

Finance Policy and Resources Committee

Legacy Report 2012 – 2016

Executive Summary

“Supporting service delivery through innovative financial management”

In October 2016, Aberdeen City Council became the first local authority in Scotland to be assigned an issuer credit rating. Moody’s Investors Service confirmed an Aa2 rating for Aberdeen City Council following a rigorous process of assessment and risk analysis which tested the Council’s financial management and corporate governance. The decision reflected Aberdeen City Council’s strong institutional framework and noted the solid financial record for the last five years maintaining a net surplus against the budget for each year.

Following the announcement, Aberdeen City Council launched a £370m bond issue to support a transformational £1b capital programme and became the first local authority in Scotland to raise funds through the capital markets.

The success of this project is the culmination of five years of prudent financial management, the monitoring of revenue budgets and capital investment programme, the scrutiny of the council’s use of resources and the performance management of the Corporate Governance Directorate by the Finance, Policy and Resources Committee. In addition, the Council has reduced its debt to asset ratio by 4%. The most recent evaluation from Audit Scotland completed for 2015/2016 noted “The council has improved its financial position since 2008 and it now has a record of sound financial management. This is a good foundation for delivering its next five-year business plan.”

As a result, Aberdeen City Council is now in a position to invest in Aberdeen’s city centre through an ambitious City Centre Masterplan programme and develop Aberdeen’s infrastructure to allow for continued inward investment and economic diversification of the region’s industries.

The following report outlines the key achievements through the work of the committee as identified by four key themes and related drivers – Finance, Governance, Commercial and Technology.

Themes

Finance

Key Drivers

To set and monitor a resources strategy for the Council and to scrutinise performance within this

To undertake overall management of the Council’s resources – finance, people, systems and technology, and property at the stage of acquisition or disposal

To set budgets, including those managed by the service committees, having regard to the priorities set by each service Committee

To monitor all of the Councils budgets

Governance

Monitoring the development and implementation of

new systems for ensuring performance management and quality assurance in the Council's structure for service delivery

Monitoring the due influencing of service delivery, planning and strategic development

Monitoring the planning and progress of service reviews and the implementation of action plans arising from those reviews

Monitoring the adoption and implementation of the management framework for planning, implementing, monitoring, reporting and reviewing delivery

To ensure the Council meets its obligations in terms of Corporate Governance compliance

To develop and approve corporate policy and strategies including partnership working and HR policies

Technology

Digital Connectivity – Provide the first-class, fixed and mobile digital connectivity necessary for the economy to grow, communities to prosper, and for government and citizens to interact.

Being Digital Strategy - will make it easier to do our jobs, give customers better choice in how they get information and use services, ensure that we share information and use data to make better decisions. We need to simplify our estate, phase out old systems, introduce new systems that are open and flexible, ensure we invest in the areas that have the biggest return and advance all of your digital skills.

Data - Work collectively to develop and implement a common, data-driven approach to decision-making that will both protect communities and enable prosperity

Digital Innovation – Aberdeen is the location of choice for businesses to develop in digital innovation, supported by academic and public sector activity

Digital Skills and Education – Aberdeen invests in education in cutting edge digital skills and knowledge, from primary school to post-graduate research, and supports citizens and our workforce to apply this to daily life

Commercial

Support arrangements for achieving Value for Money, Continuous Improvement and Best Value in services provided by external contractors. Working in partnership with stakeholders in the Voluntary Sector, Private Sector, the public sector, (locally, regionally and nationally) and the Chamber of Commerce and Federation of Small Businesses . Creating a Commercial Strategy in developing an Enterprising

Council considering fees and charges, cost recovery, new revenue streams, investment and new ventures.

Financial Support – supporting Aberdeen’s Economy and People through robust and innovative finance

Financial Management: Aberdeen City Council has a statutory duty to manage and deliver a balanced annual revenue budget while also delivering a capital programme to support the local economy of the city.

The Finance, Policy and Resources Committee is responsible for governing both the revenue and capital budgets and since 2012 has been responsible for the delivery of five annual budgets which meet this statutory requirement.

The committee also committed to developing a large capital investment programme which now includes the City Region Deal, the councils Strategic Infrastructure Plan, and the City Centre Masterplan.

