20122/23	Quarter 3 20122/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Strategic Place Planning	2	3	1	3			
% of complaints resolved within timescale stage 1 and 2) – Strategic Place Planning	50.0%	66.7%	100%	66.7%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Strategic Place Planning	50.0%	0	0	66.7%			
Total No. of lessons learnt identified (stage 1 and 2) – Strategic Place Planning	1	2	0	0			

Cluster Level 2023/24 Service Standards – Quarterly Measures (Development Planning)

Performance Measure	2023/24 Target
% of local (householder) applications determined within 10 weeks*	100%
% of local (non-householder) applications within 11 weeks*	100%
% determine Major Planning Applications within 30 weeks*	100%

Service Commentary

* Validated metrics supporting the status of the above standards and measures is updated twice yearly on publication of data relating to the national Planning Performance Framework. The next of these publications, covering quarters 1 and 2 2023/24 is due to be published in January 2024.

*Excludes applications subject to processing agreements. Status is defined by comparison with, and variation from, the local Service Standard targets

6.Processes

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

Activity Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Long Trend- Quarterly
	Value	Value	Value	Value	
Number of Development Management Applications received	247	293	331	329	↓
Number of Building Standards Applications received	345	341	354	381	↓

Service Commentary







Development Management Applications

There were continued signs of a recovery in the level of demand activity around Development Management applications in Quarter 1 with the numbers processed generally being above those in previous quarters and at a level similar to same time period in 2022/23 (330 applications).At the same time, and taking seasonality into account, the long trend in applications, is still showing levels of activity that are significantly below that of the pre-COVID-19 baseline (2019/20 – 453 applications) with considerable variation in year-to year trends over this timeline.

Building Standards Applications

Application levels are displaying a similar pattern to Management applications in the short term with a rise in activity Quarter -to Quarter but with a long trend and comparisons with the same period in 2022/23 both showing deterioration. The Quarter 1 2023/24 figure is below that of each of the previous four years, with the exception of 2020/21 where the impacts of COVID-19 restrictions were at their most prevalent. In the pre-pandemic baseline year (2019/20) there were 470 applications.

Service Standards Metrics - National Quarterly Planning Performance Framework



Performance Measure	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Annual 2022/23	Status ^	Long Trend- Quarterly	National Annual 2022/23 Figure
	Value	Value	Value	Value	Value			
Percentage of Local Development applications determined within 2 months (Applications)	86.5% (126)	81.7% (115)	72% (107)	81.5% (130)	80.8% (478)			60.4%
Percentage of local (non-householder) applications determined within 2 months (Applications)	80.3% (61)	75.9% (58)	59.6% (57)	80.4% (56)	74.1% (232)			48.0%
Percentage of local (householder) applications determined within 2 months (Applications)	92.3% (65)	87.7% (57)	86% (50)	82.4% (74)	87% (246)			71.5%

^ Excludes applications subject to a processing agreement. 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

In each of the Quarter 3 and 4 measures, the outcomes were better than the National level with a similar pattern being recorded against the cumulative year-end outcomes. In Quarter 4, the percentage of applications determined within 2 months matched or exceeded the Service Standards outlined for 2022/23.

Service Measures – National Planning Performance Framework*

Performance Indicator	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Annual 2022/23	Status	Long Trend - Quarterly	National Annual 2022/23 Figure
	Value	Value	Value	Value	Value			
Percentage (and Number of decisions) of Application Processing Agreements agreed within timescale – Local Developments	98.3% (60)	93.8% (64)	100% (41)	97.2% (36)	97.0% (201)			71.2%

Performance Indicator	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Annual 2022/23	Status	Long Trend - Quarterly	National Annual 2022/23 Figure
	Value	Value	Value	Value	Value			
Percentage (and Number of decisions) of Application Processing Agreements agreed within timescale – Major Developments	NA	100.0% (1)	NA	NA	100% (1)			58.7%

Performance Indicator	Quarter 1 2022/23	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Annual 2022/23	Status	Long Trend- Quarterly	National Annual 2022/23 Figure
	Value	Value	Value	Value	Value			
Average Determination Times of All Local Development Planning Applications in Weeks (Applications) **	7.9 (126)	9.3 (115)	10.7 (130)	8.4 (107)	9.0 (478)			11.5
Average Determination Times of Non-Householder Local Development Planning Applications in Weeks (Applications) **	8.4 (61)	9.6 (58)	12.7 (57)	9.4 (56)	10.0 (232)			14.4
Average Determination Times of Householder Local Development Planning Applications In Weeks (Applications)**	7.4 (65)	9.0 (57)	7.6 (74)	8.5 (50)	8.1 (246)			8.9

** Applications not subject to a processing agreement. 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 3 and 4, 2022/23 was published on 26th July 2023

Service Commentary





Processing Agreements




The proportion of Local Development Processing Agreements processed within agreed timescales, at each quarter, and for the full year, were better than the National data

Planning Determination Times

Planning Determination times (in weeks) at Quarter 4 for both All Local and Non-Householder applications were on an upwards trend and matched or were better than the National levels, as was the annual 2022/23 outcome The quarterly trend for Householder Applications at year-end was stable and with the annual outcome also being better than the Scotland figure

7. Staff**Corporate Measures – Cluster Level**

Performance Measure	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	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	1		

Performance Measure	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Corporate Figure Quarter 1	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Strategic Place Planning	1.3	1.1	1.1	1.2		8.3	
Establishment actual FTE – Strategic Place Planning	88.9	94.7	93.86	92.27			

8. Finance & Controls**Corporate Measures – Cluster Level**

Performance Measure	Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – Spend to full year budget profile – Strategic Place Planning	48.0		71.5%		101%		23.9%	

Service Level Activity Indicator

Activity Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status
	Value	Value	Value	Value	
YTD % of budgeted income received from Planning Application fees *	32.4%	48.1%	81.6%	25.0%	
YTD % of budgeted income received from Building Warrant fees	39.9%	60.4%	93.8%	17.3%	

*Includes fees generated from Pre-Application and Conditions processing activity. As at 30th June 2023, the value of this activity was £20,230 from 47 applications

Service Commentary

As noted previously, seasonality and the scale of applications received are significant demand influences around the fees received from planning and building standards application processing.

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, eased slightly towards the end of the prior year but, as reflected in the Quarter 1 Financial Performance report to this Committee on the 8th of August 2023, will continue to be felt throughout the current fiscal period

GOVERNANCE CLUSTER

Corporate Measures -Service Level

9. Customer

Performance Measure	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Governance	2	3	1	2			
% of complaints resolved within timescale stage 1 and 2) – Governance	50%	66.7%	100%	50%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Governance	50%	0%	0%	0%			
Total No. of lessons learnt identified (stage 1 and 2) – Governance	1	0	0	1			

10. Processes

Cluster Level 2023/24 Service Standards – Quarterly Measures

Performance Measure	Current Status	2023/24 Target
.% of requests for review acknowledged within 14 days (Local Review Body)		100%
% of Civic licensing complaints acknowledged within 24 hours.		100%
% of Civic licensing complaints investigated within 10 days		90%
School Placing and Exclusion requests – hearings heard within 28 days of request		100%
% of Civic Licence Applications determined within 9 months of a valid application		100%
% of Hearings to determine a Premises Licence application or Variation application within 119 days of the last date for representations.		100%
% of Decision Letters for alcohol applications issued within 7 days of Board meeting		100%
Personal Licence issued within 28 days of date of grant		100%

11. Staff

Corporate Measures - Service Level

Performance Measure	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Governance	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Governance	0	0	0	0		

Performance Measure	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Corporate Figure Quarter 1	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Governance	0.1	0.3	0.8	1.7		8.3	
Establishment actual FTE – Governance	59.8	60.2	59.5	59.1			

12. Finance and Controls

Corporate Measures – Service Level

Performance Indicator	Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Governance	46.4%		71.4%		95.8%		24.6%	

COMMERCIAL AND PROCUREMENT CLUSTER

13. Customer

Performance Measure	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			

Total No. complaints received (stage 1 and 2) – C&P	0	0	0	0			
% of complaints resolved within timescale stage 1 and 2) – C&P	NA	NA	NA	NA	NA	75%	
% of complaints with at least one point upheld (stage 1 and 2) – C&P	NA	NA	NA	NA			
Total No. of lessons learnt identified (stage 1 and 2) – C&P	NA	NA	NA	NA			

14. Processes

Cluster Level Measures – 2023/24 Service Standards

Performance Measure	Current Status	2023/24 Target
. We will ensure demand management is embedded for all revenue contracts above £50K contracts at strategy stage and throughout life of contract to ensure that the quantity and specification of goods and services match, but do not exceed, the actual needs of the Council.		100%
We will enable access to all internal procedural procurement information online.		100%
We will publish annual contract pipelines for each financial year online after the Council Budget is set.		100%
We will ensure that all contracts above £50K in value can be tracked to show community, local economic and environmental benefits.		100%
We will ensure that all contracts above £50K have standard clauses to require providers to demonstrate commitments towards carbon reduction and efficiency.		100%

Service Commentary





Carbon Reduction in Procurement




Specific evaluation criteria have been built into procurement templates for use by all procurers and would be used to evaluate commitment and proposed outcomes for Carbon Reduction and Efficiency, which would then be incorporated into contracts. A pilot commenced March 2023 for a period of 12 months, with a system for gathering data across selected procurement activity to support reporting quarterly.

The status of this measure reflects (a) on-going development around the monitoring of providers demonstrative evidence subsequent to the inclusion of these standard clauses in all contracts above £50k which is now universally applied and (b) on-going validation of the data produced from the initial quarterly period.

15, Staff





Corporate Measures - Service Level

Performance Measure	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – C&P	0	0	0	0		
H&S Employee Non-Reportable by Cluster – C&P	0	0	0	0		

Performance Measure	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Corporate Figure Quarter 1	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – C&P	0.5	0.5	0.5	0.8		8.3	
Establishment actual FTE – C&P	42.55	45.1	44.35	45.1			

16, Finance and Controls








Corporate Measures – Service Level

Performance Indicator	Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – C&P	47.9%		72.4%		96.6%		32.2%	



Service Commentary

Where Service savings, agreed as part of the Council's 2023/24 budget setting process, have a staffing element e.g., the application of VSER and removal of vacancies this will be reflected against later quarterly outcomes as implementation plans at individual Cluster/Service levels are progressed.

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


Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Finance	1	0	2	3			
% of complaints resolved within timescale stage 1 and 2) – Finance	0%	NA	100%	66.7%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Finance	0%	NA	50%	0%			
Total No. of lessons learnt identified (stage 1 and 2) – Finance	0	NA	1	1			

18. Processes**Cluster Level 2023/24 Service Standards – Quarterly Measures**

Performance Measures	Current Status	2023/24 Target
% of care income assessments processed within 28 days from receipt of all Care Management information		90%
% of sampled creditor invoices paid within 30 days of receipt		90%

. % of budget holder meetings provided in accordance with the risk schedule.		90%
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Cluster Level 2023/24 Service Standards – Annual Measures

We will ensure that 1% of the Council’s annual revenue budget is subject to participatory budgeting.		100%
We will ensure that the treasury strategy is prepared and implemented annually to comply with statutory requirements and credit rating updated annually.	NA	100%
We will deliver all relevant statutory financial reporting and returns.	NA	100%





Service Commentary

Detailed information around the Annual Measures is embedded within a series of financial and annual accounting reports to Council, this Committee and Audit and Scrutiny at appropriate points throughout the fiscal year.

