

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	26 September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Funding External Bodies & Following the Public Pound – Local Code of Practice Update
REPORT NUMBER	RES/19/377
DIRECTOR	Steven Whyte
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Lesley Fullerton
TERMS OF REFERENCE	1.2.12

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek committee approval of the amended and updated Following the Public Pound (FPP) Local Code of Practice

2. RECOMMENDATION(S)

- 2.1 That the Committee approve the updated FPP Local Code of Practice as appended to this report

3. BACKGROUND

- 3.1 There is a requirement for the Council to review and update its FPP guidance to ensure it can direct proportionate governance across the Council's Arms-Length External Organisation (ALEO) portfolio and that it can operate in practice.
- 3.2 The current guidance requires to be updated to reflect current staff roles and titles within the Target Operating Management (TOM) structure, as well as some minor clerical procedural changes.
- 3.3 The main changes to the guidance document are as follows:

- Addition of a paragraph at Section 6.3 reminding officers that any outstanding debts due to the Council by the recipient of the grant should be deducted from the grant payment being made.
- The FPP register is to be held on an excel spreadsheet instead of the Covalent system. Appendix C has been updated to reflect the headings required for this system.
- Clarifying those posts with responsibility for each stage in the process

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from this report.
- 4.2 By “Following the Public Pound” the Council demonstrates that there is proper accountability for public funds used in delivering services, irrespective of the means of service delivery.
- 4.3 The concept of FPP applies when the Council agrees to fund external organisations to deliver specified services. Such funding is a significant element of council business and as such millions of pounds are paid to external organisations each year.
- 4.4 It is therefore important that by following the principles of FPP, an appropriate and suitable means of approval of funding is maintained to ensure Best Value.

5. LEGAL IMPLICATIONS

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

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Financial	If the procedure is not reviewed and updated, then there is a risk our reducing financial resources are not directed to the correct outcomes.	M	All staff and Elected Members advised of updated procedure.
Legal	None identified		

Employee	None Identified		
Customer	There is a risk that the customer benefit from the Council is compromised if resources are misused, wasted or lost	L	All staff and Elected Members advised of the updated procedures and given updated guidance on its implementation.
Environment	None identified		
Technology	None identified		
Reputational	There is a risk of reputational damage if statutory obligations are not met and public funds are misused wasted or lost.	M	The FPP Code enhances the council's reputation for accountability in the use of public funds and aids in mitigating the risks posed in providing funding to external organisations.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	The proposals within this report ensure that those funds allocated toward priority outcomes are used towards priority objectives and any potential misuse or loss is mitigated.
Prosperous People	Effective decision making in the allocation of funds to external organisations could impact the people of Aberdeen by ensuring the effective use of resources towards priority outcomes.
Prosperous Place	Effective decision making in the allocation of funds to external organisations could impact the place of Aberdeen by ensuring the effective use of resources towards priority outcomes.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	The proposals within this report are designed to provide clarity for staff and external organisations in respect of the requirements pertaining to the following the Public Pound process.
Organisational Design	The following the Public Pound process has been updated to take account of both the TOM structure and any relevant staff changes.
Governance	Reporting to Committees on the Following the Public Pound allows members to scrutinise the system of risk management to help ensure its effectiveness.
Workforce	The following the Public Pound update ensures there is clarity for staff in the actions to take when dealing with external bodies.
Process Design	In reviewing our Following the Public Pound processes, there is an opportunity to make sure that the risk to the Council's achievement of the strategic objectives, including those which external organisations and other stakeholders contribute to is appropriately managed and mitigated.
Technology	N/A
Partnerships and Alliances	Following the Public Pound guidance should maximise the opportunity benefit of partnering and working with external organisations.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	not required
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. BACKGROUND PAPERS

None

10. APPENDICES

Appendix 1 - Funding External Bodies & Following the Public Pound – Local Code of Practice Update

11. REPORT AUTHOR CONTACT DETAILS

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