

Aberdeen City Council Business Plan 2012/13 – 2017/18 The Next Five Years



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1. Executive summary

Aberdeen City Council's business plan covers the five-year period from 2012/13 – 2017/18. It is a rolling five-year plan and will be subject to annual review and update in line with changes in the council's priorities and emerging external factors which impact on the delivery of its objectives.

The business plan identifies those factors which influence the needs, development and delivery of our services. The plan outlines the activities and initiatives which we will undertake to achieve our strategic objectives which, in turn, reflect the national priorities set by the Scottish Government, the Concordat and the Single Outcome Agreement.

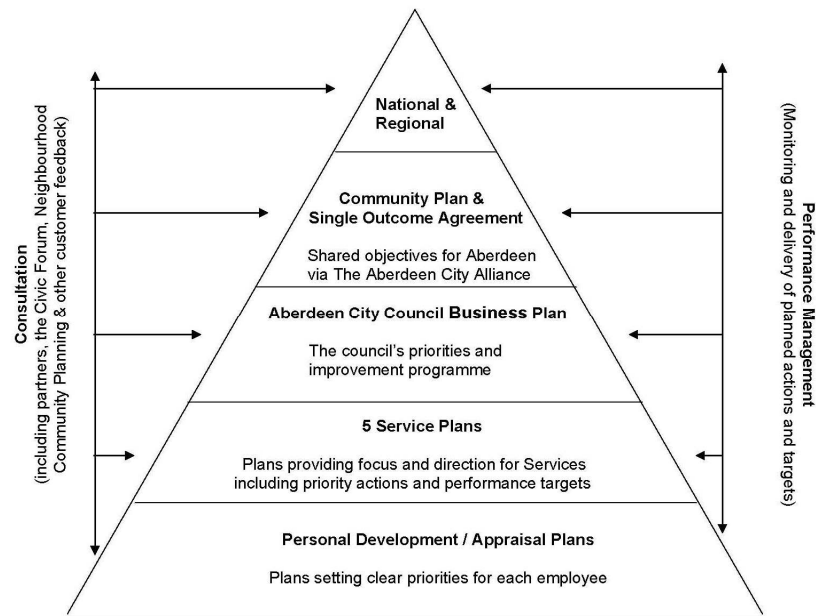


Figure 1

The business plan sets out the council's key priorities and gives details of the main actions within each of the council's five services. These are supported by our priority-based approach to establishing our budget.

Regular reporting on the delivery of the business plan will be made at committee and council level and will form a key part of the council's public performance reporting.

The council is committed to continually improving its communications and active engagement with stakeholders, including Aberdeen citizens, visitors, the business community, partners, its employees and employee representatives. We seek a significant change in modernising the way we work and deliver our services. Self-evaluation is an important element in achieving this and over the lifespan of this plan there will be a focus on increasing our capacity to self-evaluate, taking an evidenced approach, building upon good practice already in place and learning through benchmarking against the private and public sector.



Callum McCaig
Council Leader



Valerie Watts
Chief Executive

2. Vision and strategy

Vision

Our vision is for Aberdeen to be a vibrant, dynamic and forward-looking city.

‘An even better place to live and work, where people can expect high-quality services that meet their needs’.

Strategic priorities

The council’s priorities for the next five years to deliver this vision are focused on six key areas:

- Provide for the needs of the most vulnerable people;
- Help to ensure that all schoolchildren reach their potential;
- Manage our waste better and increase recycling;
- Encourage the building of new affordable housing;
- Ensure a sustainable economic future for the city;
- Ensure efficient and effective delivery of services by the council and with its partners.

Delivering our strategic priorities

In order to deliver these priorities we will:

- Make best use of the financial resources available to us, ensuring best value for the public purse;
- Have a flexible, skilled and motivated workforce;
- Listen to, and be responsive to, our customers, shaping our services around their needs and focusing our resources where they are most needed; and
- Work closely with our partners, including local communities, to deliver a single set of outcomes for all the citizens of Aberdeen.

The council’s action and financial plans, included in this business plan, are built on the delivery of these priorities, and we will measure our performance in terms of our success in their achievement.

3. Sector analysis

Figure 2 below shows a high-level analysis of issues which will impact on the council throughout the period of this plan.

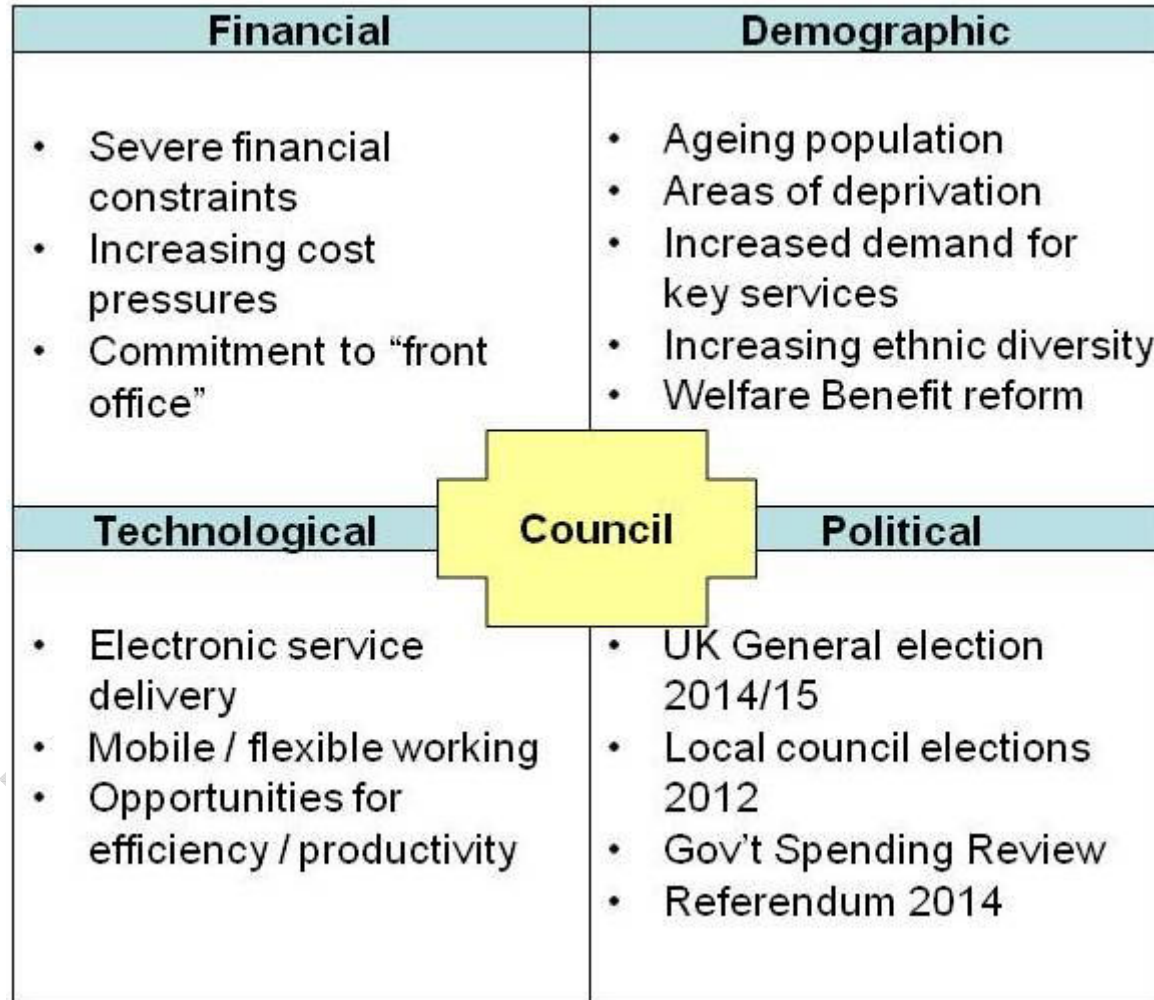


Figure 2

Over the next five years the council has a key role in addressing each of these issues.

(i) Finance

The overall economic outlook and fiscal position for the period of the business plan continues to present a difficult financial challenge for the council. The introduction of a new 85% funding floor from the Scottish Government has eased the financial position but given the current rate of inflation and cost pressures facing the council the next five years will require the council to continue to adapt to the limited financial resources it has available. The council has received a small increase in funding over the next two financial years but will continue to have to monitor its cost base going forward.

There is also a clear relationship between the public and private sector. In Scotland, public services account for approximately 47% of GDP which will mean that any downturn in public sector buying power will have a multiplier effect throughout the whole economy. There will inevitably be a reduction in the public sector workforce and the Independent Budget Review published in 2009 predicted between 5.7% to 10% reduction in public sector jobs in Scotland over the next five years. Moreover, the possibility of council tax being frozen will create further added pressure on the council's financial position. There are also significant cost drivers over the next five years including costs and penalties associated with waste, an increase in the uptake of universal services, workforce costs and infrastructure costs, particularly in relation to roads.

The council receives the second lowest funding in Scotland and it will be important for the council to continue to press for the best settlement possible in light of these financial pressures.

(ii) Demographics

There are significant demand pressures on services within Education, Culture and Sport and Social Care and Wellbeing arising from anticipated demographic changes. Population projections for Scotland indicate that the 0-15 age group will grow by 0.5% between 2011 and 2016. Over the same period, the 0-15 age group in Aberdeen is projected to increase by 4%, from 33,454 to 34,812. Aberdeen's birth rate has grown significantly with 2,599 births in 2010 compared with 2,061 in 2005. This will have an impact on primary school rolls, which are forecast to rise by 19% in the period 2011 to 2016. At the same time, secondary school rolls are forecast to fall by just over 6%. The population in the 65+ age group is projected to rise in Scotland by 13% in the period from 2011 to 2016. In Aberdeen, this is projected to rise by 12%. This has a significant impact on the council's future planning for care of the elderly, which is a major driver of demand for social care and wellbeing services. The increase in 65+ age group will also have an impact on housing, which whilst not a general fund service, will be key in supporting the balance of care agenda. The city continues to attract new Scots. Many overseas migrants, especially from eastern Europe, have arrived in search of employment opportunities in recent years. This trend is likely to continue over the next five years and will impact on a range of services including housing, waste, education and social work. The 2009 Scottish Index of Multiple Deprivation identified 28 areas in Aberdeen which are particularly disadvantaged. These are distributed throughout the city and not exclusively confined to particular neighbourhoods.