Page 170

19. Staff

Corporate Measures – Cluster Level

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	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	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Corporate Figure Quarter 4	Long Trend - Monthly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Finance	1	0.3	0.3	0.3		8.3	
Establishment actual FTE – Finance	89.4	88.2	92.16	93.75			

20. Finance & Controls

Corporate Measures – Cluster Level


Performance Indicator	Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Finance	48.9%		74.5%		99.1%		23.8%	

CAPITAL CLUSTER

21. Customer

Corporate Measures – Service Level

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Capital	4	0	2	1			
% of complaints resolved within timescale stage 1 and 2) – Capital	50%	NA	100%	0%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Capital	50%	NA	0%	100%			

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. of lessons learnt identified (stage 1 and 2) – Capital	0	NA	0	0			

22. Processes

Cluster Level 2023/24 Service Standards – Annual Measure





Performance Measure	2023/24 Target
% of new builds where the specification meets the required environmental and building performance standards.	100%

Service Commentary

This is a new Service Standard for 2023/24 which will be reported against at conclusion of the current fiscal period. Performance and progress 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 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	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	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Corporate Figure Quarter 1	Long Trend - Monthly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Capital	1.7	2.1	3.0	4.0		8.3	
Establishment actual FTE – Capital	67.4	67.6	66.4	64.84			

24. Finance & Controls

Corporate Measures - Service Level




Performance Indicator	Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Capital	35.5%		56.8%		80.3%		18.6%	

CORPORATE LANDLORD CLUSTER

25. Customer

Corporate Measures - Service Level

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Corporate Landlord	12	27	7	12			
% of complaints resolved within timescale stage 1 and 2) – Corporate Landlord	66.7%	48.1%	28.6%	33.3%		75%	

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
% of complaints with at least one point upheld (stage 1 and 2) – Corporate Landlord	50%	44.4%	14.3%	33.3%			
Total No. of lessons learnt identified (stage 1 and 2) – Corporate Landlord	1	3	0	1			

Service Commentary

The corporate Performance Board is currently reviewing the processing and handling of complaints across the Council, on an ongoing basis, to establish the extent to which the current systems are capable of enhanced filtering and allocation of complaints that will assist Services in the handling and resolution of complaints

25. Processes

Page 174

Cluster Level 2023/24 Service Standards – Annual Measures

Performance Measure	2023/24 Target
% Aberdeen City Council public buildings meeting accessibility requirements under the Equalities Act, where this is feasible	82%
% of Aberdeen City Council public buildings achieving a condition rating of at least “B”. Standard	90%
% of Aberdeen City Council operational buildings achieving a condition rating of at least “B” standard.	70%
Number of half- days individual schools are unavailable for learning due to building defects.	Improve
% of cyclical maintenance works on public buildings completed in accordance with agreed programmes	100%
	100%





% of cyclical maintenance works on council houses completed in accordance with agreed programmes	
% of required annual gas safety checks on council owned properties conducted within twelve months of the previous check	100%




Service Commentary

The content of the 2023/24 Service Standards suite is unchanged from that agreed for 2022/23, although there may be minor metadata (how the figures are calculated) revisions intended to improve the quality of data from those used in the previous year.

Data around these measures for 2022/23 will be reported to the first cycle meeting of this Committee in 2024 with reflection against the Statutory Performance Indicator suite for the Service on conclusion, and sign off, of the current audit of the corporate submissions.





27. Staff**Corporate Measures – Service Level**

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	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	1		

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Corporate Figure Quarter 1	Long Trend - Monthly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Corporate Landlord	2.4	0.6	0.9	1.1		TBC	
Establishment actual FTE – Corporate Landlord	61.4	62.6	61.8	60.3			

28. Finance & Controls







Corporate Measure - Service Level

Performance Indicator	Quarter 2 2021/22		Quarter 3 2021/22		Quarter 4 2021/22		Quarter 1 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Corporate Landlord	52.2%		64.2%		82.9%		20.7%	

CUSTOMER FUNCTION**PEOPLE AND ORGANISATIONAL DEVELOPMENT CLUSTER**





Corporate Measures – Cluster Level

29.Customer

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarterly Status	2023/24 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 2023/24 Service Standards – Quarterly Standards

Performance Measure	Current Status	2023/24 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%





Cluster Level 2023/24 Service Standards – Annual Standards




Performance Measure	2023/24 Target
We will deliver biannual absence review meetings for each Cluster	90%
We will deliver annual workforce planning meetings for each Cluster	100%
All people development courses will have an average 80% take up rate	90%
All people development courses receive an average of at least 80% satisfaction rate from learners	90%

Service Commentary

Reporting around the annualised measures will be provided at conclusion of the 2023/24 fiscal period, with detail around people development courses also being reflected on in the context of the Staff Governance Committee's scrutiny of various aspects of corporate Personnel and Organisational Development delivery.

31, Staff**Corporate Measures – Cluster Level**

Performance Indicator	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	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	Quarter 2 2022/23	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Status	Corporate Figure Quarter 4	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – People and Organisation	0.2	0.5	0.7	0.7		TBC	
Establishment actual FTE – People and Organisation	30.3	30.8	31.3	30.8			

32. Finance & Controls**Corporate Measures – Service Level**

Performance Indicator	Quarter 2 2022/23		Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – People and Organisation	41.7%		61.2%		86.1%		18.2%	

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. Targets are set in line with Ombudsman guidance 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.
- 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	
	Alert – more than 20% out with target/national figure
	Warning – more than 5% out with target/national figure
	OK – within limits of target/national figure
	Data Only

Long Term Trends	
	Improving/Increasing
	No or Limited Change
	Getting Worse/Decreasing

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	13 September 2023
EXEMPT	No Appendices B, C and D have a private version which are exempt under paragraph 8. Estimated expenditure on Contracts. 'This report refers to the acquisition or supply of goods/services where disclosure to the public of the amount to be spent would be likely to give an advantage to a person or organisation seeking to enter a contract with the Council.'
CONFIDENTIAL	No
REPORT TITLE	Condition & Suitability 3 Year Programme
REPORT NUMBER	RES/23/276
DIRECTOR	Steven Whyte
CHIEF OFFICER	Stephen Booth
REPORT AUTHOR	Alastair Reid
TERMS OF REFERENCE	1.1.5, 1.1.8, 4.1

1. PURPOSE OF REPORT

- 1.1 This report seeks approval of an updated 3-year Condition and Suitability (C&S) Programme.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Notes the projects completed or legally committed to date in 2023/24 as shown in Appendix A;
- 2.2 Notes the currently approved projects and approves the amended estimated budgets for each project as shown in Appendix B;
- 2.3 Approves the new Condition & Suitability Programme projects listed in Appendix C for inclusion in the Condition & Suitability Programme and approves the estimated budget for each project and delegates authority to the Chief Officer - Capital, following consultation with the Head of Commercial and Procurement Services, to consider and approve procurement business cases for each of these projects for the purposes of Procurement Regulation 4.1.1.2; and thereafter to procure appropriate works and services, and enter into any contracts necessary for the projects without the need for further approval from any other Committee of the Council;

- 2.4 Approves the removal of the projects listed in Appendix D; and
- 2.5 Delegates authority to the Chief Officer - Corporate Landlord, following consultation with the Capital Board and the Convener and Vice-Convener of this Committee, to amend the C&S Programme should priorities change due to unforeseen circumstances during the year, with such changes to be reported retrospectively to the Committee.

3. CURRENT SITUATION

- 3.1 This report brings together, for Members' approval, the proposed 3-year Condition & Suitability (C&S) Programme (2023/24 – 2025/26) for the condition and suitability works on the Council's General Fund property portfolio. This report seeks approval of the revised 3-year programme.
- 3.2 The total profiled budget allocation for the 3 years is £26.785m. This programme was prepared utilising the detailed property information gathered as part of ongoing workstreams and after discussions with all relevant Chief Officers.

Proposed 3 Year Programme

- 3.3 Projects with a value of £4.051m have already been completed to date or are legally committed in 2023/24. The completed and legally committed are detailed in **Appendix A**.
- 3.4 A further £13.189m is allocated to currently approved projects as shown in **Appendix B**. A confidential version of Appendix B is included within today's confidential reports, which details the approximate cost for each project and the revised budgets where applicable.
- 3.5 As certain projects have progressed through the detailed scoping and feasibility stage, it is evident that an enhanced scope of work is highly desirable or indeed essential. The budgets currently allocated will not cover the enhanced scope of works. As such additional budget allocations are required. An additional £1.173m needs to be funded as shown in Appendix B which can be accommodated within the overall C&S funding.
- 3.6 The above allocations leaves £7.672m available for new projects to allow the condition and suitability work to progress. The proposed programme is contained in **Appendix C**. A confidential version of Appendix C is included within today's confidential reports section, which details the estimated cost for each project.
- 3.7 £0.7m has been left unallocated. The recommendation is for this to be used as a reserve fund which can address increased budgetary demands for individual projects or be allocated to urgent projects not previously identified. The reserve fund will also be required to address the impact of construction inflation and

building material shortages on projects. Over the last 12 months the reserve fund and underspends were used for the following projects:-

- Dyce Academy – Replacement fire alarm system. New project.
- Horizons Rehabilitation Centre – Boiler replacement. New project.
- Town House Extension – Flat roof replacement. Additional budget.
- Northfield Academy - Modular Toilet Accommodation Infrastructure. New project.

3.8 In addition to the in year approval of budgets for the projects listed in 3.7, projects were removed in line with the 2022 Committee approved recommendations. These projects were:-

- Beach Leisure Centre – Repairs to concrete substructure.
- Beach Leisure Centre – Pool plant improvements.
- 1 Dominies Road – Kitchen & toilet refurbishment.
- Northfield Academy – Repairs to external walls.
- Scotstown Primary School – External door replacement.

3.9 The proposed allocation of the £26.785m is shown below:-

Budget Requirement	Allocation
Projects Completed or Legally Committed	£4,050,720
Currently Approved Projects	£13,188,812
Additional Budget for Existing Projects	£1,173,000
New Projects	£7,672,468
Reserve Fund	£700,000
Total	£26,785,000

3.10 In addition to the major works contained in the overall programme, a combined sum of £370k has been identified for minor works. These works are primarily related to Health and Safety, Asbestos removal and Equality Act projects. This list requires to be flexible as works often have to be carried out at short notice to address health and safety issues or to remove asbestos after it has been identified. The proposed allocation of the £370k is:-

	2023/24	2024/2025	2025/26
Asbestos Removal	£50k	£50k	£45k
	Completed/programmed:- <ul style="list-style-type: none"> • St Machar Academy – Stairwell ceiling works ongoing • St Machar Academy – Air monitoring 	Projected budget allocation. <ul style="list-style-type: none"> • Current programme of works within St Machar Academy • Roof space and ducts within Harlaw Academy, Westpark School and Sunnybank Primary 	Projected budget allocation. <ul style="list-style-type: none"> • St Machar Academy - roof space and ducts
General H&S Works	£35k	£35k	£35k
	Completed/programmed:- <ul style="list-style-type: none"> • Mastrick Housing Office – Repairs to automatic doors 	Projected budget allocation <ul style="list-style-type: none"> • Works as required 	Projected budget allocation <ul style="list-style-type: none"> • Works as required

	<ul style="list-style-type: none"> Lightening Protection systems – Various buildings 		
Fire Risk Audit works	£20k	£20k	£20k
	Completed/programmed:- <ul style="list-style-type: none"> Minor additions to various fire alarm systems, fire doors and associated building fabric as individual FRA reports are received 	Projected budget allocation <ul style="list-style-type: none"> Minor additions to various fire alarm systems, fire doors and associated building fabric as individual FRA reports are received 	Projected budget allocation <ul style="list-style-type: none"> Minor additions to various fire alarm systems, fire doors and associated building fabric as individual FRA reports are received
Legionella Works	£20k	£20k	£20k
	Completed/programmed:- <ul style="list-style-type: none"> Improved access to domestic storage water tanks at various assets. 	Projected budget allocation <ul style="list-style-type: none"> Works as required 	Projected budget allocation <ul style="list-style-type: none"> Works as required

- 3.11 The projects shown within **Appendix D** are recommended for removal from the programme. The reasons for doing so are also shown in the Appendix. A confidential version of Appendix D is included within today's confidential reports section, which details the estimated cost for each project.
- 3.12 The provisional 3-year programme will allow substitution of projects should it not be possible to implement any of the projects on the primary list, or should a statutory requirement arise. Potential projects for future programmes have been identified and could be brought forward in some instances. These projects are shown in **Appendix E**. It should be noted that Appendix E is not a definitive list of potential condition and suitability projects.
- 3.13 Ongoing workstreams associated with the Transformation Programme and the City Centre / Beach Masterplans will lead to changes to the asset portfolio. This may mean that further projects will be removed from the C&S programme. This could also create additional investment requirements for potential inclusion in the programme.