The following are a number of achievements of the committee in managing the Council’s finances and delivering an annual budget:

- Financial Monitoring-** monthly management reporting to Corporate Management Team and quarterly reporting to Finance, Policy and Resources Committee has addressed underlying cost pressures and opportunities for improving net surplus for the year.
- The General Fund** - over the five year period, the general fund continued to show strong financial management of public funds and repeatedly demonstrates the ability to deliver services within the budgeted assessment of financial needs.
- Financial Strategy** - The council has a prudent financial strategy which includes a Risk Fund to mitigate any in year pressure which again has not been utilised – further demonstrating the financial prudence and planning in place. The Risk Fund (£8.378m) is unique to the Council – this was set up to mitigate against any in year cost pressure and to provide investment which will deliver future cost reductions/income generation where this cannot be made in year.
- Debt to asset ratio 2012-2016-** The council over this period has ensured the debt to asset valuation has decreased from 28% to 24% while total capital repayments (interest and principal) to turnover ratio has fallen from 9% to 8%.
- Annual Budget** – The council has maintained spend within budgeted levels consistently for the last 5 years, generating a net surplus annually despite growing economic pressures.
- Capital Investment 2012 – 2016-** The council has invested in excess of £250m in capital projects over the last five years, whilst holding debt relatively flat. Capital expenditure in 2015/16 for the General Fund amounted to £102m, out of which two thirds was incurred through the Communities Housing and Infrastructure service. This included the council's rolling programmes of capital investment in Property, Roads and Fleet assets.
- Credit Rating** – In 2016, Aberdeen City Council became the first Scottish Council to receive a credit rating. In announcing the Aa2 issuer rating, Moody’s Investors Service said its decision reflected Aberdeen City Council’s “strong institutional framework” as well as a “strong track record of operating performance” and added “the council has demonstrated a solid financial

record for the last five years maintaining a net surplus against budget for each year”. The Moody’s statement also noted Aberdeen’s “wealthy local economy, albeit dependent on key industries”.

- **Bond Issue** – In 2016, Aberdeen City Council became the first Scottish local authority in Scotland to raise funds through the capital market.

The index-linked bonds were issued by the council in 2016 and listed on the London Stock Exchange as part of a strategy to maintain a diversified funding portfolio, providing greater financial flexibility.

The Council successfully raised £37m which will provide the impetus to drive forward the city’s transformation and also help leverage substantial private sector investment.

Capital Programme: Through the financial management of the FP&R Committee, Aberdeen City Council has earmarked almost £1b for capital investment in the city’s infrastructure.

The capital programme is currently delivering the following major capital projects:

- **Aberdeen Exhibition and Conference Centre (AECC) (£330m)** – a centre which will support and enhance Aberdeen’s place culturally and in the global oil and gas industry, is at an advanced stage with planning permission in place for a hotel, conference centre, energy centre and anaerobic digestive plant.
- **Aberdeen Western Peripheral Route / Balmedie to Tipperty (AWPR/B-T) – (£26million)** A new 58km trunk road whose delivery is funded by the Scottish Government, Aberdeen City Council and Aberdeenshire Council. The construction is well on the way to completion with a further £26 million of expenditure for the Council remaining.
- **South of the City Academy (£48m)** - The Council has committed to building a new, state-of-the-art academy to the south of the city in conjunction with Hub North Scotland Ltd through the Scottish Futures Trust (SFT) funding model whereby the capital cost is largely met by SFT, with the Council committing to ongoing revenue costs for a 25 year period. Progress is well advanced
- **Affordable Housing (£2m)** - The Council has procured a private sector partner for the delivery of new housing through a 50:50 partnership vehicle with the Council. The aim of the project is ultimately to deliver affordable homes which are vital to addressing housing shortages across the City.

This method of delivery will bring in private sector experience and expertise in the delivery of affordable and private housing, using a standardised product where appropriate to assist in the speed of delivery.

While the Council will contribute land to the project, the private sector partner will provide increased ability to lever in finance to fund development. Both parties will share in the development risk and profit of the scheme.