(iii) Political

The political environment in which the council will operate over the next five years is to be shaped by a series of elections at Scottish Parliament, local government and at UK level. The outcome of these elections will have an effect on a range of factors which contribute to the delivery of local services. It is important that the council is in a position to flex its services depending on the outcome of these elections and the impact that this has on policy either at a national or local level.

Current national policy discussions and initiatives are pointing at radical changes in the model for delivery of social services, moving away from universal, and state-defined, services towards models based on social citizenship where individuals and local communities have more responsibility for defining their needs and controlling how the money is spent. Potential early impacts of this approach include a need to build increasing and open engagement with citizens; a need to support social capacity at the local level; and the transfer of government powers and control to local level, with the accountability and responsibility that this entails.

(iv) Technology

Technology has a key role to play in the delivery of council services over the next five years. The move to Marischal College, the use of telecare and the implementation of self service will all demand investment in technology and require closer working with the private sector. In education, we will widen access to learning for all through the flexible use of technology. Whilst investment will be required, this will be on the basis of spend to save (or spend to constrain growth in costs of older people's services) by promoting citizens' independence. Technology will also fundamentally contribute to shifting the balance of power and responsibility to the citizen rather than the state/public services, by facilitating a more personalised and flexible approach to how citizens engage with public services. This also gives citizens greater choice and control of services they wish to receive.

4. Communication and community engagement

4.1 Our approach to communication and community engagement

This business plan has been prepared following, and taking account of, extensive communication and community engagement. This included:

- A corporate stakeholder briefing with around 100 city stakeholders and directorate stakeholder briefings;
- A public survey with over 1,100 responses received;
- A City Voice survey with over 700 responses received;
- Internal communications with a series of staff briefings, workshops and use of the council's intranet, as a focus for information on business plan activity;
- The council's website providing information and encouraging members of the public to give their views;
- 100 city-wide 'front doors' – the city's information points were used to promote and encourage members of the public to complete a questionnaire.
- Community-led public meetings – the Council Leader, Deputy Leader and directors participated in a series of public meetings convened by a number of the city's community councils.
- Follow-up corporate, directorate and public stakeholder events.

Continuing good communications with meaningful, active and ongoing dialogue with the citizens of Aberdeen will be central to the approach which the council takes as it delivers its overall business plan objectives.

The council's principle aim is to create a better awareness and understanding of all the council's activities and services which we, along with our partners, deliver for the citizens of Aberdeen, our future investors and our visitors and to encourage active participation and engagement with us as we deliver our plans.

Our objectives are:

- To offer accessible and timely information about all council services and activities;
- To provide opportunities for all to engage in dialogue with us, whether face to face, written or on-line;
- To listen and respond to the views of our partners, citizens, staff and other stakeholders with an interest in the city; and
- To share our plans and aspirations for the city.

The council will do this through creating a variety and wide-ranging means of communications and engagement including:

- Open meetings on the transaction of our formal business;
- Face-to-face and timely public meetings on specific issues and activities;
- An effective and efficient customer contact service through our network of information points and by telephone or email;
- An interactive and easily accessible website;

- Providing appropriate and cost-effective information and advice on council services, decisions and achievements;
- Sharing communications and engagement opportunities with our partners in detailing joint activities;
- Continuous and ongoing dialogue with our delivery partners in other public sector organisations, the city's academic institutions, the city's business community, others in the private sector, voluntary and charitable organisations and social enterprise companies;
- The use of social media platforms, where appropriate; and
- Paid advertising of engagement events, where appropriate.

The council will also place an emphasis on excellent communications with our employees and their representatives as we plan improvements to the way in which we inform and engage with all employees, trade unions and elected members.

4.2 Community engagement

The fundamental importance of good and worthwhile dialogue between the council and its wide variety of stakeholders was brought into renewed focus during the formation of this business plan with the council adopting a proactive and inclusive approach to make sure that as many people as possible participated in the process and had an opportunity to contribute their own views on service priorities during the next five years.

This inclusive and positive approach was widely welcomed and resulted in a significant number of individuals, community groups, local businesses and partners actively engaging with the council to 'have their say' on future service priorities.

The council will continue with this approach which provides for:

- Individual members of the public, community groups, local businesses and other public and voluntary sector partners, to have the opportunity to make a direct input into the design and delivery of the council's services; and
- Elected members and city council officers to listen closely and consider the views of colleagues, citizens, members of the local business community and partners in other public organisations and the voluntary sector.

During the period of this five-year plan, the council will strive to continually improve the way it engages with all those who have a stake in council services now and in the future.

4.3 Who are our customers?

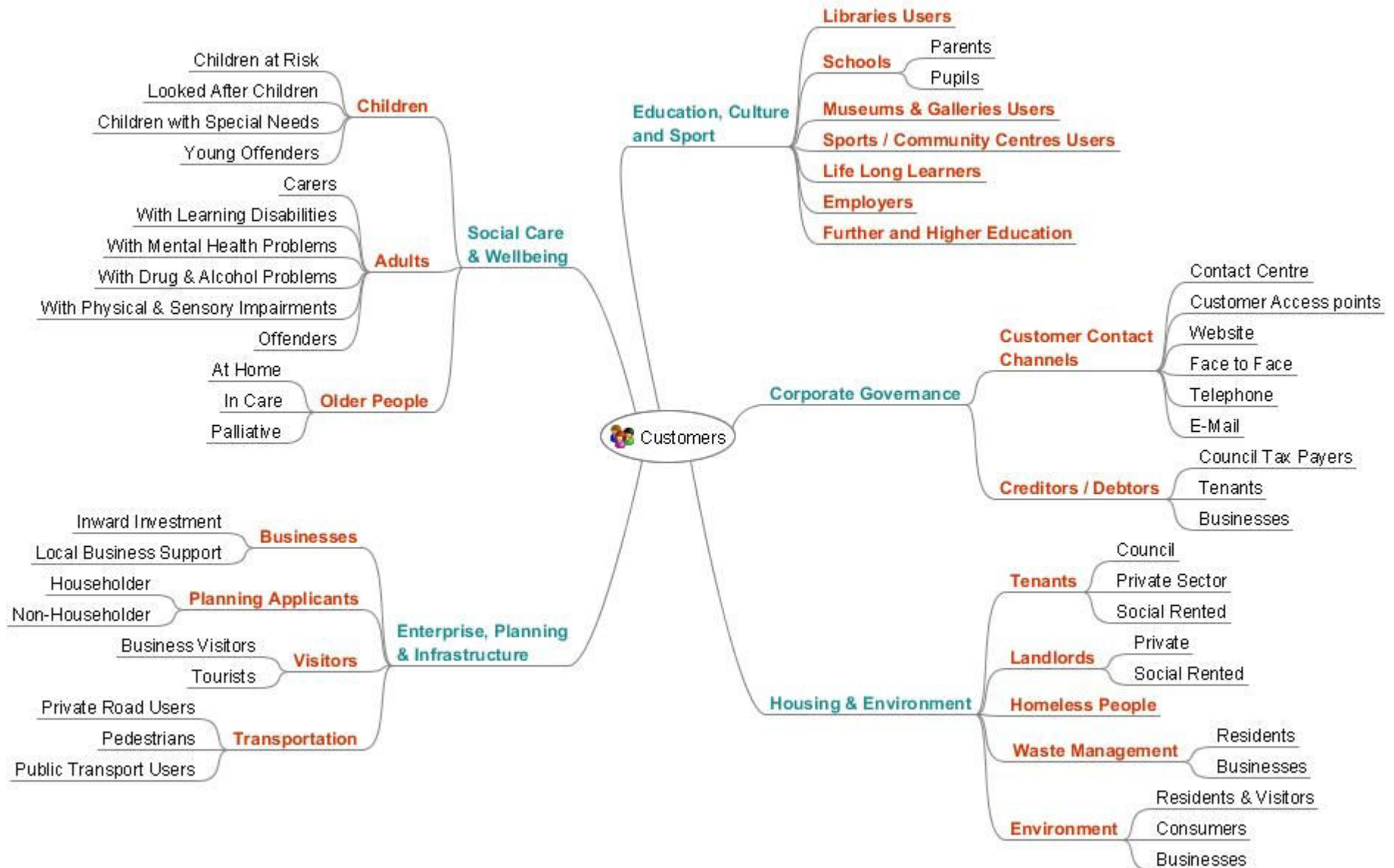


Figure 3 Showing an indicative representation of many, but not all, of the council’s customers.