Procurement Procedures

- 3.14 When inviting tenders or entering into contracts for the C&S Programme Aberdeen City Council Procurement Regulations 4.1.1.1 and 4.1.1.2 will be followed.
- 3.15 4.1.1.1. Contract Value below £50,000 (supplies/services), £250,000 (works) or £4.5m (concessions) Subject to budget approval, the relevant Chief Officer may give authority to conduct any procurement where the estimated Contract Value is below £50,000 (supplies/ services) or £250,000 (works), and following consultation with the Co-Leaders of the Council or Convener of the Finance and Resources Committee, the Head of Commercial and Procurement may give authority to conduct any procurement where the estimated Contract Value of a Concession Contract is below £4.5m. Such procurements shall be undertaken by a Delegated Procurer in line with Section 4.3 of these Procurement Regulations.

- 3.16 4.1.1.2. Contract Value above £50,000 (supplies/services) £250,000 (works), or £4.5m (concessions) Contracts with an estimated Contract Value of above these thresholds shall be listed on the workplan to be submitted by the relevant Director or Chief Officer in accordance with Procurement Regulation 14.6. Each individual contract will also require a Business Case (conforming to a template approved by the Head of Commercial and Procurement) to be submitted by the relevant Chief Officer to the Council or the Finance and Resources Committee as appropriate or where the contract relates to a capital project that is already part of the Capital Programme, to the Director of Resources.
- 3.17 The majority of the projects are below the £250k (works) limit and will be procured under regulation 4.1.1.1. Around 20 projects are estimated to be greater than £250k and require a procurement business case. If recommendation 2.3 is accepted the procurement of those projects will be approved through that route. Should the recommendation not be accepted then they will be procured under regulation 4.1.1.2. Therefore a procurement business case would be submitted for approval as part of an appropriate update of the Resources workplan.

Monitoring and Reporting of Programme

- 3.18 Monitoring of the programme will be carried out in line with the capital monitoring procedures. This includes regular progress reports to the Capital Board chaired by the Chief Officer Capital. In addition, progress will be reported to the Finance & Resources Committee.
- 3.19 An annual report to this Committee will be required to add a further year to the programme and revise any individual budgets if necessary. Changes to the programme will be reported in line with recommendation 2.5.
- 3.20 Monitoring and reporting of the workplan is performed by this Committee. With the annual workplan being updated prior to the commencement of each new financial year, with updates to workplan submitted as required throughout the year.

Property Asset Management Policy and Statutory Performance Indicators

- 3.21 The approved Property and Estates Strategy has the following strategic aim for property assets:-
- “The Council will provide property, working with partners, where appropriate, which supports the Council in the delivery of quality services by being fit for purpose, accessible, efficient, suitable, sustainable and delivered within budget constraints”.**
- 3.22 In terms of Condition and Suitability this means that the aim is to have all assets in A or B Condition and A or B Suitability. In addition, publicly accessible buildings are targeted for A or B accessibility. The definitions of the gradings are contained in **Appendix F**.

- 3.23 Targets for improving the percentage of assets in satisfactory condition/suitability and reducing the required maintenance levels are reported through the Statutory Performance Indicators (SPI). This programme along with the rationalisation of our portfolio and property related capital projects will provide the main tools for meeting these targets. **Appendix G** of this report provides the SPI definitions and graphical representation of the trends across the last 5 years.

4. FINANCIAL IMPLICATIONS

- 4.1 Expenditure will be in accordance with the Council's approved General Fund Capital budget. The budget identified in years 1-5 in the Capital programme for the Condition & Suitability (C&S) programme is £42,785,000. With £26,785,000 currently allocated to years 1-3.
- 4.2 There are further allocations of £8m in 2026/27 and £8m in 2027/28. Giving a combined indicative 5-year budget of £42.785. Projects shown in Appendix E will form the basis for years 2026/27 and 2027/28.
- 4.3 To manage unexpected costs or additional works that may be required a reserve fund budget of £0.7m is included within the programme. This budget will be used to accommodate increased budgetary requirements or urgent projects not previously identified.
- 4.4 There will be flexibility within the 3-year programme for approved projects to move between financial years, however the overall spend will remain within the total budgeted profile.
- 4.5 The Tolbooth project has been awarded funding of £355,025 from the UK Shared Prosperity Fund and £344,975 from the Place Based Investment Programme, as previously reported to this committee. The 2023/24 cost of the project shown in Appendix A now represents the contribution the C&S budget will make to the overall project costs.

5. LEGAL IMPLICATIONS

- 5.1 All contracts to be tendered shall be done so in accordance with the ACC Procurement Regulations and the applicable legislation.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 Around a quarter of the proposed C&S programme is made up of projects that will contribute positively to improving the environmental performance and climate resilience of the Council's assets. These are indicated in Appendices B & C. The majority of these projects are window/door replacements, heating replacements, lighting replacements and roof replacements. Projects that have been completed since the last Committee are listed in **Appendix I**, along with

the benefits that have been achieved. The measurement of these benefits is a developing area. This will be reviewed and updated on an ongoing basis.

6.2 The priority scoring matrix for assessing projects includes scoring of projects on Emissions Reduction and Climate Resilience/Adaptation.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) <small>*taking into account controls/control actions</small>	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified			
Compliance	Many projects are required to make assets safe. If projects are not completed issues could occur.	Appropriate prioritisation of projects. Committee approval to add projects as per recommendation 2.5.	L	Yes
Operational	Assets are required to support service delivery. If projects are not completed the delivery of services could be affected.	Appropriate prioritisation of projects. Committee approval to add projects as per recommendation 2.5.	L	Yes
Financial	Total cost of projects is greater than available budget.	Appropriate budget monitoring. Contingency of £700k made available.	L	Yes
Reputational	The increased budget	The reasons for the budget changes are	L	Yes

	requirements for projects shown in Appendix B could be perceived negatively by the public and/or press.	explained within the appendix.		
Environment / Climate	Investment in assets may not positively impact on the environment.	Careful specification of equipment, materials and components.	L	Yes

8. OUTCOMES

COUNCIL DELIVERY PLAN 2023-2024	
	Impact of Report
Aberdeen City Council Policy Statement	The proposals in this report have no impact on the Council Delivery Plan.
Aberdeen City Local Outcome Improvement Plan 2016-26	
Prosperous Economy Stretch Outcomes	The proposals in this report have no impact on the Prosperous Economy Stretch Outcomes.
Prosperous People Stretch Outcomes	The proposals in this report have no impact on the Prosperous People Stretch Outcomes.
Prosperous Place Stretch Outcomes	The proposals in this report have no impact on the Prosperous People Stretch Outcomes Prosperous Place Stretch Outcomes.
Regional and City Strategies	The proposals within this report supports the approved Property and Estates Strategy strategic outcomes in particular 'Assets will be fit for purpose, in appropriate condition and with appropriate utilisation' and 'Assets will be environmentally sustainable'.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Stage 2 not required.

Data Protection Impact Assessment	Not required
Other	None

10. BACKGROUND PAPERS

- 10.1 Condition & Suitability 3-year programme [report](#) to City Growth & Resources Committee 21 September 2022 (item 17).

11. APPENDICES

- 11.1 Appendix A – Complete or Committed Projects
- 11.2 Appendix B – Currently Approved Projects
- 11.3 Appendix C – Proposed New Projects
- 11.4 Appendix D - Projects to be Removed
- 11.4 Appendix E – Future Projects
- 11.5 Appendix F – Property Asset Management Definitions
- 11.6 Appendix G – SPI Tables
- 11.7 Appendix H – Emissions Reduction and Climate Resilience Benefits

12. REPORT AUTHOR CONTACT DETAILS

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Appendix A - Complete or Committed

Location	Property Type	Proposed Works	Notes	Cost in 2023/24	Financial Year
26A Rowan Road	Group Home	Window replacement.	Committed	£ 5,029	2023/24
Abbotswell Primary School	School - Primary	Pupil and staff toilet refurbishments.	Committed	£ 237,467	2023/24
Abbotswell Primary School	School - Primary	Remaining flat roof replacements.	Committed	£ 140,230	2023/24
Aberdeen Grammar School	School - Secondary	Replace metal windows/curtain walling to Hall, Assembly hall, dining room and Art Department.	Committed	£ 288,156	2023/24
Ashley Road School	School - Primary	Additional security and accessibility Improvements.	Committed	£ 33,000	2023/24
Bramble Brae Primary School	School - Primary	Refurbishment of toilet blocks. Phase 1.	Committed	£ 279,494	2023/24
Bramble Brae Primary School	School - Primary	Refurbishment of two toilet blocks. Phase 2.	Committed		2023/24
Bramble Brae Primary School	School - Primary	Kitchen refurbishment.	Completed	£ 13,657	2023/24
Bridge Of Don Academy	School - Secondary	Window replacements. Phase 2.	Committed	£ 247,883	2023/24
Broomhill Primary School	School - Primary	Repointing to external walls and lead work to parapets. Phase 1.	Committed	£ 247,799	2023/24
Central Library	Library	Staff toilet refurbishment.	Completed	£ 203,226	2023/24
Criminal Justice Office	Office	Lift refurbishment.	Completed	£ 47,615	2023/24
Dyce Primary School	School - Primary	Replace air handling units and carry out associated asbestos works.	Committed	£ 154,635	2023/24
Dyce Primary School	School - Primary	Refurbishment of external cladding to gym hall.	Committed	£ 164,464	2023/24
Harlaw Academy	School - Secondary	Window refurbishment and lintel replacements. Phase 1 - Albyn building and Block B.	Committed	£ 44,796	2023/24
House 233 Birkhall Parade	Group Home	Window replacement.	Completed	£ 833	2023/24

Appendix A - Complete or Committed

Location	Property Type	Proposed Works	Notes	Cost in 2023/24	Financial Year
House 233 Birkhall Parade	Group Home	Replacement kitchen.	Completed	£ 3,381	2023/24
Inchgarth Community Centre	Community Centre (Leased)	Final phase of roof replacements.	Completed	£ 19,401	2022/23
Kincorth Community Centre	Community Learning Centre	Toilet refurbishments.	Completed	£ 7,119	2022/23
Kirkhill Primary School	School - Primary	External door replacement.	Committed	£ 37,612	2023/24
Kittybrewster School	School - Primary	Windows in dining hall.	Committed	£ 35,174	2023/24
Maritime Museum	Museum	Passenger lift replacement.	Committed	£ 76,918	2023/24
New Town House Extension	Office	Flat roof replacement.	Committed	£ 519,948	2023/24
Northfield Academy	School - Secondary	Modular Toilet Accommodation Infrastructure	Committed	£ 74,929	2023/24
St Machar Academy	School - Secondary	Toilet refurbishments phase 1.	Committed	£ 261,575	2023/24
Tolbooth Museum	Museum	Major roof and parapet works.	Committed	£ 656,435	2023/24
Westpark School	School - Primary	Toilet refurbishment phase 1.	Committed	£ 112,048	2023/24
Projects completed/committed before 2022 committee but have legacy costs	Various		Complete	£ 137,896	

Total	£ 4,050,720
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Appendix B - Currently Approved