Shaping Aberdeen will support and deliver the following numbers of affordable housing units by 2017:

- A revised Strategic Housing Investment Plan (SHIP), featuring **554 units**
- A partnership approach with private developers to deliver a further **500 units**

- A new, Council led development pipeline, which will deliver an additional **1026 units**.
- **Energy from Waste (£61m)** - a joint project with Aberdeenshire Council and The Moray Council to construct a new facility at East Tullos Industrial Estate in Aberdeen which will accept residual municipal waste from the three Councils offering a waste disposal solution. The project is also expected to be an enabler for generating a new Heat Network in the Torry area of Aberdeen, and assist in alleviating fuel poverty
- **Art Gallery Redevelopment (£30m)**, a redevelopment project which will transform Aberdeen Art Gallery, Cowdray Hall and The Hall of Remembrance through significant investment in the fabric of the buildings, new exhibition and display galleries and improved facilities for visitors. Aberdeen City Council has contributed £10m to the redevelopment, with the Heritage Lottery Fund also awarded £10m. The remaining sum is currently being raised through the Inspiring Art and Music fundraising campaign.
- **City Centre Regeneration (£28m)**, the City Centre Masterplan has been adopted as a framework for a 25-year vision to implement key development within seven intervention areas of the city.
- **Hydrogen Programme (£2.4m)**, the H2 Aberdeen initiative has seen delivery of hydrogen infrastructure including the UK's largest refuelling station and integrated maintenance facility to support the Aberdeen Hydrogen Bus Project and a fleet of 10 hydrogen fuel cell buses.
- **Other projects:** Upgrades to school estate (£83m), Other Property Upgrades (£43m), Waste Facilities (£24m), dualling interior roads (£19m) and other works/projects totaling £115m

Financing Strategic Priorities -

- **Aberdeen Events Strategy** - The FPR Committee has committed to supporting and providing finance for a new programme of events in order to boost the reputation of the city centre among residents and visitors alike.

In 2015 and 2016 Aberdeen City Council, in partnership with Aberdeen Inspired, delivered the Winter Festival and Christmas Village for Aberdeen.

In addition, Aberdeen City Council's annual light festival Spectra has grown to become Scotland's largest urban light festival.

In 2016, the committee also approved two new high profile events to draw large crowds and visitors to the city centre; the Great Aberdeen Run and a professional cycling Tour Series.
- **Sustainable Food City** - In 2016, the Finance, Policy and Resources committee made the decision for Aberdeen City Council to become part of the Sustainable Food City's network.

The council will now develop new initiatives for the city to tackle issues of food poverty, diet-related ill health, obesity and barriers to healthy food all the while promoting the creation of a sustainable food economy and vibrant food culture through public, private and third sector partnerships.
- **Udecide** – In 2016, more than £5m from the Council's underspend in 2014 /2015 was allocated to develop community projects through a participatory budgeting scheme which empowers citizens to make decisions on where and how money will be spent in their area.

The scheme proved popular with residents in the city and led to the development of the Council's

U Decide programme which has received a further £100,000 to develop and implement the ideas of residents and community groups in Aberdeen's three locality areas.

Governance – supporting service delivery through scrutiny, performance management and a transparent decision-making structure

Governance Review: Aberdeen City Council is currently engaged in a review of all current governance structures in order to ensure decision-making processes, member and staff relations protocols, third party governance, financial, procurement, audit systems and training and development structures are at a high standard.

Local authorities are operating in increasingly complex environments, including addressing serious financial challenges, increased incidence/requirement for arms-length operations, and the impact of these on their ways of working.

In addition to this, legislative drivers e.g. health and social care integration, community empowerment etc, mean that local authorities need to manage their external relationships more carefully than ever before.