4.4 Partnership working

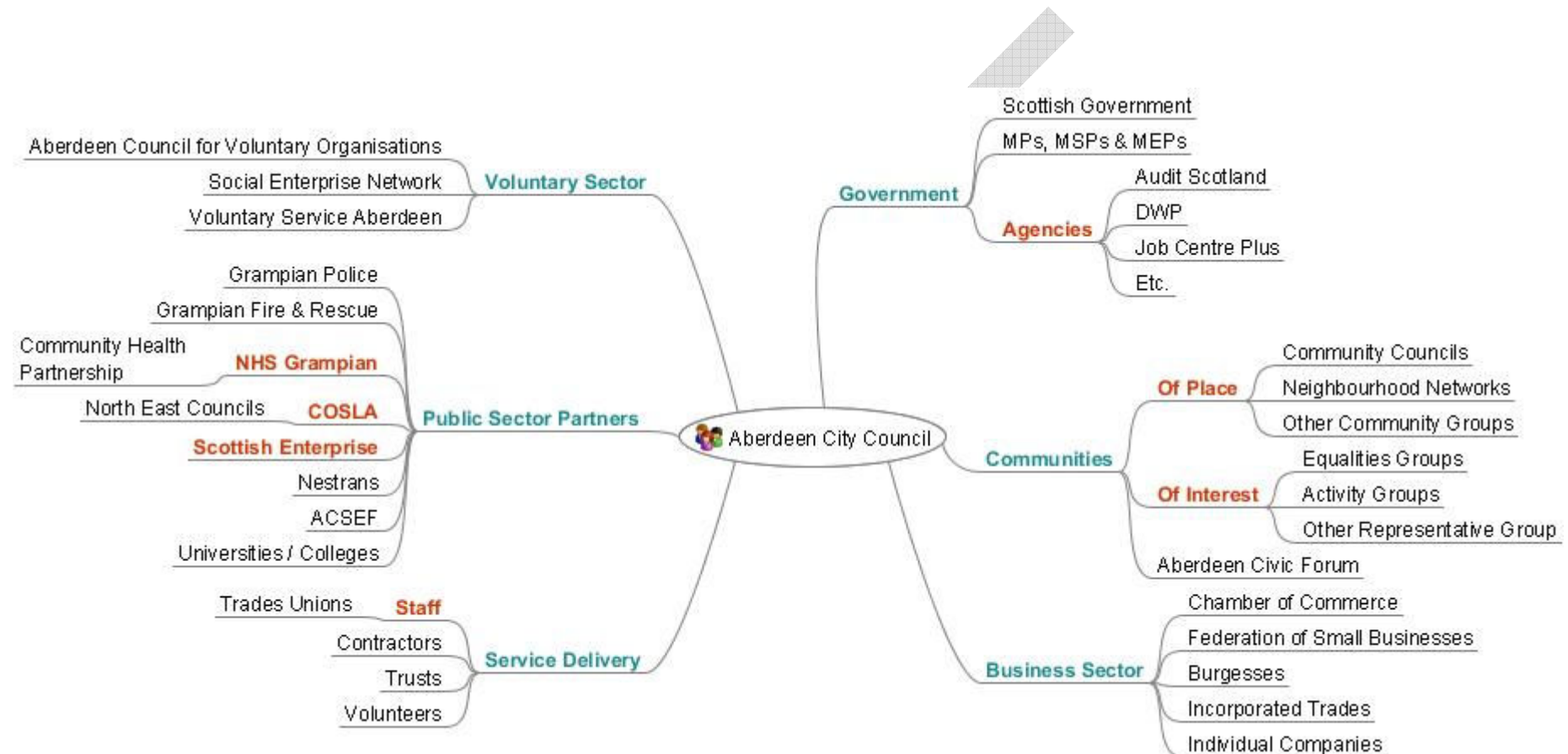


Figure 4 Showing an indicative representation of many, but not all, of the council's partners.

5. Service overview

5.1 What services will we deliver?

The council currently employs over 9,100 staff working across the city delivering a wide range of services and has an annual net budget of £450m which is distributed between five functional directorates:

- Education, Culture and Sport
- Social Care and Wellbeing
- Enterprise, Planning and Infrastructure
- Housing and Environment
- Corporate Governance

DRAFT

Education, Culture and Sport



Annette Bruton
Director

Over the next five years Education, Culture and Sport will see significant change. Building on our strategies for learning, culture and sport, we will work in an innovative and creative way to provide flexible and high-quality education in schools, support community development and adult learning where it is most needed and enhance the cultural and heritage provision in the city of Aberdeen.

The focus of our directorate is, through new ways of working, to contribute to building a 'city of learning' which empowers individuals to fulfil their potential and to contribute to the economic, social and cultural wellbeing of our communities. Our priorities reflect the national priorities set out by the Scottish Government, the Concordat and the Single Outcome Agreement and encompass the activities and initiatives which we will undertake in order to achieve the council's key strategic objectives. These priorities are set out in the following ten themes:

- Curriculum for Excellence: implementing the new curriculum for schools;
- Fit-for-purpose schools / learning centres: making sure that we have the right facilities in the right place;
- Learning in the wider community: lifelong learning for everyone;
- Technology: using technology for learning;
- Health and wellbeing: helping people to make the right lifestyle choices from an early age and throughout their lives;
- Engagement in arts, culture and heritage: improving the quality of and impact of arts, culture and heritage provisions across the city;
- Helping those with different needs: helping everyone reach their potential;
- Better performing/value for money: demonstrate our commitment to continuous improvement;
- Skilled and trained staff: continually developing our staff through training opportunities; and
- Working together: making sure services work together in the interests of the learner.

Underpinning our ten priority themes are the objectives to improve attainment and achievement for all our learners and to close the gaps in learning, health, participation and employment outcomes that exist within the city. Our key priorities are met through the provision of a range of services and activities.

Pre-school and school education

In our pre-school setting within primary schools and through our partner providers we will:

- Continue to invest in leadership and management development at all levels;
- Adjust the early years training programme to prioritise self-assessment training and guidance;
- Increase the involvement of private partners in joint training and development with local authority practitioners in relation to the implementation of curriculum for excellence assessment, reporting and transition;
- Improve networking and communication between pre-school settings and primary to deliver improved breadth and depth, progression and continuity of learning; and
- Introduce nursery induction programme for senior leaders in primary schools.

Additional support needs (ASN)

We will seek to improve our inclusion practice and meet the needs of those with additional support needs in the following ways:

- Develop a better understanding of the needs of specific groups of learners who have additional support needs in order to further improve the quality of services/provision;
- Finalise a more coherent approach and strategy for social, emotional, and behavioural needs;
- Improve the effectiveness of the pupil support service;
- Continue to focus on attainment and achievement within the ASN sector by ensuring that good practice is identified and adopted more widely across the city;
- Build upon our current work to develop effective transitions, particularly for post-16/18 year olds with additional support needs;
- Ensure effective use of our staged intervention approach to meeting additional support needs;

- Finalise our review of inclusion and develop a refreshed strategy;
- Develop a more robust, outcome-based approach to the improvement of additional support needs services/provision, with a stronger focus on the collection and intelligent use of performance, attainment and achievement data to ensure all learners achieve their full potential;
- Redevelop Cordyce School as a centre of excellence for young people with social, emotional and behavioural needs;
- Establish a more thorough process to gather pupil and parent/carer views of services and to use those views to inform and improve service delivery;
- Explore and develop the emerging model of learning partnerships and hubs in order to further improve the experiences and outcomes for all learners, but particularly those with additional support needs;
- Develop a commissioning strategy for additional support needs service/provision, including seeking greater opportunities for joint working with voluntary organisations; and
- Ensure additional support needs are reflected in our approach to and implementation of Curriculum for Excellence.

Curriculum for Excellence

We have made good progress in this curriculum reform whilst recognising that much still needs to be done. Our current position involves building up capacity again and implementing major curriculum developments. Our priorities for curriculum improvement will:

- Increase pace and provide clear guidance and policy including learning and teaching, literacy, numeracy, health and wellbeing, science, assessment, reporting and moderation;
- Improve pupil transitions from nursery to primary and from primary to secondary school;
- Provide personal support for all pupils;
- Make better use of GLOW;
- Provide good quality and effective professional development;
- Ensure that the support and challenge of quality improvement officers is having a significant impact;
- Develop support for curriculum development including secondary schools curriculum networks; and
- Highlight and share good practice.

Alongside the introduction of a curriculum for excellence for all pupils we will deliver more flexible routes to learning in the upper stages of secondary school and beyond through our Aberdeen virtual campus strategy.

We will focus on the senior phase arrangements for schools and learn from, and build upon, the flexible and open approaches to progression and choice already developed in the colleges and universities in the city and region. The idea of a virtual campus could be build around four main strands of work and would develop pace and challenge for many senior

students in our school, could open up choices and build flexible pathways for learners. The proposed four strands of work for the education authority and partners are:

- In the short term, aligning school day arrangements and enable coursing across establishments;
- To develop innovative and IT based ways of learning which complement face-to-face teaching and learning;
- To develop an open coursing approach to learning which could take place at school, college or university in a 'virtual campus'; and
- To develop a clear approach to the senior phase curriculum in secondary schools.

Communities, culture and sport

In developing the services in community learning, heritage, arts, culture and sport we will build on existing strong partnerships and will seek to provide services through those partnerships and through arms length organisations and trusts. This will include the following actions:

- Continue to work with the Aberdeen Sports Trust – Sport Aberdeen and Aberdeen Sport Village – to deliver efficient and effective provision of sport and leisure activities throughout the city;
- Investigate development opportunities within community learning and development and through other learning providers to enhance learning opportunities within schools and learning establishments;
- Continue to promote the participation of the private, public and voluntary sectors in our planning and development particularly in relation to children's services; community learning and development; neighbourhood planning and within arts and cultural activities;

- Establish a network of ten learning partnerships across the city to enable outcome-focussed learning discussions within a partnership environment;
- Establish a network of community learning hubs and related partnership activity;
- As part of our multi-disciplinary approach to child protection, implement the joint child protection action plan and continue joint working to improve the effectiveness of child protection services and to meet the needs of vulnerable children and families;
- Ensure that young people are able to access work placements in a more personalised way;
- Develop 16+ learning partnerships in every secondary school;
- Enhance our youth voice and further develop youth participation through schools and Aberdeen Youth Council;
- Facilitate high-quality adult learning services with a particular focus on youth and adult literacy and numeracy;
- Agree city-wide strategies to close the opportunities gap;
- Engage with 'hard to reach' communities and individuals working with front line services and agencies to identify and assess needs;
- Implement 'Vibrant Aberdeen' – a cultural strategy for Aberdeen;
- Implement the 'Fit for the Future' strategy for physical activity and sport;
- Develop partnership networks and links with both cultural and non cultural bodies e.g. tourism; and

- Recruit, develop and retain volunteers to support delivery of cultural, arts and heritage type activities.

Learning and cultural estate and facilities

We will continue to develop and implement the learning estate strategy to ensure an affordable and sustainable learning estate which makes best use of resources, ensuring focus on areas of greatest need. Continuing the work already begun on community facilities and the secondary school estate we will also review the condition, suitability and efficiency of the primary school estate and bring forward a short, medium and long-term plan for action. We will develop proposals for the viable redevelopment of Aberdeen Art Gallery and the storage of the city's reserve collections. In addition, and within available budgets we will:

- Develop a technology strategy for Education, Culture and Sport;
- Further develop online learning within communities; and
- Ensure new and existing venues are fit for purpose and have the capacity for development of lifelong learning and cultural activities.