Asset	Property Type	Proposed Works	Notes	Budget Cost	Revised Budget	Financial Year	Energy & Climate
116 Westburn Road	Family Centre	Replacement of obsolete boilers.				2023/24	Yes
Abbotswell Primary School	School - Primary	Kitchen refurbishment.				2023/24	
Abbotswell Primary School	School-Primary	Window replacement phase 2.	Windows are in C:Poor condition.			2024/25	Yes
Abbotswell Primary School	School-Primary	Emergency lighting replacement.				2024/25	
Aberdeen Crematorium	Crematorium	Resurface of West Chapel car park.	Car park is in C-Poor condition.			2023/24	
Budget Change Reason:	Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices.						
Aberdeen Grammar School	School - Secondary	Upgrade of fire alarm system.	To address fire risk assessment recommendations.			2025/26	
Aberdeen Grammar School	School - Secondary	Boys toilet refurbishment ground floor.				2024/25	Yes
Aberdeen Snow Sports Centre	Outdoor Sports Facility	Replacement of the lighting columns and luminaires.				2024/25	Yes
Altens Community Centre	Community Centre (Leased)	Boiler replacement and new gas line.				2024/25	Yes
Ashgrove Nursery Infant School	School - Nursery	Heating replacement.	Heating is in C (Poor) condition.			2025/26	Yes
B & W Depot (North) Sillerton Lane	Depot	Refurbish toilets and replace windows in toilets/welfare areas.				2023/24	Yes
Balnagask House	Home for the Elderly	Phase 1 of ensuite and communal toilet refurbishments.				2023/24	Yes
Balnagask House	Home for the Elderly	Phase 2 of ensuite and shared toilet refurbishments.				2024/25	Yes
Balnagask Motte	Historic site	Reinstatement of historic asset.	As per decision of Full Council.			2023/24	

Appendix B - Currently Approved

Asset	Property Type	Proposed Works	Notes	Budget Cost	Revised Budget	Financial Year	Energy & Climate
Beach Ballroom	Leisure Facility	Access issues, ceiling, safety issues, electrics all associated with main ballroom ceiling/roof.				2023/24	
Beach Ballroom	Leisure Facility	Extended intruder alarm. Improve security to rear of building including improved external doors and external CCTV.				2023/24	
Beach Ballroom	Leisure Facility	Re-rendering works final phase.				2023/24	
Bridge Of Don Academy	School - Secondary	Upgrade the kitchen gas supply and ventilation system due to breach in regulations.				2023/24	
Bridge Of Don Academy	School - Secondary	Kitchen refurbishment.	Part of ongoing programme of replacement.			2024/25	
Bridge Of Don Academy	School-Secondary	Replacement boilers and pressurisation system.				2024/25	Yes
Bridge Of Don Library	Library	Roof, window and external doors replacements.	Roof is in D-Poor condition and windows/doors are in C-Poor condition.			2023/24	Yes
Budget Change Reason:		Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices.					
Broomhill Primary School	School-Primary	Phase 2. Roof refurbishment, repointing, leadwork and rainwater goods replacement.				2024/25	Yes
Broomhill Primary School	School - Primary	Replacement of atrium roof.				2024/25	Yes

Appendix B - Currently Approved

Asset	Property Type	Proposed Works	Notes	Budget Cost	Revised Budget	Financial Year	Energy & Climate
Bucksburn Depot	Depot	Reconfiguration of the office to provide toilet and welfare facilities. Electrical upgrade to be incorporated.	Existing modular toilets in D-Bad condition.			2023/24	
Bucksburn Depot	Depot	Replacement perimeter fencing and entrance gate.	Fencing is in C-Poor condition.			2023/24	
Cemetery walls rebuild budget	Cemetery	Rebuilding of cemetery boundary walls.	Nellfield and Allenvale cemeteries are priorities.			2025/26	
Central Library	Library	Renew damaged ceilings and replace associated lighting.				2023/24	Yes
Central Library	Library	Replacement carpeting of floor coverings at various locations.	Existing floor primarily dates from 1970's refurbishment and has been damaged by water ingress in some areas.			2023/24	
Central Library	Library	Replace rolling shelving units. Sections closed off and very dated.				2024/25	
Central Library	Library	Childrens lift replacement.				2024/25	
Cults Primary School	School - Primary	Toilet refurbishments.				2025/26	Yes
Culter Sports Centre	Sports Centre	Roof structure repairs and bay window improvements.				2025/26	Yes
Cummings Park Learning Centre	Community Learning Centre	Replacement of obsolete boilers.				2024/25	Yes
Deeside Family Centre	Family Centre	Car park and access road resurfacing.	Tarmac is in C (Poor) condition.			2024/25	
Denmore Depot Denmore Gardens	Depot	Refurbishment of external areas and welfare facilities. Rationalise buildings on site.	Asset is C (Poor) condition overall.			2024/25	
Depot Bucksburn Bankhead Avenue	Depot	Window replacements.				2024/25	Yes
Depot Cairnwell Drive	Depot	Refurbishment.				2025/26	Yes

Appendix B - Currently Approved

Asset	Property Type	Proposed Works	Notes	Budget Cost	Revised Budget	Financial Year	Energy & Climate
Dyce Academy	School - Secondary	Upgrade the kitchen gas supply and ventilation system due to breach in regulations.				2023/24	
Dyce Academy	School - Secondary	Replacement of obsolete light fittings.	Replacement tubes hard to obtain and expensive.			2023/24	Yes
Dyce Academy	School - Secondary	Replacement fire alarm system.				2023/24	
Dyce Community Centre	Leased Community Centre	Remaining window replacements to block C.	Windows are in D-Poor condition.			2023/24	Yes
Budget Change Reason:	Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices.						
Fergus House	Home For the Elderly	Replacement boundary fence.				2023/24	
Ferryhill Primary School	School-Primary	Window replacements phase 2. Single glazed windows.	Windows are in C:Poor condition.			2024/25	Yes
Grove Cemetery Depot	Depot	Install permanent toilet facilities.				2023/24	
Hanover Street School	School - Primary	Upgrade the kitchen gas supply and ventilation system due to breach in regulations.				2023/24	
Hanover Street School	School-Primary	Replacement flooring and treads to stairwells.	Health and safety issue.			2023/24	
Harlaw Academy	School-Secondary	Install gas testing system in all relevant classrooms.				2023/24	
Kincorth Library And Customer Access Point	Library	Window replacement.				2023/24	Yes
Kincorth Sports Centre	Sports Centre	Replacement of the boilers and Domestic Hot Water Services and essential system improvements.				2023/24	Yes
Kingswells Care Home	Home for the Elderly	Swing free door installation.				2023/24	Yes
Budget Change Reason:	Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices. Includes completely new electrical infrastructure to support installation.						

Appendix B - Currently Approved

Asset	Property Type	Proposed Works	Notes	Budget Cost	Revised Budget	Financial Year	Energy & Climate
Kingswells Primary School	School - Primary	Upgrade the kitchen gas supply and ventilation system due to breach in regulations.				2023/24	
Kittybrewster School	School-Primary	Burner replacement to boilers.				2024/25	
Len Ironside Centre	Day Centre- Disabled	Alterations to mechanical and electrical controls.				2024/25	
Loirston Primary School	School-Primary	Replacement of electrical Main Switchboard Panel.				2024/25	
Maritime Museum	Museum	CCTV upgrade including external lighting improvements.				2023/24	
Maritime Museum	Museum	Replacement tannoy system.				2023/24	
Multi Storey Car Park West North Street	Multi Storey Car Park	Structural repairs including works to parapets.				2023/24	
Wellfield Cemetery Depot	Depot	New welfare modular unit. Demolish existing buildings.				2023/24	Yes
New Town House Extension	Office	Replacement back up generator.	Generator has reached the end of its economic life.			2023/24	
Newhills Churchyard Cemetery Depot	Depot	New welfare modular unit. Demolish existing buildings.	Poor quality structures with significant issues. Not worth investing in so replacement preferred.			2023/24	Yes
Newhills Churchyard Cemetery Depot	Depot	Complete new roof to granite store. Part of listed structures.	Roof is in D:Bad condition.			2023/24	
Northfield Academy	School - Secondary	Upgrade the kitchen gas supply and ventilation system due to breach in regulations.				2023/24	
Northfield Community Centre	Leased Community Centre	Pitched roof replacement.				2025/26	Yes
Old Aberdeen House	Office	Further repointing.				2025/26	

Appendix B - Currently Approved

Asset	Property Type	Proposed Works	Notes	Budget Cost	Revised Budget	Financial Year	Energy & Climate
Old Aberdeen House	Office	Replacement of single glazed windows and new climate control.				2025/26	Yes
Oldmachar Academy	School - Secondary	Upgrade the kitchen gas supply and ventilation system due to breach in regulations.				2024/25	
Powis Community Centre	Leased Community Centre	Window upgrade/refurbishment.	Windows are in C (Poor) condition.			2023/24	Yes
Budget Change Reason: Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices.							
Replacement of obsolete school lighting.	School - Primary	Replacement of obsolete light fittings in identified Primary School. Initial phase to design/cost requirements and then carry out work in a priority school.	Priority schools are Cornhill Primary, Culter School, Dyce Primary and Holy Family.			2024/25	Yes
Rosemount Community Centre	Community Learning Centre	Various External works.				2024/25	
Rosemount Community Centre	Community Learning Centre	Fire escape improvements at ground floor gym.				2023/24	
Rosemount Community Centre	Community Learning Centre	Window replacements - Phase 2.	Windows are in D:Bad condition.			2024/25	Yes
Rosemount Community Centre	Community Learning Centre	Damp proofing to gym and gym store.	To address ongoing water penetration issues.			2024/25	
Sheddocksley Community Centre	Leased Community Centre	Replacement windows and entrance doors. Accessibility improvements. Repointing of external walls.	Windows and external doors are in C:Poor condition.			2023/24	Yes
Sheddocksley Sports Centre	Sports Centre	Replacement of the boiler and essential improvements to the heating system.	Scope to consider pavilion heating system as well.			2024/25	Yes

Appendix B - Currently Approved

Asset	Property Type	Proposed Works	Notes	Budget Cost	Revised Budget	Financial Year	Energy & Climate
Springbank Cemetery Depot	Depot	New welfare modular unit. Demolish existing buildings.	Poor quality structures with significant issues. Not worth investing in so replacement preferred.			2023/24	Yes
St Josephs R. C. School	School - Primary	Tanking of basement to reduce flooding risk. Phase 1.				2023/24	Yes
Budget Change Reason:	Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices.						
St Josephs R. C. School	School - Primary	Final phase of toilet refurbishments.				2023/24	Yes
Budget Change Reason:	Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices.						
St Josephs R. C. School	School-Primary	Window replacement phase 2.	Windows are in C:Poor condition.			2024/25	Yes
Budget Change Reason:	Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices.						
St Machar Academy	School - Secondary	Upgrade the kitchen gas supply and ventilation system due to breach in regulations.				2023/24	
St Machar Academy	School - Secondary	Toilet refurbishment phase 2.				2023/24	Yes
The Bush Depot	Depot	Roof replacement to store/workshop building.	Roof is in D:Bad condition.			2023/24	
The Jesmond Centre	Sports Centre	Installation of bird proof netting to roof structure.				2025/26	
Torry Community Centre	Leased Community Centre	Windows replacement, re-render walls and replace downpipes/gutters.				2023/24	Yes
Budget Change Reason:	Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices.						
Trinity Cemetery Depot	Depot	Refurbishment.				2024/25	

Appendix B - Currently Approved

Asset	Property Type	Proposed Works	Notes	Budget Cost	Revised Budget	Financial Year	Energy & Climate
Tullos Depot	Depot	Windows and flat roof replacement.				2024/25	Yes
Tullos Depot	Depot	Salt store replacement. Development budget.	Existing building is in D:Bad condition.			2024/25	
Tullos Depot	Depot	Replacement automatic gate.	Security issue due to poor reliability.			2023/24	
Tullos Primary and Community Centre	School - Primary	Window replacements - phase 1.	Windows are in C:Poor condition.			2024/25	Yes
Budget Change Reason:	Initial budget was indicative only. Project now fully designed and estimated, which has identified a budget requirement that reflects the scope of work and changes in construction prices.						
Westburn House	Surplus asset	Structural survey & structural Stability/H & S works.				2024/25	
Westburn Lounge And Outdoor Sports Centre	Outdoor Sports Centre	Replacement of the boilers and Domestic Hot Water Services and essential system improvements.				2024/25	Yes
Westburn Tennis Centre	Sports Centre	Replacement of the boilers and essential improvements to the heating system.				2024/25	Yes
Westburn Tennis Centre	Sports Centre	Roof structure recladding and Improvements.				2024/25	
Westburn Tennis Centre	Indoor Sports Facility	Replacement of indoor tennis courts lighting.				2024/25	Yes
Woodside School	School-Primary	To replace the playing field fencing with new black weld mesh fencing and replacement gates.	Fencing and gates are in D:Bad condition			2023/24	
Development Budget		Development budget to provide robust estimates prior to projects being added to the programme.				2023/24	