Against this backdrop, a robust governance framework is key and if fit for purpose will ensure that the Council's outcomes are supported by effective mechanisms for control and risk management. The Governance Review project is carrying out the following work:

- A review of our system of risk management
- A protocol on member/officer relations
- A reviewed and revised Scheme of Delegation
- A facilitated self-assessment of our committee management procedures and our ALEO Governance Hub
- A corporate policies framework to ensure that we have oversight of all policies, their maintenance, and their accessibility

To date, the work of the Governance Review has resulted in:

- A review carried out by the Chartered Institute of Public Finance and Accountancy (CIPFA) to assess the Council's governance and financial management
- An endorsement from the Good Governance Institute of the Council's risk management improvement plan
- The Streamlining of Trusts and a review of appointments to outside bodies
- Implementing streamlined Committee reporting procedures, plain English standing orders, reviewing the Scheme of Delegation including the Committee Terms of Reference
- A new draft of the Member-officer relations protocol is almost complete

Performance Management: The Performance Management Framework was approved by the Finance, Policy & Resources Committee in June 2016 and have played a key role in monitoring and scrutinizing improvement. The purpose of the project is to:

- ensure the council's priorities are clearly articulated and delivered through effective service planning and allocation of resources
- motivate staff by ensuring that individuals are aware of their own targets and goals and how these contribute to achieving the council's vision

- ensure that significant risks to the achievement of objectives are identified and managed;
- provide early warning, and rectification, of poor performance
- provide a strong evidence base for improved decision making
- Through all of the above, improve services and outcomes for local people

The Framework is designed to make best use of all resources in a coordinated way to ensure effective monitoring of priorities, resulting in better outcomes for our customers and communities. There are individual workstreams which have been recognised as the procedural building blocks to enable the council to both operate and demonstrate a “golden thread”. Following a review, a revised remit for the project is focusing on:

- Strategy and Business Planning
- Performance Management and Reporting
- Improvement Activity
- Risk Management

To date, the following work has been implemented under the Performance Management Framework:

- Improvement measures have been built into Service Plans
- External review of our system of risk and improvement plan carried out
- Performance Review and Development of staff further followed out and aligned with strategic priorities
- Development of an organizational wide assurance map has been commissioned

Corporate Governance: The Finance, Policy and Resources Committee has had responsibility for monitoring and scrutinising the work of the Corporate Governance directorate which includes changes to Human Resources and improving the staff and customer experience and our use of resources. The following are a number of achievements in this regard.

- Corporate Policy and Guidance :** A number of corporate policies have been introduced to improve the experience of Staff at Aberdeen City Council and to improve our use of resources. Such measures include:
 - Employment Equality policies and guidance such as the Family Friendly policy, Flexible Working guidance, Shared Parental Leave guidance, Supporting Carers at Work guidance, Disability Leave guidance, IVF guidance and a revised Career Break policy have contributed to the Council in helping it work towards its employment equality outcome of being a ‘fair employer’.
 - Social Media guidance was introduced to assist employees understand what’s expected of them when using social media sites both at work and in their own time and guidance on Employing Reservists, which outlines how the Council supports employees who wish to become an army, naval or air force reservist.
 - The Maximising Attendance policy has assisted in the management of long term sickness absences cases involving employees with underlying health problems, many of whom may be classed as having a disability. This should result in helping more employees to return to work and to return to work sooner from a long term absence.
 - The Relocation policy was also recently reviewed, which will now be used in a more targeted way going forward applying in the main to the harder to fill posts in the Council. The size of the package was also increased which should contribute towards attracting good quality employees to

work for the Council giving financial assistance to them and their families to relocate to the Aberdeen area

- **Smarter Working:** Smarter Working has resulted in a rationalisation of Council property, with 8 office buildings being reduced to 4, the successful transition to more flexible work spaces and the roll out of additional flexible working opportunities for employees. The programme is continuing to support our ability to modernise, innovate and transform the way we do business.
- **Investors in Young People Accreditation:** As a result of an assessment in 2015, the Council has been awarded core accreditation in relation to Investors in Young People (IYYP). This enhances the reputation of the Council as an employer of choice and helps promote succession planning within the workforce for staff.
- **Understanding the voice of the customer:** The centralisation of the complaints and members' enquiries teams has created a new Customer Feedback Team. This resulted in better insight into what our customers think of our services and how we can improve. As a result, the Council has improved response times and has introduced new ways of gathering customer feedback. The council now yields customer satisfaction scores of above 80% positive.