Education, Culture and Sport – service overview

	Priority 1: Provide for the needs of the most vulnerable people	Priority 2: Help to ensure that all schoolchildren reach their potential	Priority 3: Manage our waste better and increase recycling	Priority 4: Encourage the building of new affordable housing	Priority 5: Ensure a sustainable economic future for the city	Priority 6: Ensure efficient and effective delivery of services by the council and with its partners.
Children and young people access positive learning environments and develop their skills, confidence and self esteem to the fullest potential	X	X				
We will improve the outcomes for all our children and young people	X	X				
Everyone will have access to high-quality learning environments and facilities supporting them to achieve their full potential		X				
We will encourage people of all ages to play an active role in their learning in order to maximise their potential		X				
We will enable an economically active population		X			X	
We will encourage active and appropriate use of technology to widen learning opportunities					X	X
We will encourage people to get involved in recreational activities, leisure pursuits and a wide variety of sports maximising the social, educational, health and economic benefits		X			X	
We will promote environmental sustainability			X		X	
We will improve the quality and impact of arts, culture and heritage provision across the city		X			X	
We will develop meaningful and successful partnerships that increase opportunities available to engage in cultural, arts and heritage activities					X	
We will enable creative opportunities for practitioners and artists to retain creative individuals within the city					X	
We will create and celebrate a cultural identity which is recognised locally, nationally and internationally		X			X	
We will support vulnerable children to achieve their full potential	X	X			X	
We will ensure our services and facilities are accessible to all		X				X
We will simplify and standardise service provision targeting resources to the right areas and helping to balance budgets						X
We will demonstrate our commitment to continuous improvement						X
We will foster a skilled workforce with the knowledge, understanding and expertise required to carry out their duties						X

Social Care and Wellbeing



Fred McBride
Director

Over the next five years the Social Care and Wellbeing directorate will provide services in the following three areas:

- **Children and young people.** These services meet the needs of vulnerable children including: children at risk of harm; children who require child protection services; children who are looked after; children needing permanent families; children who have a disability and; young people who have offended or are at risk of offending.
- **Adults.** These services meet the needs of vulnerable adults including: those who are at risk of harm and abuse; who have mental health problems; substance misuse problems; a learning disability and; those who have offended or are at risk of offending i.e. criminal justice services.
- **Older people and rehabilitation.** These services meet the needs of older people; people with a disability or sensory impairment; those in need of rehabilitation; services for adults at risk of harm and; services which meet the needs of carers.

In addition, over the next five years the directorate will ensure that where people's needs and services cross the boundaries of these three areas, the service shall operate in a coherent and effective way. This will include where there are cross-service considerations such as:

- Young people moving into adulthood;
- Commissioning, contracting and care management;
- The impact of substance misuse; and
- The wellbeing and protecting people agendas.

The directorate has a clear responsibility for the wellbeing of the citizens of Aberdeen, particularly those who are vulnerable. This includes leading the council's contribution to public health promotion and preventative services.

Social Care & Wellbeing vision

- We believe that all the citizens of Aberdeen should have the opportunity to be in control of their own futures and destinies and to achieve their ambitions and aspirations;
- We acknowledge that people will require varying degrees of support to achieve this and the direct role of Social Care and Wellbeing will be to provide that support to the most vulnerable members of our community on a fair basis;
- We will work closely with other partners to ensure that support is provided early enough to prevent people requiring more intrusive forms of support and intervention;
- We will identify and respond to the social care needs of people living in Aberdeen, supporting them where they need assistance in their daily lives. Often working in partnership with others, we aim to respond with cost-

effective, quality services which support and promote the wellbeing and safety of people who are in greatest need; and

- We will respect and promote people's rights, support their independence and their inclusion in their own community and respect their choice wherever it is possible.

We will provide a social work service that:

- Helps staff to work in a person-centred way with individuals;
- Treats everybody with respect;
- Listens and communicates with others in the organisation and values people's ideas;
- Supports staff to do their job and makes sure that they have the chance to build their skills and knowledge;
- Encourages new ideas and welcomes challenge;
- Achieves value for money, works efficiently and challenges any rules that aren't needed;
- Is happy for feedback and listens to complaints and tries to make things better;
- Knows how important it is to check the quality of services and is always trying to improve services; and
- Is getting better at communicating and listening to all people who we serve.

With these guiding principles we believe that we can deliver services that have a real and lasting impact.

Social Care & Wellbeing guiding principles

Our guiding principles are that we:

- Give clear and easy-to-understand information to people about what we can and can not do;
- Help people to have as much choice and control as possible over their lives;
- Work with others to address the issues some people have when using ordinary services, like health, housing, leisure and work;
- Make sure that the services we offer are the best they can be and if services need to be better, work to make them better;
- Listen to what people say, are open to new ideas and are there when people need us;
- Listen to what carers say, find out what they need, and support them to feel confident in their role; and

Social Care & Wellbeing strategic outcomes

The strategic outcomes for Social Care and Wellbeing, for adults and children, reflect the national and local priorities.

- People are protected from abuse, neglect and harm and feel safe in their environment;
- People are supported and cared for in their own home or in accommodation appropriate to their needs for as long as this is possible;
- People are enabled and supported individually or in groups to find and put in place the right solutions for their care; and
- Citizens of all levels of need and ability have access to the facilities of Aberdeen that will support them to maintain their health and wellbeing.

Social Care and Wellbeing – service overview

	Priority 1: Provide for the needs of the most vulnerable people	Priority 2: Help to ensure that all schoolchildren reach their potential	Priority 3: Manage our waste better and increase recycling	Priority 4: Encourage the building of new affordable housing	Priority 5: Ensure a sustainable economic future for the city	Priority 6: Ensure efficient and effective delivery of services by the council and with its partners.
We will take steps to protect the vulnerable including actively involving vulnerable children, adults and their carers in decisions affecting their care; effective supervision and management of offenders; and taking into account the safety and wellbeing of children living in families affected by substance misuse	X	X				
We will shift the balance of care enabling people to live as independently as possible without compromising their care, safety or protection	X	X		X	X	X
We will promote the personalisation of services, creating opportunities for self-directed support and individualised budgets to empower people in the delivery of their own care	X	X			X	X
We will implement our commissioning strategy ensuring cost-effective and high-quality services that are fairly purchased and monitored	X				X	X
We will improve the use of resources with clear eligibility criteria with all referrals receiving consistent, high-quality responses based on thorough, evidence-based assessments of need and leading to care plans that will be subject to monitoring and review	X	X		X		X
We will work closely with all partners implementing the Integrated Children’s Services Agenda and ensure that we do “Get it Right for Every Child” so that children and young people get appropriate support at the right time	X	X			X	
We will continue to deliver effective management of the workforce by investing in leadership training to encourage the development of flexible and creative working; supporting staff to gain the skills and knowledge to provide person centred services; and implementing service delivery structures that seek to intervene in proportionate and timely ways, to ensure services are delivered to manage and reduce risk	X	X				X

Enterprise, Planning and Infrastructure



Gordon McIntosh
Director

The Enterprise, Planning and Infrastructure directorate employs over 1,050 staff, working across the city to deliver the following three services:

- Economic and Business Development;
- Planning and Sustainable Development; and
- Asset Management and Operations.

In developing an effective service plan for the directorate, we recognise that the city's enterprise, planning and infrastructure issues are closely related to wider issues in the north east of Scotland as well as Scotland and the UK as a whole. The Enterprise, Planning and Infrastructure service must therefore provide the strategic direction for Aberdeen city within a wider geographical context, whilst continuing to engage with local people to ensure that we meet the stated needs of communities and individuals.

Over the period of the business plan we will see the continuing development and strengthening of the Enterprise, Planning and Infrastructure directorate, so that it continues to engage with managers across all council services and external partners, on key issues effecting communities.

The main aim of the directorate is to:

- enable Aberdeen city to achieve increased sustainable economic growth for the benefit of all citizens

We will do this by:

- ensuring people and communities are genuinely engaged in decisions relating to enterprise, planning and infrastructure issues in the city, and
- working with, and obtaining commitment from, partner organisations to provide better and more efficient Enterprise, Planning & Infrastructure services across the city.

We have set ourselves key targets in our service areas. These are set out in detail below and are essential in ensuring the effectiveness and efficiency of our services, now and for the coming years.

Delivering these outcomes will be the responsibility of the senior management team of Enterprise, Planning and Infrastructure.

Vision and priorities

Aberdeen is one of the world's major energy cities.

The challenge for Aberdeen over the next 30 - 40 years is to ensure that it remains a global energy city. Our strategic priorities are therefore to:

- Encourage future economic and business development in the city;
- Deliver an up-to-date development plan for the city;
- Protect and enhance our high quality natural and built environment;
- Support the delivery of a fully integrated transport network;
- Ensure the council's physical assets are managed and maintained in a cost-effective manner; and
- Deliver our statutory responsibilities effectively and efficiently.

In pursuing these priorities we will contribute to the following National Outcomes:

- We live in a Scotland that is the most attractive place for doing business in Europe;
- We realise our full economic potential with more and better employment opportunities for our people;
- We are better educated, more skilled and more successful, renowned for our research and innovation;
- We have tackled the significant inequalities in Scottish society;
- We live in well-designed, sustainable places where we are able to access the amenities and services we need;
- We value and enjoy our built and natural environment and protect it and enhance it for future generations;

- We take pride in a strong, fair and inclusive national identity; and
- Our public services are high quality, continually improving, efficient and responsive to local people's needs.

Over the next five years we plan to deliver our services in a different way with a greater focus on income generation and delivering what we do in partnership with other organisations or businesses. In particular we will be re-examining how we best use and manage the council's assets to both reduce costs and create income.

We will encourage the development of Aberdeen over what will be a critical five-year period for the city and its economy. We will finalise, and then do everything we can, to deliver the content of the Local Development Plan.

Diversification of the economy is vital and Aberdeen is well placed to participate in the renewable energy revolution that is currently underway, but we will need to actively promote Aberdeen alongside our partners in the Aberdeen Renewable Energy Group (AREG) and Aberdeen City and Shire Economic Future (ACSEF). Indeed, it is our intention to be one of the leaders in the UK in developing a proactive, pragmatic approach to encouraging all aspects of a carbon neutral economy and to play a lead role within the European Union and, in particular, the North Sea Commission, in this regard.