Appendix B - Currently Approved

Asset	Property Type	Proposed Works	Notes	Budget Cost	Revised Budget	Financial Year	Energy & Climate
Health & Safety Budget	Various	Rolling programme	2 year budget allocation.			2023/24	
Memorials in City Centre	Memorials	Rolling programme of stabilisation and H&S works to memorials.	2 year budget allocation.			2023/24	
Play Ground Equipment (Various)	Various	Rolling programme of play ground equipment renewal.	2 year budget allocation.			2023/24	
School fixed equipment and fixtures/fittings replacement - Rolling programme	Schools	Rolling programme of school fixed equipment and fixtures/fittings replacement.	2 year budget allocation.			2023/24	
Relay and renew path network - Rolling programme	Open space	Rolling programme of replacement/upgrade of open space path network.	2 year budget allocation.			2023/24	

Existing Total	£ 13,188,812
Additional Total	£ 1,173,000

Appendix C - New Projects

Asset	Property Type	Proposed Works	Notes	Budget Cost	Financial Year	Energy & Climate
Aberdeen Art Gallery	Museum	Replacement of M&E equipment. Including humidifier upgrade; improvements to Building Management System hardware & front end required.			2025/26	Yes
Aberdeen Crematorium	Crematorium	Replacement path surface to front of building. Replacement of lighting bollards on path with more robust type.			2023/24	
Aberdeen Grammar School	School-Secondary	Further window replacements at the Art Department and Kitchen.	Windows are in C:Poor condition.		2025/26	Yes
Aberdeen Music School Hall Of Residence	Hostel	Install boiler & provide domestic hot water cylinder.			2025/26	Yes
Aberdeen Music School Hall Of Residence	Hostel	Replacement ventilation units.			2025/26	Yes
Balgownie Community Centre	Community Centre (Leased)	Replacement roof. Structural improvements may be required to accommodate enhanced roof specification.	Roof is in C:Poor condition.		2025/26	Yes
Bridge Of Don Academy	School-Secondary	Window replacements - Phase 3.	Windows are in C:Poor condition.		2025/26	Yes
Brimmond School	School-Primary	Replace AHU on external plant room.			2025/26	Yes
Broomhill Primary School	School-Primary	Phase 3. Roof refurbishment, repointing, leadwork and rainwater goods replacement.			2025/26	Yes
Central Library	Library	Replacement floors to allow flooring coverings to be replaced.			2025/26	
Childrens Home 2 Gilbert Road	Childrens Home	Kitchen refurbishment. Replace existing kitchen and utility room including Cooker and hood, flooring and lighting.			2025/26	

Appendix C - New Projects

Asset	Property Type	Proposed Works	Notes	Budget Cost	Financial Year	Energy & Climate
Culter School	School-Primary	Window replacements to classroom 6 and nursery.	Windows are in C:Poor condition.		2025/26	Yes
Culter School	School-Primary	Gym hall flat roof replacement.	Roof is in C:Poor condition.		2025/26	Yes
Cults Primary School	School-Primary	Full kitchen refurbishment and dining area.			2025/26	
Cummings Park Learning Centre	Community Learning Centre	Replacement flat roofs.	Roof finish is in C:Poor condition.		2025/26	Yes
Dyce Academy	School-Secondary	Improvements to Front Entrance (accessibility works).			2025/26	
Dyce Community Centre	Community Learning Centre	Heating replacement.			2025/26	Yes
Ferryhill Primary School	School-Primary	Window replacements phase 3. Single glazed windows.	Windows are in C:Poor condition.		2025/26	Yes
Ferryhill Primary School	School-Primary	Structural repairs to East Elevation walls.			2025/26	
Froghall Learning Centre	Community Learning Centre	Replacement of lower flat roof.	Roof is in C:Poor condition.		2025/26	Yes
Glashieburn School	School-Primary	Window and external door replacements.	Windows and doors are in C:Poor condition		2025/26	Yes
Glashieburn School	School-Primary	Replacement fascias and soffits.	They are in C:Poor condition.		2025/26	
Greenbrae Primary School	School-Primary	Replacement water tanks.			2025/26	
Harlaw Academy	School-Secondary	Window refurbishment and lintel replacements. Phase 2.			2025/26	Yes
Kincorth Library	Library	Replacement of single glazed upper curtain wall. Glare from sun to be factored into design.	Glazing is in C:Poor condition.		2025/26	Yes
Kingswells Care Home	Home For the Elderly	Handrail installation in corridors.	May be phased.		2025/26	
Kingswells Primary School	School-Primary	Replacement of 2 boilers.			2025/26	Yes
Loirston Annexe Community Centre	Community Centre (Leased)	Final phase of roof replacements and refurbishment.			2025/26	Yes

Appendix C - New Projects

Asset	Property Type	Proposed Works	Notes	Budget Cost	Financial Year	Energy & Climate
Marischal College	Office	Replacement external lighting. Follow up phase to internal lighting.	Roofs are in C:Poor condition.		2025/26	Yes
Marischal College Car Park	Car Park (Multi-storey)	Relay new roof surface and improve steel surface protection.			2025/26	
Occupational Therapy Store Whitemyres	Premises (Commercial)	Roof refurbishment including replacement of roof lights.	Roof finishes in C:Poor condition		2025/26	Yes
Mastrick Library	Library	Flat roof replacement.	Roof is in C-Poor condition.		2025/26	Yes
Middlefield Community Project	Community Centre (Leased)	Flat roof replacement to original building.	Roof is in C:Poor condition.		2025/26	Yes
New Town House Extension	Office	Works to external decorative tiles.			2025/26	
Northfield Academy	School-Secondary	Domestic hot water boiler replacement.			2025/26	Yes
Northfield Academy	School-Secondary	Gym boilerhouse M&E upgrade and building repairs.			2025/26	Yes
Northfield Academy	School-Secondary	Resurfacing of section of car park and relining. Including creation of safe pedestrian routes.	Car park is in D:Bad condition.		2025/26	
Northfield Academy	School-Secondary	Install gas testing system in all relevant classrooms.			2025/26	
Northfield Academy	School-Secondary	Replacement windows to gym hall.	Windows are in C:Poor condition.		2025/26	Yes
Oldmachar Academy	School-Secondary	Install gas testing system in all relevant classrooms.			2025/26	
Oldmachar Academy	School-Secondary	Replacement ramp to modular accommodation.			2025/26	
Oldmachar Academy	School-Secondary	Replacement AHU's to classrooms.			2025/26	Yes
Quarryhill Primary School	School-Primary	Replacement of obsolete boilers.			2025/26	Yes
Sheddocksley Community Centre	Community Centre (Leased)	Replacement flat roofs.	Roof finish is in C:Poor condition.		2025/26	Yes
Sheddocksley Sports Centre	Open Space	Improvement of Sheddocksley Playing Fields including the drainage systems.			2025/26	

Appendix C - New Projects

Asset	Property Type	Proposed Works	Notes	Budget Cost	Financial Year	Energy & Climate
St Josephs R. C. School	School-Primary	Window replacement phase 3.	Windows are in C:Poor condition.		2025/26	Yes
St Josephs R. C. School	School-Primary	Tanking of basement to reduce flooding risk. Phase 2.			2024/25	Yes
St Machar Academy	School-Secondary	Toilet refurbishment phase 3 (of 5).			2025/26	Yes
St Machar Academy	School-Secondary	Extension flat roof replacement. Recommission PV panels.			2025/26	Yes
St Peter's Cemetery Depot	Depot	Refurbishment.	Asset is in C:Poor condition overall.		2025/26	
Town House	Office	Repairs to Bon Accord room ceiling.			2025/26	
Tullos Depot	Depot	Toilet and changing area refurbishment.			2025/26	Yes
Tullos Depot	Depot	Roller shutter door replacements. Eight in total.			2025/26	
Development Budget		Development budget to provide robust estimates prior to projects being added to the programme.			2025/26	
Memorials in City Centre - Rolling programme	Memorials	Rolling programme of stabilisation and H&S works to memorials.			2025/26	
School fixed equipment and fixtures/fittings replacement - Rolling programme	Schools	Rolling programme of school fixed equipment renewal.			2025/26	
Relay and renew path network - Rolling programme	Open space	Rolling programme of replacement/upgrade of open space path network.			2025/26	
Health & Safety - Rolling programme	Various	Rolling programme of H&S works.			2025/26	
Play Ground Equipment - Rolling programme	Play areas	Rolling programme of play ground equipment renewal.			2025/26	

Page 205

Total	£ 7,672,468
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Appendix D - Projects Removed

Cults Library	Roof replacement.	Library no longer in operational use.	
Building & Works Depot Northfield	Window replacements.	Closed as part of depot rationalisation.	
Bucksburn Swimming Pool	Full replacement of the existing ventilation plant and the automatic controls that feed both the pool hall and the changing rooms together with all the associated control panels.	Pool no longer in operational use.	
Ferryhill Library	Windows and blinds replacement.	Library no longer in operational use.	
Harlaw Playing Fields Pavilion	Refurbishment and access improvements. Project remains included on a provisional basis.	Under review as part of a School Estate Plan project. Will be reconsidered for inclusion when project is at a more advanced stage.	
Horizons	Rehabilitation Centre	Boiler back in use following repairs and maintenance works funded through revenue.	
Hazlehead Academy	Reconfigure main entrance and reception to improve building security.	Investment not considered appropriate given decision to build a replacement school.	
Northfield Library	Pitched roof replacement.	Library no longer in operational use.	

Appendix E - Future Projects

Property Address	Property Type	Proposed Work
1 Dominies Road	Group Home	Provide staff welfare facilities by converting the garage.
116 Westburn Road	Family Centre	Refurbishment of flood damaged lower floor.
26A Rowan Road	Group Home	Kitchen refurbishment.
Abbotswell Primary School	School-Primary	Toilet refurbishment, phase 2.
Abbotswell Primary School	School-Primary	Suitability improvements. Rated as C-Poor.
Aberdeen Grammar School	School-Secondary	Lighting upgrade to classrooms.
Aberdeen Treasure Hub	Depot	Replacement of CCTV system.
Alex Collie Sports Centre	Sports Centre	Replacement of the ventilation, DHWS, BMS controls and improvement of the heating system including the replacement of LPHW pumps and pressurisation unit.
Alex Collie Sports Centre	Sports Centre	Renovation and refurbishment of the roof and glazing.
Alex Collie Sports Centre	Sports Centre	Re-tarmacking of the main car parking area and access road.
Allenvale Cemetery	Depot	Refurbishment and rationalisation of space.
Ashgrove Nursery Infant School	School-Nursery	Electrical improvements.
Balnagask House	Home For the Elderly	Catering kitchen replacement.
Balnagask House	Home For the Elderly	Lift replacement.
Bramble Brae Primary School	School-Primary	Fire alarm system upgrade.
Bridge Of Don Academy	School-Secondary	Toilet refurbishment Phase 2. Toilets are in C:Poor condition.
Bridge Of Don Library	Library	Refurbishment internally including electrical improvements and desk reconfiguration.
Broomhill Primary School	School-Primary	Catering kitchen replacement (servery).
Broomhill Primary School	School-Primary	Phase 4. Roof refurbishment, repointing, leadwork and rainwater goods replacement.
Care Facilities - Kitchen Air Conditioning		Installation of Air Conditioning Units within Kitchens at Fergus House, Kingswells, Kingswood, Craigielea and Balnagask.
Central Library	Library	Refurbishment of main basement & basement mezzanine storage.
Central Library	Library	Internal refurbishment of Children's Library
Cornhill Learning Centre	Community Learning Centre	Window replacements. Windows are in C:Poor condition.
Cornhill Primary School	School-Primary	Toilet refurbishments.
Cornhill Primary School	School-Primary	Flat roof replacement to middle school. B condition.
Craigton Road Day Care Centre	Day Centre- Elderly	kitchen refurb to bring up to modern standards.
Criminal Justice Office 74-80 Spring Gardens	Office	New car park barrier
Cromdale Outdoor Centre	Outdoor Centre	Replacement of the wall mounted boiler and enhancement of the heating system.
Culter Library	Library	Refurbishment of staff areas.
Culter School	School-Primary	Catering kitchen replacement
Culter Sports Centre	Sports Centre	Full replacement of the sports hall and studio lighting, replacing the existing fluorescent lamps with LED lighting.
Culter Sports Centre	Sports Centre	Re-tarmacking of the main car parking areas the associated roadways.