□ **Directorate Plan Achievements:**

Improving Customer Experience – Percentage of incoming calls at the Customer Contact Centre answered within 30 seconds during 2016/17 (to end of January 2017) was 82.3% In the same period we received over 780,000 calls and answered 94.5% of them with an average wait time to answer of 33 seconds. In addition we have seen 38,000 customers at the Customer Service Centre at Marischal College

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- In 2016, we launched our new Customer Service Charter and Standards across the Council. As reported in the Employee Opinion Survey, 61% of staff had heard of the commitments and starting to embed and align them into the day to day operations. Perceptions that the Council delivers excellent customer service have improved since 2014 (6.52 compared to 5.98 in 2014)
- During 2015 and 2016, made significant improvements to the customer service experience at the Customer Service Centre, introducing a 'meet and greet' and 'floorwalking' facility. This also included an enhanced capability to allocate customers to the correct advisors. Also delivered improvements to the safety of the area and for our team member.

Improving Staff Experience- Biennial Employee Opinion Survey was conducted resulting in an increase in CG Staff Engagement, from 43% in 2014 to 55% in 2016; response rate was up to 87% for CG staff which is another indicator of engagement.

- Improvements were made to the induction process for staff including the development of an eInduction module ensuring all new starts are provided with key corporate messages.
- A review of our recruitment commenced to ensure the process is streamlined and fit for a modern workforce, the data gathering element of this is now complete.
- A series of improvement experience events for managers ran throughout the year to

ensure our 3rd tier managers are focused on improvement and are using a common improvement methodology in their service plans.

- Phase 1 of Shaping Aberdeen roll out was completed with delivery of sessions on our vision and purpose to over 1600 staff. Manager accountability for culture was formalised through the introduction of core objectives for managers as part of Performance Review and Development.

Improving the use of Resources- The percentage of Critical IT system availability is sitting at an average monthly figure of 98.66% providing reliable IT resources to customers and staff.

- Introduced annual reporting and business planning for fraud, bribery and corruption prevention, ran a successful fraud awareness week;
- Launched a Use of Resources Training Academy, ran successful pitstops and piloted a Finance Masterclass Training Programme;
- Redeveloped our asset management planning arrangements, continued development of programme and project management;
- Undertook a Financial Management review that is externally verified by CIPFA;
- Reflected customer, staff and resources implications in all council decisions;
- Built relationships with other councils through the Scottish Local Government Partnership and other bodies;
- Completed a first comprehensive Workforce Plan;
- Lobbied and responded to national consultations, introduced a review process for the impact of legislative change on the council's finances.
- Undertook major reviews of commercial strategy, cost recovery and staff activities;
- Strengthened partnerships with Arms-Length External Organisations through a Strategic Board and Governance Hubs;
- Implemented new arrangements for following the public pound ensuring good governance of monies paid to third party organisations;
- Developed participatory budgeting

Property Sub Committee: Following the disestablishment of this committee in 2016, the Finance, Policy and Resources Committee became responsible for monitoring an asset management strategy for the Council and to scrutinise performance within this. It has also undertaken overall management of the Council's property at the stage of acquisition or disposal.

Asset Management

Over the last 5 years, the following investments have been made in improving the Council's assets:

- £32m on improving the condition and suitability of the Council's public buildings. This includes refurbishment on 36 schools and 9 community centres, and numerous other assets including care homes, hostels, depots, offices, public buildings, cemeteries, sports facilities, playgrounds etc.
- £130m on cyclical and repairs maintenance of the Council's housing and public buildings stock

Over the last 5 years, the asset management strategy has generated the following income:

- £62m of Capital receipts, including over £30m to benefit the Common Good Fund
- £43m in rental income, including £13m for the Common Good Fund

And has saved:

- £2.1m through office rationalisation reducing offices from 22 to 4

In addition, the Property Sub Committee has provided support to a number of community projects, for example:

- Footdee Community Centre:** Arranged a Community Asset Transfer of the former Footdee Gospel Hall to the Fittie Community Development Trust to provide a community hub for the residents of area.
- Bon Accord Baths:** Is engaged with Bon Accord Heritage to arrange a Community Asset Transfer of the former Bon Accord Baths, supporting their vision of restoring the premises as a community facility.