We will continue to promote business tourism and to attract more new events to the city whilst investigating new ways to generate funding to help with this important work. We will, in the meantime, continue to support the Aberdeen Exhibition and Conference Centre as an international-class venue in

which to hold major exhibitions and conferences such as Offshore Europe and All Energy.

In the oil and gas sector, we will be working with our partners in ACSEF and others, including Oil and Gas UK, to maximise the investment in the North Sea whilst further developing Aberdeen as an international energy hub, including vital transportation links by air, road, rail and sea.

International trade development has been at the core of our work for over 25 years since the oil price dropped in 1986. We will continue to promote trade development through a number of means, including the Aberdeen City and Shire Export Survey, hosting inward visits, trade missions and seminars as well as our various international development partnerships, including the World Energy City Partnership, our programme of memoranda of understanding and twinning agreements with cities such as Stavanger.

We are currently developing a City Centre Framework to guide future developments in that area and we look forward to taking some significant steps to revitalise what many people see as being one of the most crucial parts of the north east economy. This will, undoubtedly, be a challenging task in the predicted financial climate but we aim to do all that we can to facilitate the redevelopment of Union Street and its immediate environs.

In the meantime, we are almost unique as being a city with its harbour coming right into its centre. The harbour is a vital part of our economic mix and we will work closely with the harbour board to help develop and deliver a master plan for the future success of the wider harbour area and its integration with the city centre and to other adjacent communities.

There are several key projects which we aim to have at various stages of completion during the life of this five-year budget. In the first year we will see the completion of the renovated Marischal College as the council's new corporate headquarters whilst we will also see the completion of the £120m schools 3Rs Project. In the middle years we will see progress with the Energetica corridor from Aberdeen Airport to Peterhead and hopefully the commencement of the Western Peripheral Route. By the end of the five years, the seascape should also look different with the establishment of the Offshore Wind Deployment Centre in Aberdeen bay.

We will be doing things differently and fiscal conditions will be challenging but the foregoing demonstrates that we will be working hard as an Enterprise, Planning and Infrastructure Team to deliver continued economic success and prosperity for the economy despite the relative lack of resources provided to us by our funders.

Enterprise, Planning & Infrastructure – service overview

	Priority 1: Provide for the needs of the most vulnerable people	Priority 2: Help to ensure that all schoolchildren reach their potential	Priority 3: Manage our waste better and increase recycling	Priority 4: Encourage the building of new affordable housing	Priority 5: Ensure a sustainable economic future for the city	Priority 6: Ensure efficient and effective delivery of services by the council and with its partners.
We will work with our partners to attract visitors, workers and investment to protect the economic future of the city	X		X		X	
We will encourage the growth of local businesses through support of existing business sectors and development of new sectors	X				X	
We will facilitate new development projects to improve Aberdeen's living and working environment		X		X	X	
We will provide effective marketing and graphic design services, attract major events and maintain international twinning links to make the city an attractive place to visit and live		X			X	X
We will maintain an up-to-date development plan for the city to give an appropriate strategic context to development within the city	X	X		X	X	
We will protect and enhance our high-quality natural and built environment through support of initiatives including open space, nature conservation, the city's granite heritage and carbon management			X	X	X	
We will support the delivery of a fully integrated transport network to support movement and economic growth	X				X	
We will ensure the council's physical assets are managed and maintained in a cost-effective manner to deliver maximum effectiveness and efficiency in support of our strategic priorities and improve accessibility to our customers	X	X	X		X	X
We will deliver our statutory responsibilities effectively and efficiently					X	X

Housing and Environment



Pete Leonard
Director

Environment services

Aberdeen Scientific Services Laboratory

This service works closely with public health bodies across the north east of Scotland to help to keep the public safe from illness from foodborne disease and other environmental health risks. The service operates as a cost-neutral (£18k surplus over a gross investment of £876k) statutory service provider of comprehensive, yet highly specialised, testing and advisory service to the public sector, private businesses and members of the public throughout the north east of Scotland. The laboratory meets quality standards and is accredited by UKAS. It is an official control laboratory for food and feed, chemical analysis and microbiological examination. It is also an appointed agriculture analyst and offers a competitive public analyst service.

The five-year business plan for this service is to review business modelling in order to maintain its cost-neutral status and create income generation by identifying efficiency projects; high-value work streams; and to tender, capture and maximise service provision to current and future clients and the private sector.

Trading standards and environmental health service

This service works to keep the public safe from illness from foodborne disease and other environmental health risks. It has a key role in ensuring the health and safety of people employed in shops, offices and other premises not covered by the Health and Safety Executive. These city-wide services include:

- Food and animal feed regulation
- Infectious disease control
- Planning and licensing liaison
- Public health & statutory nuisance
- Pollution control
- Contaminated land
- Pest and dog control
- Mortuary provision
- Port health
- Animal health and welfare regulation
- Control of counterfeit goods and intellectual property
- Regulation of underage sales
- Weights and measures regulation
- Product safety
- Petroleum, fireworks and explosives licensing

The council invests £802k a year in these services. The majority of activities are related to fulfilling a statutory duty.

Trading Standards monitor approximately 3,000 trading premises whilst the Environmental Health/Commercial Team monitor approximately 2,000 registered food businesses a year and 4,000 workplaces where the service has a statutory role in health and safety monitoring and enforcement.

The five-year business plan for this service is to review operations and structure to save money and to provide an agile workforce with flexible teams that are able to respond to emerging and evolving pressures. Potential partnerships with other local authorities and government agencies are being explored.

Street scene services

This service works to maintain and improve the high standard of greenspace and streetscape environment for the citizens of Aberdeen. It includes design and maintenance of parks and gardens, amenity land including, arboriculture, countryside services and woodland, play areas, bereavement services including crematoria and cemeteries, allotments, street cleansing, beach cleansing, graffiti and fly-tipping removal and public conveniences. The council invests £8.5 million in grounds maintenance, £3.25 million in street cleansing and £360k in public toilets. Bereavement services' gross budget is £1.265 million and this is covered by income with a £493k surplus.

Current assets/liabilities are: 18.4 million sq m of grass cut between 3 - 14 cuts per year, 1.8 million linear metres of channel to sweep, 13,000 street trees and over 384 hectares of woodland (est. 400,000 trees) plus additional current planting of 200,000 trees, 1,200 litter bins, 800 dog bins, over 170 play areas, 17 cemeteries and the crematorium (approximately 300 burials a year and 2,250 cremations), nine public conveniences, four hectares of beach.

Other assets including benches; footpaths; drainage systems; steps; signs; memorials; walls; fencing; railings; fountains; ponds; statues; and other structures. There are also a number of buildings associated with the service.

The five-year business plan for this service is to look at all opportunities to maximise income generation, drive out service efficiencies and to identify services and assets which can be stopped or reduced. Together with some services from the EP&I directorate alternative delivery models are being explored. The first step in this process is to establish the competitiveness of in-house operations by carrying out a soft market testing exercise early in 2012.

Waste services

This service includes the following service areas: waste disposal, four household waste recycling centres, 50 household recycling points, household waste collections, recycling collections, food and garden waste collections, commercial waste collections and special waste collections.

In 2009/10 the council invested £15.1m net in waste management services (£6.6 collection, £8.4m disposal). This delivered service to 110,796 households and 2,200 trade customers, managing 123,000 tonnes of municipal solid waste, 9,400 tonnes of which was commercial waste, recycled 26.8% of waste equating to 14,720 tonnes of recyclate, composted 12,445 tonnes of kitchen and garden waste, provided recycling collections to 72,000 households (fortnightly), provided food and garden waste collection to 51,000 households (fortnightly), provided some on-street paper to tenement properties. The council through its waste management services contractor (SITA UK Limited) manages its waste through a number of facilities in the north east. The

closed landfill site at Ness Farm is currently subject to a £17 million restoration project.

There are a number of major cost pressures affecting the waste budget over the next five years: National Policy - Zero Waste Plan work towards 70% Recycling, 5% landfill by 2025 and 60% recycling by 2020, Landfill Tax Escalator – rise by £8/tonne per year to £80/tonne in 2014/15, change of landfill disposal point (additional transport costs £13/tonne) potential fines from Scottish Government for exceeding landfill allowances, landfill bans, restrictions on inputs to energy from waste plants and the adoption of a national carbon metric for assessing recycling performance.

The five-year business plan for this service is to review the current waste strategy and develop a number of priced scenarios for implementation of the most effective way to divert waste from landfill and to meet national targets. This is to include potential joint working and investment opportunities with Aberdeenshire and Moray councils.

Housing services

The council owns and manages approximately 23,000 council houses. There is a separate, ringfenced budget and costed business plan for council housing and therefore social housing does not feature in this five-year business plan.

Homeless service

The council has a statutory responsibility for services to the homeless and invests a net £935k in these services. There are presently four hostels and 300 temporary furnished flats, the latter utilised from the council's social housing stock. There has been a substantial increase in homeless

presentations compared to recent years. Currently the council requires to use a substantial amount of bed and breakfast accommodation to meet its statutory duty, which is unacceptable both in cost and the impact on the quality of life of individuals and families. Key issues for this service include:

- Unsustainable cost pressures for temporary accommodation;
- Impending changes in 2012 to rules around priorities which will bring increases in demand;
- Changing emphasis from accommodation to prevention and advice; and
- Pressures on local authority estates.

The five-year business plan for this service is to:

- Reduce demand by investing in additional resources dedicated to early intervention and prevention and support activities; and
- Meet the current demand more cost effectively whilst delivering a better quality of temporary accommodation experience by introducing a private sector leasing scheme designed to relieve pressure from both the use of bed and breakfast accommodation as well as our own housing resources. This may also have a positive impact on reducing demand.

Private sector housing

This service works to protect the public from poor quality private sector housing and maintain the built environment and granite heritage. The service monitors the condition of buildings, provides financial support for disabled adaptations and where necessary enforces repairs. The service works to raise the standard of private rented accommodation by

enforcing Houses in Multiple Occupation (HMO) legislation. The service also manages the statutory registration process for private sector landlords which is self financing from the registration fees received.