Appendix E - Future Projects

Property Address	Property Type	Proposed Work
Cults Primary	School-Primary	Replacement suspended ceilings to teaching block. Ceilings are in C:Poor condition.
Danestone Primary School	School-Primary	Toilet refurbishments. Toilets are in C:Poor condition.
Duthie Park Workshops	Depot	Toilet and changing refurbishment - Sanitary is C condition.
Dyce Academy	School-Secondary	Sports hall flooring replacement. Flooring is in C-Poor condition.
Dyce Academy	School-Secondary	Catering kitchen replacement.
Dyce Academy	School-Secondary	Suitability improvements. Rated as C-Poor.
Dyce Primary School	School-Primary	Toilet refurbishment phase 2 - Green Unit.
Dyce Primary School	School-Primary	Catering kitchen replacement.
Fergus House	Home For the Elderly	Lift replacement.
Fernielea Primary School	School-Primary	Catering kitchen replacement.
Fernielea Primary School	School-Primary	Suitability improvements. Rated as C-Poor.
Ferryhill Community Centre	Community Centre (Leased)	Window replacements. Windows are in C:Poor condition.
Ferryhill Primary School	School-Primary	Catering kitchen replacement.
Ferryhill Primary School	School-Primary	To be considered as part of feasibility study. Improvements required to dining facilities.
Ferryhill Primary School	School-Primary	Suitability improvements. Rated as C-Poor.
Forehill School	School-Primary	Toilet refurbishments. Toilets are in C:Poor condition.
Gilcomstoun School	School-Primary	Kitchen refurbishment.
Gilcomstoun School	School-Primary	Suitability improvements. Rated as C-Poor.
Glashieburn School	School-Primary	Toilet refurbishments. Toilets are in C:Poor condition.
Hanover Community Centre	Community Centre (Leased)	Replacement flooring in main and side halls. Flooring C-Poor condition.
Harlaw Academy	School-Secondary	To be considered as part of feasibility study. Relocation of catering kitchen and dining facilities, and associated works
Harlaw Academy	School-Secondary	Catering kitchen replacement.
Harlaw Academy	School-Secondary	Toilet refurbishment Phase 2. Toilets are in C:Poor condition.
Harlaw Academy	School-Secondary	Suitability improvements. Rated as D-Bad.
Hazlehead Golf Course	Golf Course	Improvements to the drainage on the Mackenzie Championship Course.
Hazlehead Park		Refurbishment of play area.
Holy Family R.C. Primary	School-Primary	Toilet refurbishment. Toilets are in C:Poor condition.
Holy Family R.C. Primary	School-Primary	Replacement of obsolete light fittings.
Holy Family R.C. Primary	School-Primary	Catering kitchen replacement (servery).
Holy Family R.C. Primary	School-Primary	Suitability improvements. Rated as C-Poor.
Inchgarth Community Centre	Community Centre (Leased)	Car park resurfacing and access road reconfiguration.
Jack Wood Pavilion	Sports Pavilion	Changing/toilet refurbishment. In C-Poor condition.
Jack Wood Pavilion	Sports Pavilion	Windows and external door replacement. Are rated C:Poor.
Kings Links	Golf Course	Full replacement of the irrigation system at Kings Links Golf Course.
Kingsford Primary School	School-Primary	Suitability improvements. Rated as C-Poor.

Appendix E - Future Projects

Property Address	Property Type	Proposed Work
Kingsford Primary School	School-Primary	Junior girls toilet refurbishment.
Kingswells Care Home	Home For the Elderly	Replacement nurse call system.
Kingswells Care Home	Home For the Elderly	New lift installation to increase capacity.
Kingswells Care Home	Home For the Elderly	Car park resurfacing. Car park is in C-Poor condition.
Kingswells Primary School	School-Primary	Suitability improvements. Rated as C-Poor.
Kingswells Primary School	School-Primary	Boys toilet refurbishment. Toilets are in B:Satisfactory condition.
Kirkhill Primary School	School-Primary	Suitability improvements. Rated as C-Poor.
Kirkhill Primary School	School-Primary	Catering kitchen replacement (servery).
Kittybrewster School	School-Primary	Suitability improvements. Rated as C-Poor.
Loirston Primary School	School-Primary	Toilet refurbishment. Toilets are in B:Satisfactory condition.
Maritime Museum	Museum	Replacement building management system.
Maritime Museum	Museum	Improved intruder alarm. Update from Redcare to new dual comm system.
Maritime Museum	Museum	Replacement of built-in glass display cases.
Maritime Museum	Museum	Replace existing external fire escape stairs.
Maritime Museum	Museum	Toilet refurbishments.
Mastrick Community Centre	Community Centre (Leased)	Toilet refurbishment.
Mastrick Ind Est (OT Store)	Premises (Commercial)	Replace the existing Fire Alarm System.
Middleton Park Primary School	School-Primary	Toilet refurbishments. Toilets are in C:Poor condition.
Middleton Park Primary School	School-Primary	Window and external door replacements. Windows and doors are in C:Poor condition.
Middleton Park Primary School	School-Primary	Replacement fascias and soffits. They are in C:Poor condition.
Muirfield School	School-Primary	Playground resurfacing.
Muirfield School	School-Primary	Catering kitchen replacement (servery).
Muirfield School	School-Primary	Gym hall toilet and changing refurbishments. Toilets are in C:Poor condition.
Northfield Academy	School-Secondary	Kitchen refurbishment.
Northfield Academy	School-Secondary	Suitability improvements. Rated as C-Poor.
Northfield Community Centre	Community Centre (Leased)	Toilet refurbishment and installation of showers (beside gymnasium). Sanitary is in C-Poor condition.
Northfield Community Centre	Community Centre (Leased)	Complete rewire & upgrade of emergency lighting.
Northfield Community Centre	Community Centre (Leased)	Window replacements. Windows are in C:Poor.
Oldmachar Academy	School-Secondary	Suitability improvements. Rated as C-Poor.
Oldmachar Academy	School-Secondary	Catering kitchen replacement.
Oldmachar Academy	School-Secondary	Upgrade fire alarm system.
Plant Nursery Hazledene Road	Nursery Gardens	Refurbishment. Business case required.
Quarryhill Primary School	School-Primary	Catering kitchen replacement.
Quarryhill Primary School	School-Primary	Suitability improvements. Rated as C-Poor.
Ruthrieston Community Centre	Community Centre (Leased)	Male and female toilet refurb (C-Poor grade).
Scotstown School	School-Primary	Kitchen refurbishment.
Scotstown School	School-Primary	Suitability improvements. Rated as C-Poor.

Appendix E - Future Projects

Property Address	Property Type	Proposed Work
Seaton Park		Water infrastructure improvements.
Sheddocksley Sports Centre	Sports Centre	Replacement of the heating and hot water system that supplies the pavilion. Awaiting feasibility study
Sheddocksley Sports Centre	Open Space	Drainage improvements to tree belt adjacent to Sheddocksley Drive.
Skene Square Primary School	School-Primary	Flat roof replacements. Roofs are in B- condition.
Skene Square Primary School	School-Primary	Classrooms in poor state of decoration, repainting of walls and replacement of some fixtures and fittings required.
Skene Square Primary School	School-Primary	Catering kitchen replacement (servery).
Skene Square Primary School	School-Primary	Upgrade fire alarm system.
Skene Square Primary School	School-Primary	Suitability improvements. Rated as C-Poor.
St Josephs R. C. School	School-Primary	Refurbishment of green houses. Listed building.
St Josephs R. C. School	School-Primary	Catering kitchen replacement.
St Josephs R. C. School	School-Primary	Window replacement phase 4. Windows are in C:Poor condition.
St Josephs R. C. School	School-Primary	Suitability improvements. Rated as C-Poor.
St Machar Academy	School-Secondary	Toilet refurbishment phase 4 (of 5).
St Machar Academy	School-Secondary	Toilet refurbishment phase 5 (of 5).
St Machar Academy	School-Secondary	Home Economics classrooms to be refurbished.
St Machar Academy	School-Secondary	Reinstate rendering.
St Machar Academy	School-Secondary	Suitability improvements. Rated as C-Poor.
Stocket Parade Hostel	Group Home	Improved external lighting in garden area.
Sunnybank School	School-Primary	Suitability improvements. Rated as C-Poor.
Sunnybank School	School-Primary	Senior boys toilet refurbishment.
Sunnybank School	School-Primary	Catering kitchen replacement.
The Quarry Centre	Family Centre	Replacement of fascias and rainwater goods. Canopy refurbishment. Elements are in C: Poor condition.
Tolbooth Museum	Museum	Various internal improvements.
Tullos Depot	Depot	Fire alarm system upgrade.
Westburn Lounge And Outdoor Sports Centre	Outdoor Sports Facility	Replacement of the timber cladding and improvements to the roof structure.
Westpark School	School-Primary	Toilet refurbishment phase 2.
Woodside School	School-Primary	Suitability improvements. Rated as C-Poor.
Woodside School	School-Primary	Catering kitchen replacement (servery).

Condition

- A: Good - performing well and operating efficiently
- B: Satisfactory - performing adequately but showing minor deterioration
- C: Poor - showing major problems and/or not operating adequately
- D: Bad - life expired and/or serious risk of imminent failure