Programme Management: Through monitoring and scrutiny, the Finance, Policy and Resources Committee have played a crucial role in ensuring the Council has robust programme and project management governance in place. The PMO is now integrated with the Council's capital programme and in particular the Strategic Infrastructure Plan. The service provides expertise and advice, standard practices and tools, training and development, as well as effective interdependency management and resource planning across all change programmes. It ensures a consistent approach is adopted and provides a mechanism for the effective flow of information and knowledge around the organisation.

Over the last two years, the new programme management structure was embedded within the Commercial and Procurement Service and has delivered on the following:

- The creation of a consistent and effective programme governance methodology;
- Better support for the delivery of the SIP
- Better joint working with Corporate Governance and other specialist support services;
- The platform for more effective resource planning
- More robust monitoring and reporting
- Decision making at appropriate levels with the relevant information to make informed decisions;
- More robust management of our Capital Plan
- A centralised oversight of all programmes of work
- Appropriate resource, support and direction for all programmes and projects

The PMO is currently being used to manage the City Region Deal which is delivering the following capital projects through a joint investment of £250m between Aberdeen City Council, Aberdeenshire Council, Scottish Government, the UK Government and private sector bodies:

- The Oil and Gas Technology Centre:** a new industry-led organisation, based in Aberdeen. Opened in February 2017, it will focus on developing, adapting and deploying technology that helps maximise economic recovery from the UK Continental Shelf and other oil and gas basins around the world.

- **Bio-Therapeutic Hub for Innovation** and the **Agri-Food Hub for Innovation**: will support the diversification of the region's economy by building on our existing industries of life sciences and the food, drink and agriculture sectors. Work on the specifics of these hubs is currently under development.
- **Digital Infrastructure** - a fund has been created to help address the digital challenges of the City Region and deliver affordable world class ultrafast internet services to businesses of all sizes in the region. A gap analysis has now been completed identifying the specific shortfalls in infrastructure and it is anticipated that procurement will commence in 2017 to build the necessary infrastructure. Work on a business plan for this fund is currently under development.
- **Transport**: To support the physical infrastructure of the region there will be a number of Strategic Transport Appraisals. These will take a long-term strategic view of the transport requirements looking at the City Region Deal investment across a number of transport modes including road and rail. Work on the scope of these appraisals is currently underway in collaboration with Transport Scotland.
- **Aberdeen Harbour Expansion**: support for the harbour expansion recognises its strategic importance, not just to the energy sector, but the wider diversification of the region including tourism opportunities. The funding will also develop the external supporting infrastructure to the harbour expansion plans.

Commercial – supporting service delivery by maximising best value from commercial relationships and opportunities

Shared Service Agreement: In September 2016, Finance, Policy and Resources Committee approved a business case to extend a shared Commercial and Procurement Service between Aberdeen City Council and Aberdeenshire Council to include Highland Council – to be led by Aberdeen City Council. The model is unique to Scotland and uses a forward looking approach to commercial procurement which goes beyond the individual corporate and political organizations to create a joint venture for the benefit of the North of Scotland.

As a result of the agreement, all three local authorities will combine their spending power for goods and services – a total estimated at circa £1bn. This will serve to drive efficiencies in the area and offers many benefits both in terms of cost savings for all three councils but added value for the regions local service providers and added social value for communities:

- **Budget Savings:** The shared service agreement has identified savings of £24m for all three councils over the next 5 years. £3m of savings has already been identified in Aberdeen City Council's budget for 2017/18 as a result of the agreement. Aberdeenshire Council will benefit from similar savings in their budget and work is ongoing to identify savings for Highland Council.
- **Competitive Gain:** By establishing a single regional voice, the three local authorities will be better able to compete with the scale of the buying power of the largest Scottish councils and encourage a greater share of the marketplace for North of Scotland businesses.
- **Local Business:** A key element of the procurement strategy will be to support local businesses across Aberdeen City. This will be part of the performance framework to demonstrate that this is being achieved. It is believed the proposal will provide opportunities for the businesses across

Aberdeen City to expand across the North.