The council currently invests £2,649,603 in private sector housing whilst the HMO license fee income supports the cost of HMO activity. Aberdeen currently has 870 HMO licences in operation.

The five-year business plan for this service is to:

- reduce the costs of the scheme of assistance as part of the transition to new funding arrangements under the Housing (Scotland) Act 2006 with the ending of serious disrepair notices and the associated grants; and
- invest in additional resources to investigate and reduce the number of landlords operating without a HMO license

Community safety

This service provides a customer-focused, highly-visible service to help ensure safety, cleanliness and a free flow of traffic in our communities. Service priorities are:

- To achieve high standards of customer care and satisfaction;
- To improve cleanliness, making effective use of enforcement powers when appropriate;
- To enforce parking regulations to ensure the free flow of traffic and improve road safety;
- To reduce antisocial behaviour, crime and the fear of crime;

- To work in partnership with our communities and partner agencies; and
- To maintain a high profile within our communities.

The city warden service operates across the city and is a net provider of funds for the city through their parking enforcement and other duties. They issue around 46,000 penalty notices and around 350 fixed penalty notices for littering and dog fouling.

The city wardens work closely with key partner agencies, providing a high profile community presence, enforcing parking and some environmental regulations, proactively tackling antisocial behaviour by coordinating council services and external partners to focus their resources at identified individuals, families or locations. Early intervention, crime reduction measures and diversionary activities are the main tools used to reduce the antisocial behavior blighting communities.

Safety is one of the ten priority challenge forums for Community Planning Aberdeen which carries out the statutory role of Community Planning Partnership and the council facilitates the multi-agency Aberdeen Community Safety Partnership to proactively identify and tackle the priority issues across the city. The partnership has produced strategic assessment plans to ensure an intelligence-led business plan approach. The five priority areas identified for 2010 to 2013 in the city are:

- Violence including, alcohol-related violence and domestic violence;
- Community fire safety;
- Antisocial behaviour;
- Road safety; and

- Commercial sexual exploitation.

The five-year business plan for this service is to:

- Review the operation and structure of the community safety service and
- Continue to invest in the Community Safety Partnership strategic priorities within the context of reducing public sector finances.

Emergency planning / civil contingencies

This service provides emergency planning and expertise and support to Aberdeen, Aberdeenshire and Moray councils on a shared services basis. Aberdeen City Council is the employing authority for four staff. The team also has a role in coordinating business continuity activities.

The three local authorities invest £255,612 in these activities. Aberdeen City Council's investment is £96,948

The team works closely with the Grampian Strategic Command Group (SCG) support team, which is managed by the police.

The five-year business plan for this service is to reduce costs by reviewing effectiveness and improving joint working.

Housing and Environment – service overview

	Priority 1: Provide for the needs of the most vulnerable people	Priority 2: Help to ensure that all schoolchildren reach their potential	Priority 3: Manage our waste better and increase recycling	Priority 4: Encourage the building of new affordable housing	Priority 5: Ensure a sustainable economic future for the city	Priority 6: Ensure efficient and effective delivery of services by the council and with its partners.
We will develop our housing services to be flexible to support the needs and aspirations of our tenants	X	X				
We will improve cleanliness and security in our multi-storey blocks	X					
We will work to protect the public from poor-quality, private sector housing and to maintain the built environment and granite heritage	X	X				X
We will reduce homelessness by improving provision and prevention activities	X	X		X		
We will play our part in partnership working on community safety, protecting vulnerable people, health and wellbeing and other community planning priorities	X				X	
We will retain a large stock of quality, well-maintained affordable housing matching the highest of standards	X			X		
We will build new houses to increase provision of affordable houses for the council	X	X		X		
We will examine the option to create a property services LLP to deliver strategic housing priorities and to raise additional income	X			X		
We will contribute to the regeneration of the city	X				X	
We will develop the waste management services to increase the amount of waste being diverted from landfill			X		X	X
We will contribute to a greener, cleaner and safer city through developing and improving our Grounds Maintenance and Street Cleaning services			X		X	X
We will protect the health, safety and rights of consumers and the public through developing a more focused and improved Environmental Health & Trading Standards service and Public Analyst service	X				X	X

Corporate Governance



Stewart Carruth
Director

Over the next five years Corporate Governance will see significant structural and cultural change which will result in a high-value, smaller directorate. Many of the services currently provided by Corporate Governance may be delivered in a different way in conjunction with other public and private sector organisations with a continued emphasis on improving the quality of services provided and realising savings. The imperative is clear in so far as the greater the efficiency and effectiveness of support services the more the council can channel its focus and budget on delivering frontline services for the citizens of Aberdeen. The services over the next five years will be delivered within an estimated budget of £30m.

Over the next two years, we will continue to implement the internal transformation of Corporate Governance services. We shall examine the option to externalise in particular though not exclusively, the transactional services in Human Resources and Organisational Development, Finance, ICT and Customer Services.

Through the transformation of these services we are seeking to bring badly needed investment in technology but also to give opportunities to any employees who may transfer to build their skills and develop their careers. We also aim to provide access to tried and tested processes, expertise and know-how for the council and lay the foundation for a broad base in customer growth in the public sector for other providers.

This strategy is not without risk and the role of the retained elements of the council within Corporate Governance will have an important part to play in managing the interface between the rest of the council and the externalised parts of the council. The changes by other services which are reflected within the business plan will impact directly on the type and scale of services provided by Corporate Governance. It is possible that in future other services could decide to commission support services from other organisations and this will drive a greater focus on customer service, price and quality of the service delivered.

In addition, we will develop a framework agreement for legal services and aim to share legal and democratic services with other public sector organisations. There are opportunities to work together within the public sector. However the pace and scale of change requires to be incrementally increased particularly against a background of public sector reform and financial challenges which are impacting on frontline services.

Community planning will also have a key role to play in bringing partners together and there is the need for a greater emphasis on how to deliver more effectively which requires all key partners to understand and make best use of combined resources. There needs to be greater clarity on the purpose of community planning at a time when in many cases services

are being developed and delivered organically at service and community level.

The impact on staff of these changes will be significant, both for transferred and retained staff. This will mean that communication and engagement with staff will be highly important over the period. The Corporate Governance Communications Group has a key role in facilitating this engagement which will be delivered by a variety of means including briefings, drop-in sessions and podcast sessions. Other stakeholders too will require to be engaged on the way ahead and an engagement plan for Corporate Governance will be developed for all our stakeholders including partners, trades unions, and other services.

The delivery of all of this change will place demands on Corporate Governance services. At a high level, the services will simultaneously continue to deliver its business as usual services, support other services and manage its own change. In order to support the delivery of services, service level agreements will be established between Corporate Governance and other services to manage demand, provide clarity and enable performance to be measured. In addition, the establishment of the Programme Management Office will also be key to supporting other services albeit with support from external providers if there is a gap in capacity or capability which is impinging on our ability to deliver.

In summary, public sector reform and financial challenges will over the next five years see significant change within the public sector and this will impact on the council and in the way that Corporate Governance services will be delivered. It will be a challenging time for all staff as well as one that will provide opportunities for staff to build on their skills and experiences.

There will be a scaling down in numbers of staff within the directorate and as far as possible this will be managed through redeployment or natural turnover. Leadership will be required from senior, as well as other staff to ensure that these changes are managed, that staff and other stakeholders are engaged and that opportunity for improved services is grasped.

Corporate Governance – service overview

	Priority 1: Provide for the needs of the most vulnerable people	Priority 2: Help to ensure that all schoolchildren reach their potential	Priority 3: Manage our waste better and increase recycling	Priority 4: Encourage the building of new affordable housing	Priority 5: Ensure a sustainable economic future for the city	Priority 6: Ensure efficient and effective delivery of services by the council and with its partners.
We will ensure value for money by challenging spend through a priority-based approach to budgeting and planning						X
We will market test and benchmark our services against best in class across a range of sectors						X
We will ensure best value in projects through a programme management framework						X
We will work with our partners to identify and deliver efficiencies from effective procurement						X
We will improve our corporate ICT infrastructure to support the business in cost-effective ways						X
We will engage with other local authorities and public sector agencies to maximise efficiency and income generation						X
We will develop a flexible Corporate Workforce Plan which aligns our workforce with available budget and our priorities						X
We will ensure that services have effective succession planning in place						X
We will review the range of skills on a service-by-service basis and ensure there are highly skilled and motivated employees						X
We will develop and implement a flexible customer services model to enable efficient and high-quality service delivery, ensuring skilled and motivated employees						X
We will systematically engage internal customers, external customers and our partners, embedding their feedback to shape the services we deliver						X
We will actively engage with partners to develop effective community planning, building new relationships and pursuing innovative approaches to service planning, including a delivery model based on the place and a review of the city's regeneration strategy.	X				X	X
We will determine the quality and level of services that a third-party provider would be able to provide with a view to externalising those elements of service						X

5.2 How we will deliver

Over the next five years the delivery of the services within the council will change significantly. As we respond to the changing demands, increasing financial constraints, a greater understanding of customer requirements and emerging technological advances, the type, level and shape of service will be altered to meet these demands.

As a result, we will develop a new operating model for the council which will be supported by a set of guiding and mandated principles for managing the council and its business.

The principles set out in the operating model will be constantly revisited to ensure that targets are permanently aligned to best in class performance.

The opportunity exists within the operating model to be radical and the council will take the opportunity to set out areas of genuine and real innovation.

The operating model will reflect the organisational priorities, political imperatives and local circumstances. Members will be involved in determining the principles and direction of the operating model – but the detail and accountability for delivery will be owned by the Chief Executive and the Senior Management Team.

The operating model will set out a much more sophisticated picture of a mixed economy of service provision and will also reflect that the council is very clear in what is core and what is non-core business and we will structure and manage the council accordingly.

This sophisticated mixed economy indicates a multitude of delivery options including in-house service provision, shared services, joint ventures, arms length organisations as well as partnerships and contracts with the public, private and third sector organisations (community, voluntary and social enterprises).