Suitability

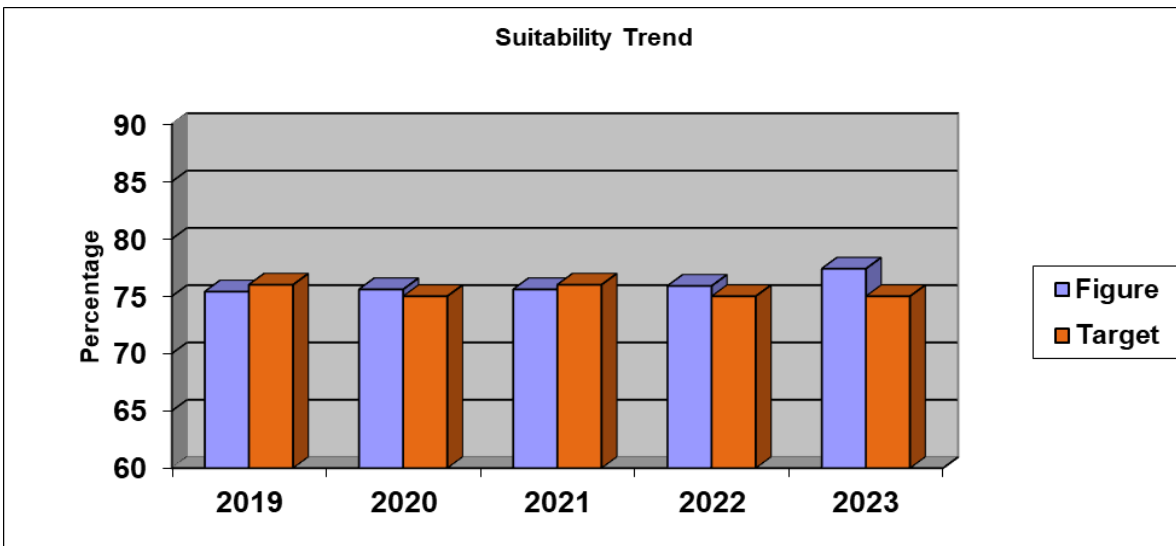
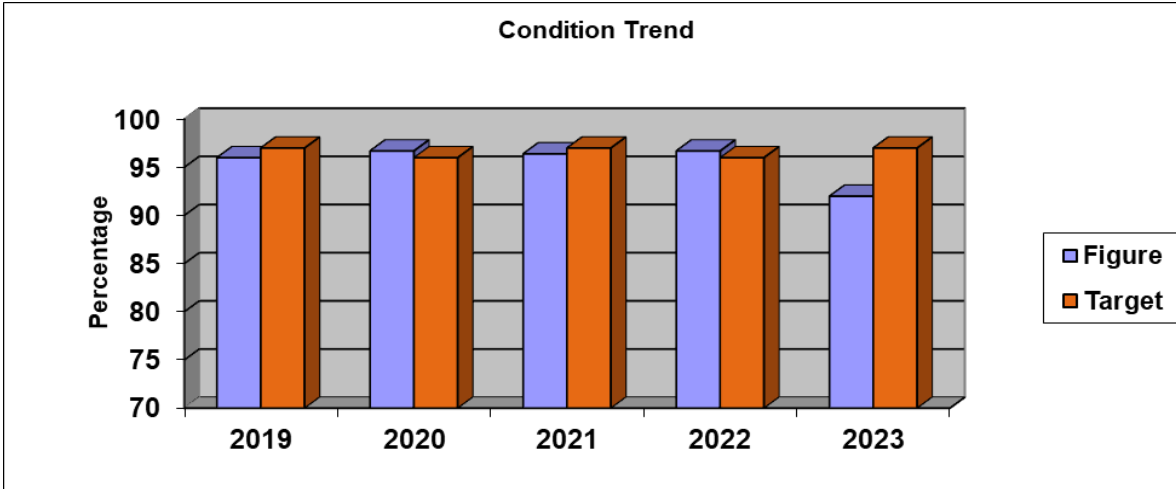
- A: Good - performing well and operating efficiently. The buildings support the delivery of the service and are considered suitable for use now and in the future.
- B: Satisfactory - performing well but with minor issues. The buildings generally support the delivery of services and would be considered suitable. There is room for improvement in certain areas but the property is fundamentally okay.
- C: Poor - showing major problems and/or not operating optimally. The buildings impede the delivery of services and would not be considered suitable.
- D: Bad - does not support the delivery of services at all. The buildings seriously impede the delivery of services and would definitely not be considered suitable.

Accessibility

- A: Good - Accessible with little or no works required.
- B: Satisfactory - Accessible with only minor works required.
- C: Poor - Significant investment required to make accessible.
- D: Bad - Major Investment required or cannot be made accessible.

SPI Definition – Condition & Suitability

The SPI shows the overall position of operational buildings in terms of if they are both suitable and in satisfactory condition. In addition as the SPI has been in use for a number of years it is possible to see long term trends. The SPI figure shows if the investment being made is leading to improvements in condition and suitability grades. Improving figures would suggest investment levels are sufficient while declining figures would suggest that the investment is not sufficient.

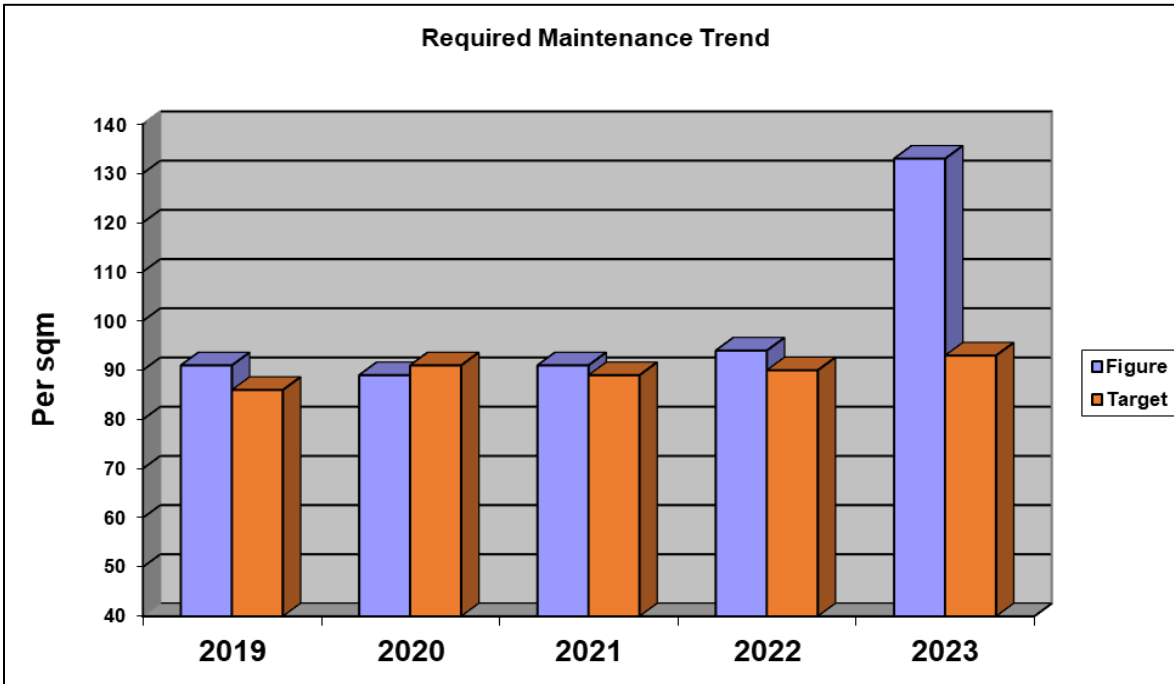


Two buildings with a large gross internal floor area, Beach Leisure Centre and Hazlewood School, both rated B for Condition and Suitability, were removed this year. The removal of these assets negatively affected both overall figures. Notable A rated assets added this year include the new Counteswells School, The Former French School at Aberdeen Grammar School, and Northfield Swimming Pool. Significantly, Hazlehead Academy’s condition rating dropped from a B to a C. This accounts for a large volume of floor area dropping from satisfactory to unsatisfactory and affected the overall percentage. The removal of three C rated libraries, coupled with the addition of five other satisfactory assets this year improved the overall suitability figure.

The asset portfolio will continue to change, making predictions difficult. However, the Property & Estates Strategy identifies a likely decline. Taking all of this into account, the targets set for next year are 91% for condition and 76% for suitability.

SPI Definition – Required Maintenance

The required maintenance cost of operational assets per square metre is an assessment of the cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service or to meet statutory or contract obligations and maintain it at that standard. Betterment should be specifically excluded from the calculations of cost.

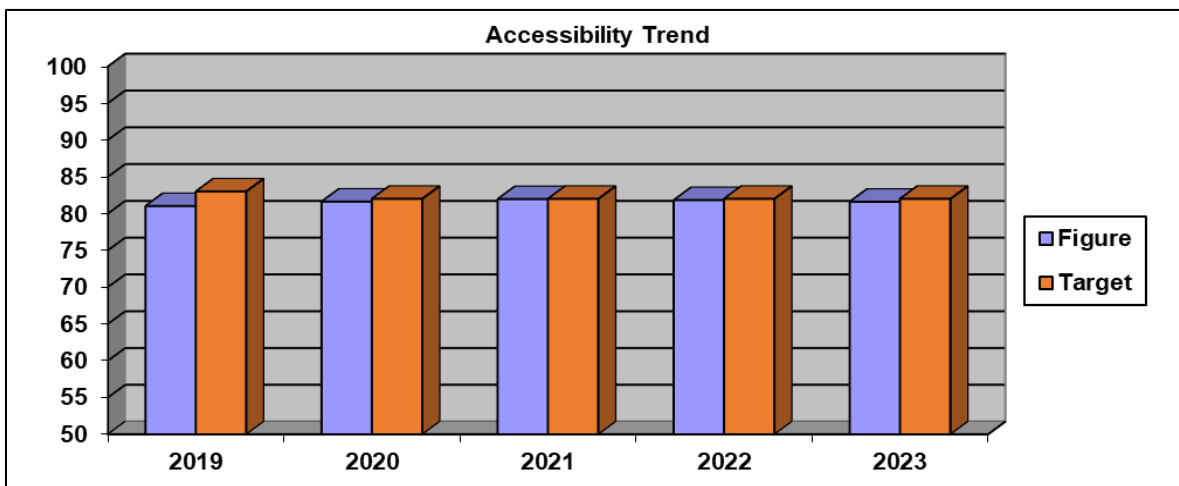


The overall required maintenance has increased by £20,628,048. With the overall floor area decreasing significantly by 5,504sqm, primarily due to the closure of leisure facilities. The continued decline in condition of many properties has been identified during the condition survey programme. This was notable at Hazlehead Academy, Kittybrewster depot and a number of multi-storey car parks. Where significant increases in required maintenance have been recorded. These combined factors have led to an increase in the overall SPI figure.

Construction costs continue to rise with impact of that inflation not full accounted for in the figures. In addition there are not comprehensive surveys available of key electrical and mechanical plant within the portfolio. It is therefore very likely that the required maintenance figure does not fully capture the extent of investment required. As an increase is likely a target of £130 per sqm has been set.

SPI Definition - Accessibility

The number of council buildings from which the council delivers services to the public and percentage of these in which all public areas are suitable for and accessible to disabled people.



The total number of buildings assessed for accessibility reduced by 7 from 132 to 125 this year. 8 accessible and 1 non-accessible buildings were excluded from this years figures. Dyce Pavilion and Northfield Swimming Pool opened, both of which are accessible. The percentage of accessible buildings remain consistent which is in line with the target. There is limited benchmarking data available but what there is suggests the Council performs reasonably well. The portfolio will continue to change as the Property & Estates Strategy is implemented which could have both positive and negative impact on this SPI. At this stage it is not possible to determine what that impact will be. As such the target for next year remains at 82%.

Appendix H - Emissions Reduction and Climate Resilience Benefits

Location	Property Type	Project	Emissions Reduction	Climate Resilience
26A Rowan Road	Group Home	Window replacements.	Thermal fabric improved by replacing 9 single glazed windows. U-Value* significantly improved from 4.8 (approx.) to 1.3.	Reduced risk of water penetration during weather events.
Abbotswell Primary School	School - Primary	Pupil and staff toilet refurbishments.		Water saving measures reduces demand on water supplies.
Abbotswell Primary School	School - Primary	Remaining flat roof replacements.	Thermal fabric improved by replacing 640 sqm of poor condition and poorly insulated roofs. U-Value* significantly improved from 0.4 (approx.) to 0.15.	Reduced risk of water penetration during weather events.
Aberdeen Grammar School	School - Secondary	Replace metal windows/curtain walling to Hall, Assembly hall, dining room and Art Department.	Thermal fabric improved by replacing 18 large single glazed screens. U-Value* significantly improved from 4.8 (approx.) to 1.16.	Reduced risk of water penetration during weather events.
Bramble Brae Primary School	School - Primary	Refurbishment of toilet blocks. Phase 1.		Water saving measures reduces demand on water supplies.
Bramble Brae Primary School	School - Primary	Refurbishment of two toilet blocks. Phase 2.		
Bridge Of Don Academy	School - Secondary	Window replacements. Phase 2.	Thermal fabric improved by replacing 17 old double glazed windows. U-Value* significantly improved from 2.6 (approx.) to 1.36. Thermal fabric improved by replacing 4 old door units.	Reduced risk of water penetration during weather events.
Broomhill Primary School	School - Primary	Repointing to external walls and lead work to parapets. Phase 1.		Reduced risk of water penetration during weather events.