- Community Benefits Strategy:** Work is ongoing to develop synchronised contracts which will be designed to add social value for North-east communities. This could take the form of adding green space near a new road or housing development or employing apprentices or jobseekers for the duration of the contract.
- Health and Social Care Integration:** Work has also been ongoing to bring added benefits and savings through an integrated shared service for social care commissioning with Aberdeenshire Council and the Integrated Joint Board. Therefore, we can afford the best service provision for the region and ensure all contracts are designed to promote and progress equality of opportunity so that we meet the needs of our citizens, including those who are most vulnerable and at risk of disadvantage, while also ensuring diversity in the marketplace.
- Centre of Expertise:** The strategic vision which sits behind the shared services agreement is to pool resources and create a Centre of Commercial Expertise in the North of Scotland. This process has already begun as additional services such as commercial legal services are now part of the service offering of Aberdeen City Council. The model is also adaptable to allow the shared services to grow to include other interested local authorities, therefore continuing to reduce cost, increase commercial opportunities and drive benefits for the community.

Business Intelligence: Commissioning also provides visibility of our strategic needs and is invaluable as a source of business intelligence and act as a trigger point to constructively challenge:

- Our services and how they are currently delivered
- Service performance, cost and perception
- Future demand and horizon scanning
- Opportunities for change

Income focused commissioning and procurement: The new combined structure and additional pool of expertise within Aberdeen City Council's Commercial and Procurement Service allows for a more dynamic and strategic focus to be given to 'Big Ticket' procurement options that will bring added commercial value to the city of Aberdeen. Recent examples include:

- AECC:** In December 2016, the Finance, Policy and Resources Committee selected a leading world-wide venue management company as the preferred bidder to manage and operate the new and existing Aberdeen Exhibition and Conference Centre which is part of the £333million site. SMG, which operates more than 240 entertainment, sports, conference and exhibition venues across the US, Canada, Europe, South America and Asia, will anchor existing international events and compete nationally and internationally for new events, as well as by broadening the appeal of the north-east to a global audience.
- Energy from Waste:** Currently, Aberdeen City Council is working in partnership with Moray Council and Aberdeenshire Council on procurement for the new £150million Energy from Waste which will see the council meet its strategic waste objectives while offering added social value to residents through the Combined Heat and Power scheme which will reduce the cost of fuel in many homes.
- Marischal Square Development:** The city will receive £10 million for the site, an equal share of

the development profit, the difference between the lease cost to Aviva and the income generated by the development for 35 years and the value of the development in 35 years' time. Sums are also available for works to upgrade Provost Skene's House, Broad Street and create the gardens and other public areas within the scheme. In all this benefit could be worth more than £100 million.

Enabling Technology – supporting the people and place of Aberdeen through digital advances

Being Digital and Digital Place: In the last two years, the Finance, Policy and Resources Committee has made a firm commitment to developing Aberdeen City Council's digital infrastructure to provide smarter services to the residents of Aberdeen and the city's infrastructure in an effort to support the economy, the people and the place of Aberdeen.

Both strategy's underpin a number projects designed to boost connectivity in Aberdeen, to collect and use data according to standards and to work with industry leaders to encourage growth in the technology sector in Aberdeen. The following work is underway as a result:

- **New Data Centre:** Aberdeen City Council has now successfully transferred most of its IT applications and data to a new purpose built datacentre based in Aberdeen and run by Brightsolid, a Scottish based company. This provides the Council a faster, more reliable and secure hosting service for our information
- **Free Wi-Fi Access -** In 2016, Aberdeen City Council introduced access to free high speed Wi-Fi in 33 publicly owned buildings. A two-year project to introduce free community Wi-Fi was also introduced in several northern areas of the city in an effort to provide equal access to the employment, education and social opportunities offered by technology.

In addition, Aberdeen City Council has begun to deploy free Wi-Fi in the entire city centre through a phased approach throughout 2017. This was successfully rolled out for the Winter Festival and Christmas Village events which saw more than 3,510 residents access the network in the first month. The initiative was also rolled out during the Council's annual light festival Spectra.