New delivery vehicles will have multiple purpose including direct delivery of services and providing services to multiple agencies and organisations.

Whilst recognising that a great deal of work has already taken place to restructure, review capacity and streamline internal processes to drive out inefficiencies – it is important that this programme continues to deliver benefits into the future. The operating model will exploit all potential funding, including EU funding, social investment, partnerships with the private sector and regional growth funds. This will also include delivery models that enable the authority to generate additional income streams (through charges and selling services, including to other local authorities).

The city council will also lead a collaborative approach and deliver services with our partners on a city-wide basis.

All of this activity will mean that we need to put in place systematic engagements with staff and trade unions in order that they are informed and involved in the design, development and delivery of services.

In order to deliver, the council will move from a project to a programme-based approach and our performance indicators will be more meaningful and will provide a focus for the delivery of the business plan. Targets will equally focus on supply-side performance measures and demand-side

management measures. By supply-side we mean measures that look at the resources, funding and services that the authority provides. By demand-side, we mean measures that seek to manage the volume of service either directly or indirectly including managing down the demand for higher cost interventions.

With this as context, the implementation of this business plan and delivery of services will be based on the following principles:

1. Transform the way public services are delivered:

- To provide better value in public sector spending across the city, which is focused on better services delivering outcomes more efficiently and effectively. This will be achieved by developing new ways of delivering services and rewarding and recognising good performance as well as challenging poor performance.

2. Focus investment for long-term sustainable economic growth of the city and surrounding area:

- To secure new long-term, private sector investment hand-in-hand with developing our own assets to deliver

affordable housing, to reshape the delivery of education and culture and to develop sustainable communities

3. Deliver services which meet people's needs:

- To understand the needs of citizens who live and work in Aberdeen and deliver services which meet those needs. This will also mean building capacity within communities which will encourage citizens to become involved and to take responsibility for delivering services.

4. Work in partnership with other public sector organisations, the private and the voluntary sectors:

- To foster integrated working between sectors to optimise public, voluntary and private spend for the benefit of the citizens, communities and organisations working within the city.

5.3 The team to deliver

Our vision sets out the need for a highly skilled and motivated workforce which will deliver high-quality, cost-effective and customer-centric services. Building on the knowledge and ability which we already demonstrate, we are committed to learning from others and developing our skills further. The management structure of the council is shown in figure 5 below together with areas of responsibility. During the next five years we commit to a review of the structures within the council to ensure our resources are best matched to deliver our vision.

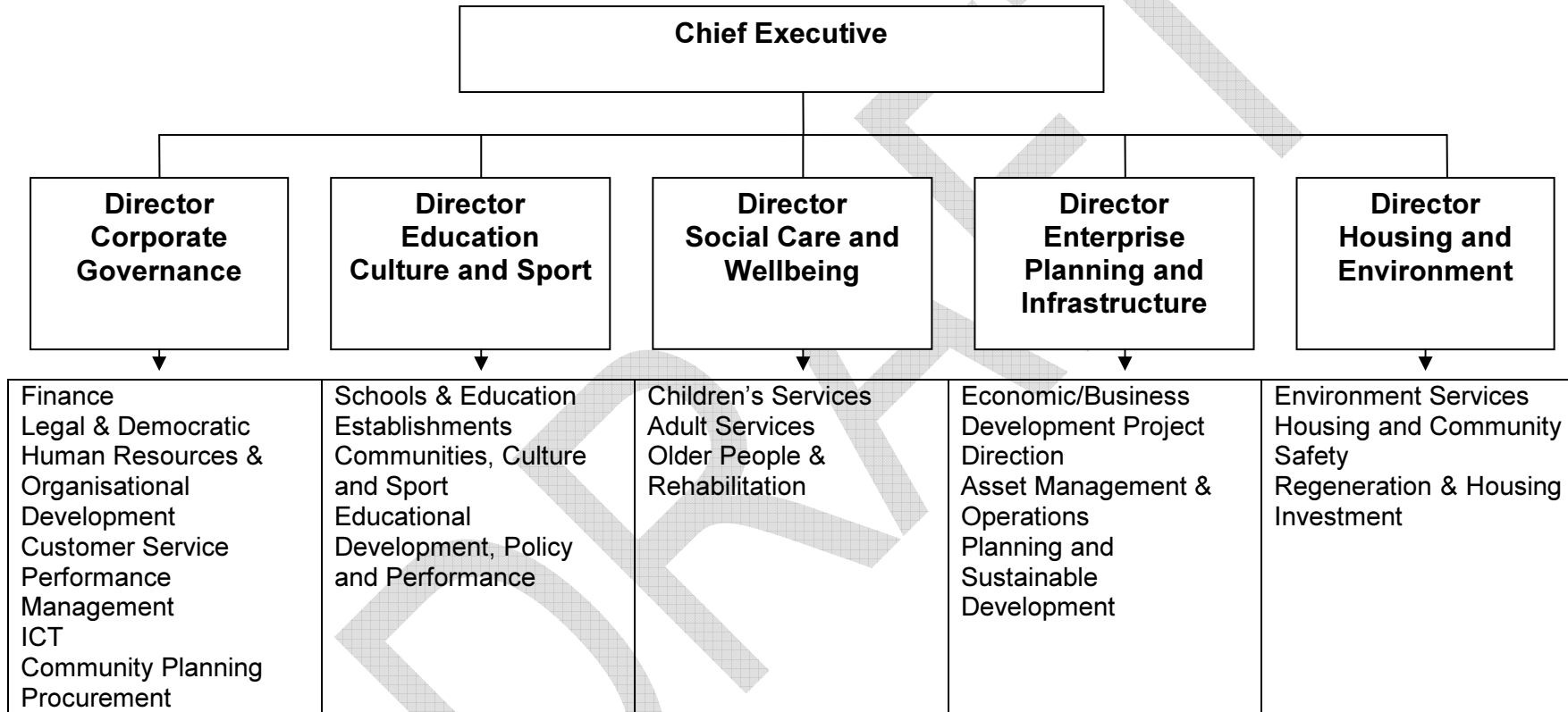


Figure 5

(i) Our approach to employee engagement

Successful delivery of the service options outlined in the business plan is dependent on the quality and commitment of our employees. We recognise that we already have a workforce which has a strong public sector and work ethos and is motivated to do a good job for the citizens of Aberdeen.

The challenge over the next five years will be to continue to deliver high quality services with a smaller core workforce, a restricted budget and increasing customer expectations. This will depend on how well we engage our employees and will require a much greater emphasis on and understanding of employee engagement.

'Engaged' employees understand the business needs, are committed to their work and add value to the organisation. Effective employee engagement has been shown to benefit organisations through increased performance and retention. It also benefits employees through greater job satisfaction and ultimately customers through positive impact on service delivery.

Engagement depends on how the organisation deals with a number of factors including:

- How we communicate
- How we work together as colleagues, teams, services and with partners
- The quality of our leadership and management
- How we treat our employees in terms of being fair, flexible and family friendly
- How we manage performance and reward our employees
- How well we manage our employees' health, safety and wellbeing
- The availability of training, development and career opportunities
- How satisfied employees are with their work and with their employer.

The level of current satisfaction with the above was measured through the 2010 Employee Opinion Survey. An action plan has been put in place to build on the positive outcomes of this survey and at the same time bring about improvements in areas such as performance and appraisal, communication and job satisfaction.

As part of this action plan, and in delivering on the business plan, we are also committed to providing:

- Strong, visible leadership
- Clarity of vision and direction
- Open and honest communication on decisions affecting employees at as early a stage as possible

- Mechanisms for employees to feedback views, suggestions and innovations
- Consultation and involvement, where this is possible, information where it is not and clarity of which is being offered.
- Ongoing and regular monitoring of employee engagement through a range of means including focus groups, briefings and technology.

DRAFT

6. Financial plan

6.1 How we are funded

The council receives funding through a number of sources, which include:

- General revenue grant;
- Council tax;
- Non-domestic rates;
- Fees and charges.

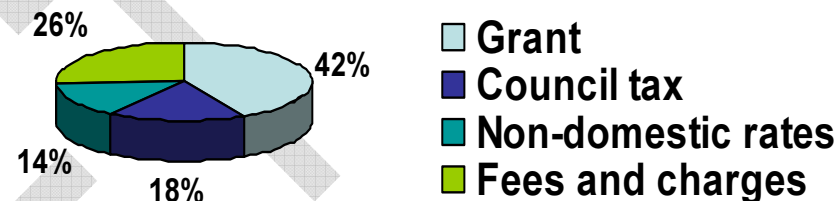


Fig. 6

Figure 6 shows the percentage of council funding by source.

6.2 Assumptions

The following assumptions have been made (and are by no means exhaustive) within the five-year business plan.

- General revenue grant is assumed to increase as follows:

Year 2	Year 3	Year 4	Year 5
0.35%	0.72%	1.00%	1.00%

- Council tax continues to be assumed frozen at 2011/12 levels until year 3 of the business plan with a 2% increase thereafter. A small increase in the number of council tax properties is assumed of approximately 400 per annum.
- No pay awards have been built into the business plan for year 1 for any staff group, and thereafter 1% has been assumed;
- Demographic changes in the population have been included within the model;

- Additional cost pressures and reductions for additional waste disposal costs and Landfill Allowance/Tax net impact is estimated based on current legislation;
- It is assumed that the council will be subject to the new carbon accounting regulations and this has therefore been factored in;
- Increased cost of homelessness and the increasing trends of people presenting themselves as homeless;
- Provisions and specific allowances are captured within the model for items such as non-domestic rates, capital financing charges, utility bills etc.
- An allowance for alternative service-delivery models has been made;
- Any cost of redundancy associated with service options based on a voluntary scheme is inherent within the model and based on the current profile of employees within the council;
- A capital programme of £31 million in 2012/13, £23M in 2013/14 and £24M in 2014/15 has been assumed. Future capital programme will be dependent on the level of capital grant received from the Scottish Government and is predicated on achieving a 3 year funded programme rather than the traditional annually funded programme;
- An average loans pool rate of between 4.75% and 5% has been used over the period of the business plan.