Appendix H - Emissions Reduction and Climate Resilience Benefits

Location	Property Type	Project	Emissions Reduction	Climate Resilience
Central Library	Library	Staff toilet refurbishment.		Water saving measures reduces demand on water supplies.
Dyce Primary School	School - Primary	Refurbishment of external cladding to gym hall.	Thermal fabric improved by replacing 420 sqm of cladding. U-Value* significantly improved from 1.5 (approx.) to 0.25.	Reduced risk of water penetration during weather events.
Harlaw Academy	School - Secondary	Window refurbishment and lintel replacements. Phase 1 - Albyn building and Block B.	Thermal fabric improved through work to 30 windows and 3 curtain walling units.	Reduced risk of water penetration during weather events.
House 233 Birkhall Parade	Group Home	Window replacements.	Thermal fabric improved by replacing 10 single glazed windows. U-Value* significantly improved from 4.8 (approx.) to 1.3.	Reduced risk of water penetration during weather events.
Inchgarth Community Centre	Community Centre (Leased)	Final phase of roof replacements.	Thermal fabric improved by replacing 1225 sqm of poor condition and poorly insulated roof. U-Value* significantly improved from 2.3 (approx.) to 0.15.	Reduced risk of water penetration during weather events.
Kincorth Community Centre	Community Learning Centre	Toilet refurbishments.		Water saving measures reduces demand on water supplies.
Kirkhill Primary School	School - Primary	External door replacement.	Thermal fabric improved by replacing 9 old door units. U-Value* significantly improved from 3.0 (approx) to 1.6.	
Kittybrewster School	School - Primary	Windows in dining hall.	Thermal fabric improved by replacing 13 old single glazed windows. U-Value* significantly improved from 4.8 (approx) to 1.5.	Reduced risk of water penetration during weather events.

Appendix H - Emissions Reduction and Climate Resilience Benefits

Location	Property Type	Project	Emissions Reduction	Climate Resilience
New Town House Extension	Office	Flat roof replacement.	Thermal fabric improved by replacing 1033 sqm of poor condition and poorly insulated roof. U-Value* significantly improved from 0.513 (approx) to 0.312.	Reduced risk of water penetration during weather events.
St Machar Academy	School - Secondary	Toilet refurbishments phase 1.		Water saving measures reduces demand on water supplies.
Tolbooth Museum	Museum	Major roof and parapet works.		Reduced risk of water penetration during weather events.
Westpark School	School - Primary	Toilet refurbishment phase 1.		Water saving measures reduces demand on water supplies.

*U-Value - A measure of the heat transmission through a building part (such as a wall or window) or a given thickness of a material (such as insulation) with lower numbers indicating better insulating properties.

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	13 September 2023
EXEMPT	This report is not exempt, but Appendices 2 and 5 to 13 are (paragraph 8)
CONFIDENTIAL	No
REPORT TITLE	Work Plan & Business Cases
REPORT NUMBER	COM/23/279
DIRECTOR	Gale Beattie
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Mel Mackenzie
TERMS OF REFERENCE	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 Children’s and Family Services, Commissioning, Customer 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 Children’s and Family Services, Commissioning, Customer 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 2023 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 and Operations, Children’s and Family Services, Commissioning, Customer 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?
Strategic Risk	Contract expectations not being monitored or managed.	Contract Management consideration in business cases, guidance and training available for officers	M	Yes

Compliance	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
Operational	Unable to control demand	Robust process and focus on demand reduction strategies, contract terms developed to be more flexible.	L	Yes
Financial	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
Reputational	Insufficient information provided by officers, lack of transparency.	Robust process for review of individual business cases and proposed approach to procurement.	L	Yes
Environment/ Climate	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>	
	Impact of Report
Aberdeen City Council Policy Statement	The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.
Aberdeen City Local Outcome Improvement Plan	
Stretch Outcomes (Prosperous Economy/People/Place)	Community Benefits, 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.
Regional and City Strategies	Details of anticipated outcomes and how they support key strategies are contained within the business case attached.
UK and Scottish Legislative and Policy Programmes	Details of the legislative and policy programmes to be complied with is contained within the business case attached.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required, IIA screening and assessment will be conducted where required for individual business cases.
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

None

11. APPENDICES

Public

Appendix 1- Final Revenue Work Plans- PUBLIC_FR_130923
Appendix 3 - 3.10 Memos (Exemption Urgency) _PUBLIC_FR_130923
Appendix 4 – 4.1.3 Forms (Technical Exemption)_PUBLIC_FR_130923

Private

Appendix 2 - Final Revenue Work Plans PRIVATE_FR_050723
Appendix 5_Business Case Scotland Excel Secure Care_PRIVATE
Appendix 6_Business Case_Crowd Management Partner_PRIVATE
Appendix 7_Business Case Retail Study 2023_PRIVATE
Appendix 8_Business Case_Debt Collection_PRIVATE
Appendix 9_Infrastructure Hosting & Management (Data Centre) Business Case_PRIVATE
Appendix 10_Business Case_School Meal Food Vouchers (Holiday Period)_PRIVATE
Appendix 11_Business Case - Mechanical Engineering Consultancy_PRIVATE
Appendix 12_Business Case_Library Management System_PRIVATE
Appendix 13_Business Case_Estate Management_PRIVATE

11. REPORT AUTHOR CONTACT DETAILS

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Children's & Family Services Work Plan	Committee: Finance & Resources	Date of Committee: 13 September 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-YJNY6992	Children's and Family Services	Integrated Children's Services	Secure Care - Scotland Excel Framework Agreement (0219)	Revenue	01/04/2024	31/03/2025	0	31/03/2025	Scotland Excel (SXL) commissions this framework for the provision of secure care services on behalf of the 32

Commissioning Work Plan	Committee: Finance & Resources	Date of Committee: 13 September 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-XDRM8792	Commissioning	City Growth	Crowd Management Partner	Revenue	01/04/2024	31/03/2028	0	31/03/2028	The framework will encompass the supply of all of Aberdeen City Council's Crowd Management & Stewarding requirements, including the annual City Events programme, events at the Beach Ballroom and Aberdeen Art Gallery, elections, civic events, and any other relevant activities that the Council are involved in.
000-WDDE7438	Commissioning	Strategic Place Planning	Retail Study	Revenue	01/11/2023	30/04/2024	2	30/06/2024	Contract for the provision of a joint Aberdeen City and Aberdeenshire Retail Study which will ensure the Council can meet its statutory duty to inform the preparation of an Evidence Report which will subsequently inform preparation of the statutory Aberdeen City Local Development Plan 2028 and/or enable the Council to achieve outcomes as outlined in

Customer Work Plan	Committee: Finance & Resources	Date of Committee: 13 September 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-WPTA4456	Customer	Customer Experience	Debt Collection	Revenue	01/04/2024	31/03/2028	12	31/03/2029	The contract is for the provision of Debt Collection Sheriff Officer services to carry out recovery of debt due to Aberdeen City Council.
000-UUNH5647	Customer	Digital & Technology	Datacentre (Infrastructure Hosting & Management)	Revenue	20/11/2023	19/11/2024	0	19/11/2024	The contract for the data centre provides the necessary means of computer infrastructure that underpins platforms for communications, collaboration and service sharing.

Resources Work Plan	Committee: Finance & Resources	Date of Committee: 13 September 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-WUBW8933	Resources	Operations & Protective Services	School Meal Vouchers	Revenue	01/10/2023	30/09/2025	24	30/09/2027	The contract will ensure that the service is able to discharge its responsibilities of the Scottish Government Funding allocation to provide vouchers to all those who are entitled to free school meals during holiday periods.
000-PTDA7728	Resources	Capital	Mechanical & Electrical Engineering Consultancy Services	All budget types	01/01/2024	31/12/2026	24	31/12/2028	Contract for the provision of Mechanical and Electrical Engineering services which will ensure the Council can meet its statutory duty to carry out full pre and post contract Mechanical and Electrical Engineering services for Housing and Non-Housing projects and enable the Council to achieve outcomes as outlined in this

000-RCAB2587	Resources	Corporate Landlord	Estate Management Services - Commercial Estate (Short Term)	Revenue, Capital, Common Good	01/11/2023	31/10/2024	12	31/10/2025	Contract for Estate Management Services including: Property Management Services (Lease compliance/ tenant management/ service charge allocation), Rent Reviews and Lease Renewals on commercial properties, Property marketing and letting for sale or lease, Property consultancy support. Short term over two years to allow for development of long term approach.
000-BKYE4124	Resources	Corporate Landlord	Estate Management Services - Commercial Estate (Long Term)	Revenue, Capital, Common Good	01/11/2025	31/10/2030	24	31/10/2032	Contract for Estate Management Services including: Property Management Services (Lease compliance/ tenant management/ service charge allocation), Rent Reviews and Lease Renewals on commercial properties, Property marketing and letting for sale or lease, Property consultancy support.

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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:
Customer	People and Organisation	Occupational Health	03/08/2023	02/08/2024	£140,000.00	<p>Extension to existing contracts for the reasons outlined below:</p> <p>i. Market Availability of Occupational Health Providers: Occupational Health Providers have reported recently that due to labour shortages they are likely to have vacancies in the most specialised roles and that these were the hardest to recruit for, particularly specialist OH nurses. The market for Occupational Health Providers is limited in terms of Public Sector provisions and the likelihood of vacancies in terms of staffing would have the potential to limit interest.</p> <p>ii. National OH Working Group: A working group has been established in 2023 to investigate the possibility of establishing a national Occupational Health provision across all Scottish Local Authorities. This working group is being led by the Improvement Service with the aim being to establish a contract with one single provider working with all 32 local authorities. Currently the group are establishing the needs of each authority to find commonality and any specific requirements needed in different areas. The Improvement Service are working on establishing the current spend of each authority on Occupational Health provision. When these tasks have been completed, the group will reconvene to move this work on to the next stage.</p> <p>iii. The work on a replacement contract has been delayed due to long term absence within the team, which has impacted the progression of the required inputs to the procurement process.</p>
Resources	Capital	Northfield Academy - Appointment of Modular Unit Supplier - Supply additional toilets and carry out security works	21/08/2023		up to £200,148.76	<p>Following a recent HMIE Inspection at Northfield Academy, the school was rated as "unsatisfactory", with inspectors finding "major weaknesses" in some aspects of its operation. An extensive action plan for the school has been put in place and was agreed at a special meeting of the ECS Committee in March 2023. HM inspectors are expected to return to the school in September, and updates to Committee are to be provided before the Summer, to check on progress with the approved action plan which includes the following for S1 pupils:</p> <ul style="list-style-type: none"> • An amended approach to the delivery of the S1 curriculum is in development and will be further developed by working in collaboration with P7 pupils transitioning to the school in August 2023. This change will see pupils working with fewer teachers in a day, reduce their movement through school and support greater curriculum cohesion through the use of Interdisciplinary project based learning. • A redesign of the S1 experience will be introduced to support transition through a 'crew' model focusing on health and wellbeing. • The S1 curriculum will include a class teacher and 'home' room to allow delivery to focus on laying the foundations for learning, teaching and high expectations • Recruit a team of class teachers with primary experience to deliver this experience to S1 young people to enhance transition and complement the BGE. <p>These changes will mean the S1 cohort will need to be kept largely separate from the rest of the school for most areas of curriculum delivery – hence the need for additional security measures and for extra toilet provision within the S1 teaching block, which will need to be in place in time for the start of the new school year.</p>

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Appendix 4 - 4.1.3 Forms (Technical Exemption)

Function	Cluster	Description of Contract	Estimated Start date of Contract	Estimated End date of Contract	Total Estimated Contract Value £	Reason for seeking approval under 4.1.3 Technical Exemption:
Resources	Capital	Provision of a Director – Energy from Waste Project	02/07/2023	01/07/2025	£200,000.00	<p>The Works (construction) phase of the EfW contract is nearing completion, following contract award in August 2019. A range of specialist consultants have remained on call to the project throughout this phase to supervise the construction and to provide specialist technical, legal and commercial financial advice in relation to any contractual claims involved. The contractor has to date raised claims of significant value which the Council is contesting on behalf of the 3 partner Councils (Aberdeen City, Aberdeenshire and Moray Council) providing funding to the project.</p> <p>The Project Director role was critical to the successful completion of the original procurement process and subsequent contract, and this detailed level of knowledge remains critical to successfully navigating existing, and potentially additional, contractual claims.</p>
Digital and Technology	Customer	Microsoft Unified Support	27/06/2023	01/06/2024	£337,418.00	<p>Microsoft Unified Support is only provided by Microsoft and is available via G-Cloud I3, generic service offerings are available but these do not provide the full suite of support required by ACC hence a technical exemption was approved.</p>

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