- **4G small cells** – In 2017 Aberdeen will roll out a 4G small cell network in a phased approach. This network will boost 4G mobile capacity and speeds for the benefit of the citizens.
- **Master Data Management** – the mandate to create a product development approach to integrate the Council's data to enable us to modernise and transform the way we do business from a data driven, customer experience perspective.
- **Aberdeen Gigabit City** – Through a partnership between Aberdeen City Council, Capital and SWAN Aberdeen became Scotland's first Gigabit city where new pure fibre network connects key commercial districts, all council buildings and many public sector buildings in the city.
- **Human Capital Management** – The Human Capital Management (HCM) system is currently progressing from the requirements gathering stage into the procurement stage. Once a supplier has been identified it is expected that the implementation of this system will take approximately 9 months. Upon successful implementation the new system will offer all Aberdeen City Council employee's a significant improvement in their HR experience as well as allowing for better utilisation of resources by rationalising the HR system landscape
- **Aberdeen City Council Website** – Procurement is underway for a new Content Management

System which will support a new web platform more suitable to meet the needs of modern residents. Information and content will be easier to access and view. In addition, new features will allow residents to create one account to manage all of their affairs with Aberdeen City Council, for example: paying council tax and managing waste.

City Labs – Aberdeen City Council has led a partnership with University of Aberdeen and Robert Gordon University to look at city-wide challenges and develop innovative, tangible solutions around them. This 12-week programme saw the students develop ideas specifically designed to tackle social and cultural change within the city before presenting their ideas to a group of invited stakeholders. Two key projects have so far been identified and taken forward through this programme:

- **Tuk In** - The concept is focused on reducing food waste in the city and would see the students source unused food from outlets such as supermarkets and use the kitchen facilities of partner organisations to create meals. They would then sell the food from a tuk tuk, stopping at various locations in the city, on a 'Pay as You Feel' basis, meaning people give what they can afford or feel the food is worth. The initiative has recently received Big Lottery and Fairer Aberdeen funding to launch the project in Spring 2017.
- **Smart benches** - Another initiative was to introduce smart solar powered charging benches around the city which can not only charge various devices but can measure air quality and footfall to provide Aberdeen City Council with additional data about the way people move around the city and allow for improvements to transport networks and feed into urban planning. These smart benches will be on the ground by end March 2017.

Education Platform – Aberdeen City Council is soon to launch a new digital platform for both secondary and primary schools whereby pupils can put forward ideas about how to improve life in their schools, in their communities and in the city. The ideas will be captured and fed back to relevant services to investigate and implement if possible. The aim of the project is to use digital technology to offer children and young people a voice and a chance to shape the future of their education and the city.

Accord Card – The award winning Accord Card scheme has seen rapid transformation by bringing smartcard services to a wide range of customers, including access to Co-Wheels cars and Sport Aberdeen membership. Our city's children can now order their school meals with cashless catering in primary schools, while their parents can pay for meals and manage their children's diets. The same technology has been used in very sheltered accommodation for vulnerable older people and will be expanded in the coming year.

Online Services – Since 2013, Aberdeen City Council has committed to providing digital services options for residents. A range of online services that help you to register, pay and apply for discount have been introduced including online parking permit renewals. The Accord Card has also gradually increased its online services including taking 98% of Primary 7 applications for new cards for school meals online in 2016.

Relevant Awards:

Commercial and Procurement Services:

Leadership of the Year Award at the Government Opportunities Excellence in Public Procurement Awards 2015/16

Commercial Partnerships award at the Scottish Public Service Awards 2016

Finance:

Currently shortlisted for Finance Team of the Year, Finance Training and Development initiative and innovation in Treasury and Asset Management awards in the Public Finance Awards

Won the Corporate Governance Award at the UK-wide LGC Investment Awards in 2013

Won the Outstanding Contribution title at the Accounts Payable News Awards in 2013

Won the Accounts Payable Manager of the Year award at the Accounts Payable News Awards in 2013

Won Public Sector Finance Team of the Year at the Scottish Accountancy Awards in 2013 and 2012

IT and Transformation:

Won Best Information Technology & Communication Initiative at the Association for Public Service Excellence (APSE) award in 2012

Customer Service (Accord team)

Won a National award for ICT innovation for digital delivery of meals at Very Sheltered Accommodation in 2016.