It can be seen that the complexities of an organisation that provides a wide-ranging list of services does require a great deal of estimation to project into the future. This is done in a time of economic uncertainty within both the United Kingdom and world economies.

6.3 Funding, spend and savings

The council's expected funding, spend and savings which are based on these assumptions are:

	Year 1 (2012/13)	Year 2 (2013/14)	Year 3 (2014/15)	Year 4 (2015/16)	Year 5 (2016/17)
	£'000	£'000	£'000	£'000	£'000
Funding	(459,600)	(461,821)	(465,244)	(471,908)	(475,947)
Current spend	462,198	466,902	469,327	474,883	485,877
Indicative shortfall	2,598	5,081	4,083	2,975	9,930

Figure 7

(Note: brackets demonstrate income)

The council approved its 2012/13 general fund revenue budget on 9 February 2012 which set the budget for that financial year and agreed the implementation of a number of service options. The following service options were approved in 2012/13 and the net savings from these options are:

Service options accepted:	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Corporate Governance	(402)	(410)	(410)	(400)	(810)
Social Care and Wellbeing	(96)	(96)	(96)	(96)	(96)
Education, Culture and Sport	(113)	(113)	(113)	(113)	2,989
Housing and Environment	(386)	(261)	(262)	(264)	(265)
Enterprise, Planning and Infrastructure	(538)	(492)	(482)	(482)	(462)
Council-wide options	(1,020)	(1,020)	(1,020)	(1,020)	(1,020)
Office of Chief Executive	(43)	(43)	(43)	(43)	(43)
Total service options	(2,598)	(2,435)	(2,426)	(2,418)	293

Figure 8

This clearly demonstrates the council's commitment to implementing a fully-costed business plan over the medium term, with some £10 million of savings being delivered by 2016/17.

Notwithstanding the service options in figure 8 that have been accepted by council, the resulting gap will be filled by further service options which will be considered as part of the iteration process of reviewing the business plan for future years. In

addition, it is likely that over the period of the five years, there will be significant changes in the level of funding and spend which will impact on the level of savings required.

6.4 Sensitivity analysis

The table below illustrates how the cost base would vary annually given a different set of assumptions:

	Year 2 (2013/14)	Year 3 (2014/15)	Year 4 (2015/16)	Year 5 (2016/17)
	£'000	£'000	£'000	£'000
1% per annum	4,575	9,173	13,822	18,854
0% years 2/3, 2% thereafter	0	0	9,298	18,843

Figure 9

A 1% pay award each year increases costs annually by approximately £3.5 million where extending the pay freeze for an additional year results in a saving for year 2.

The other major cost the council incurs is in relation to the capital programme and the revenue impact on additional borrowing. For every £1 million of additional borrowing the result is an additional charge of approximately £75,000 per annum. Therefore, this clearly demonstrates the need for the council to maintain the current projected level of capital investment.

Finally, there are a number of factors which the council is required to comply with, either through legislative requirements or because they are formed by national agreements.

There are a number of examples that relate to legislative requirements such as waste penalties which are placing an increased burden on the council's cost base as national and international targets are imposed upon local authorities. This places an additional revenue burden on the 2012/13 revenue budget of £659K

Conversely, there are a number of national agreements that the council has entered into which need to be reviewed as they are no longer sustainable or affordable in the medium term. Again, as an example, this would include the McCrone Agreement which directly impacts on teaching staff. This agreement influences and shapes the number of contact hours teaching staff have with pupils as well as their overall arching terms and conditions all of which are aimed at improving the standard of teaching.

Again putting this in context if the contact time was increased within all primary and secondary schools the council would be able to achieve over £7 million of reduced costs annually. This is now being addressed through the settlement agreement with the Scottish Government.

In summary, as the sensitivity analysis demonstrates, it is highly likely that the levels of funding, costs and shortfalls will change, resulting in a further review of the service options.

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7. How will we measure our performance?

This impact of the delivery of this business plan will be measured in the following ways:

1. Public service value

Measuring public value focuses both on the public investment in services and on the delivery of improved results for citizens and communities. Through the evaluation of outcome measures we will demonstrate the impacts, benefits and consequences of the activities driven through the business plan and through the recording of whole system accounting we will show the cost of those activities. Following the formal agreement of the council's budgetary options in February 2012, a model of public service value will be populated for this business plan, linking our priorities to local outcomes each of which will be monitored through the appropriate metrics.

2. Self-evaluation

The council has begun, and is developing, a programme of self-evaluation using the model 'How Good is Our Council?' As well as being an important tool to manage improvement, self-evaluation by councils is a requirement of phase two of Audit Scotland's arrangements for The Audit of Best Value and Community Planning (BV2).

3. Regulation and inspection

The various bodies responsible for inspection and regulation of the council's service, operating as a Local Area Network, currently undertake an annual rolling evaluation of the council and develop a risk-based assurance and improvement plan (AIP). The AIP has three elements to it:

- An assessment of performance against outcomes
- An assessment of the performance of individual services
- An assessment of corporate management arrangements

The inspection and regulation timetable for 2012/14 is shown overleaf:

Assurance and Improvement Plan

2012-13	
Issues for scrutiny /improvement	Scrutiny bodies / Council potential involvement
Shared Risk Assessment / revised Assurance and Improvement Plan	Local Area Network (LAN)
Targeted Best Value corporate assessment work	Audit Scotland
Competitiveness	LAN (scrutiny and /or supported self-evaluation), Aberdeen City Council (self-evaluation)
Corporate Improvement Plan: subject to annual external audit	Regular monitoring throughout year - appointed external auditor
2013-14	
Issues for scrutiny /improvement	Scrutiny bodies / Council potential involvement
No additional work identified	

8. How do we manage risks which might impact on the delivery of the business plan?

Risk management is central to strategic planning and operational delivery within the council. As with any plan, there are current, and there will be future, risks which impact on the delivery of this business plan. An assessment of business; political; finance; technological; legislative; people; customer / citizen; environmental: partnership; social; management / professional risk has been carried out and risks have been identified and evaluated in terms of the likelihood of their occurrence and the impact these could have. Significant actions to mitigate these risks have been put in place and further mitigation will follow.

The overall level of risk will be continuously reviewed, reported to and considered by senior managers and elected members. Each project within the overall programmes of work initiated to deliver the business plan will consider and actively manage project risk.

The overall governance arrangements for risk management are shown in figure 10 overleaf.

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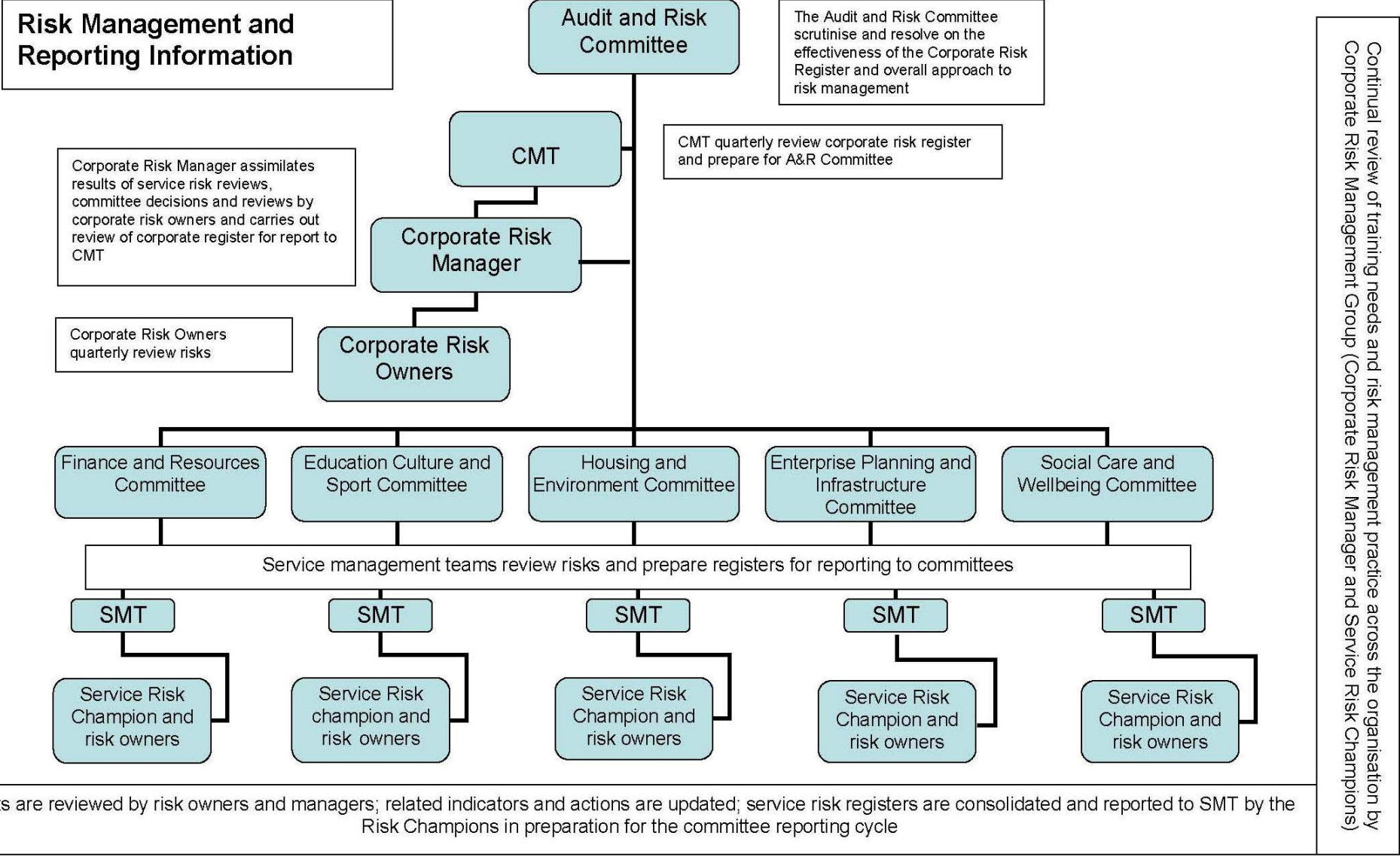


Figure 10