



Communities, Housing & Infrastructure

Economic Development | 2017-18



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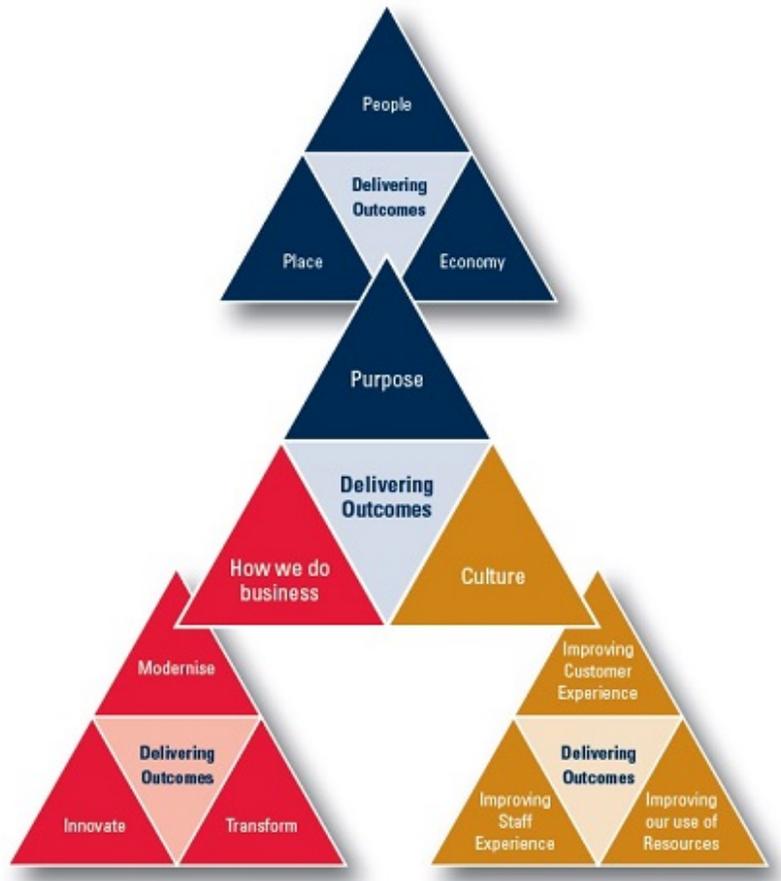
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1. Introduction and Service Description

Shaping Aberdeen

The Council's Strategic Business Plan 2017/18 sets out an ambitious programme of change called "Shaping Aberdeen" and it has 3 parts:



Our purpose - What Our Business is

To ensure the alignment of all Council strategies and plans to the LOIP's vision, as well as ensuring clear delivery plans for the Council's own set of strategies and priorities.

How we do business

The modernisation and transformation of how we deliver our services through making best use of technology.

How we behave as an organisation (Culture)

Capable, confident, engaged and positive *staff* who deliver excellent *customer* service and consciously make best use of our *resources*. An organisation that maintains its focus on its customers, its staff and how it uses the resources available to it.

1.1 Role of the Service Improvement Plan

1.1.1 The Economic Development Service Improvement Plan reflects the golden thread from the area's Regional Economic Strategy (and associated City Region Deal) which deals with the macro-economic context for Aberdeen; improvement and locality outcomes that explain how these macro-economic initiatives support local area regeneration and the corporate context for the Council as an employer, purchaser, developer, innovator and influencer in its own right.



1.1.2 There are three areas of the Council’s delivery of economic development:

- Leadership & influence– across different layers of government, across the public sector and working with the private sector;

- b) Corporately – developing the place and delivery of core business facing services – as a planning authority, transport authority, education authority, licensing, trading standards, as a significant procurer of goods and services, and, as major employer in the city.
- c) Delivering key projects and programmes in response to the needs of the local and regional economies.

1.1.3 Across these three areas, the 2017/18 Service Improvement Plan will act as a key framework within which the Council will contribute towards the city, and regional economic priorities – as set out in the:

- Regional Economic Strategy – A 20 Year Plan for the city and regional economy.
- The main issues with the emerging Strategic Development Plan Framework
- Regional Transport Strategy
- The Local Outcomes Improvement Plan, and in particular, Aberdeen Prospers
- Smarter Aberdeen

It is twelve months since the Regional Economic Strategy has been approved, and this Plan will continue to align to the strategic interventions highlighted in that Strategy, in collaboration with a range of national and regional partners and stakeholders: the UK Government, the Scottish Government, Scottish Enterprise, Skills Development Scotland, VisitScotland, EventScotland, Opportunity North East, Aberdeenshire Council, VisitAberdeenshire, North East of Scotland College, the two universities and the private sector.

1.1.4 The overall purpose of the Service is to continue to contribute to the economic health and wellbeing of the place and people of Aberdeen. The 2017/18 Plan has been developed within the overall strategic economic framework, and in response to emerging challenges and opportunities, externally and internally, as a result of the exit of the UK from the European Union, changing economic conditions, financial pressures; and capitalising on the opportunities from these in relation to the key industry sectors, the economic ambition for Aberdeen, the City Region Deal, the Council's credit rating and City Centre Masterplan.

1.1.5 The plan is also based on the Service's monitoring of the economic performance of Aberdeen, the North East of Scotland in relation to Scotland and the UK, and responding to the emerging market failures in the city and region.

1.1.6 The Plan will specifically target improvement in the key performance indicators for the service's own delivery, outcome measures and, where relevant, explore new models to deliver the Council's economic development priorities.

1.2 Overview of the Service

In response to the changing economic performance of the city and region, and in particular the 2015/16 downturn in the oil and gas sector, the Council's Economic Development Service was restructured to reflect new and emerging demands and opportunities in three core areas:

1. Business & Skills – business development support, employability and jobs, inward investment and outward trade
2. Projects & Programmes – supporting development of employment infrastructure – new Aberdeen arena and conference centre, key projects in the City Centre Masterplan, and sectoral responses in renewable energy, tourism and leisure.
3. Enabling Activity – securing external funding for the Council's priority projects, economic data and profiling, supporting the Council's participation in national, regional and local networks and partnerships – supporting the City Region Deal Joint Committee, the Regional Economic Strategy Group, the Council's ongoing obligations in relation to its credit rating, and, at a wider level, the city's role in the Scottish Cities Alliance.
4. City Events, Promotion and Twinning.

The Service leads the Council's work on economic growth, aligned to the Scottish Government's Economic Strategy, the Regional Economic Strategy and the recently secured City Region Deal. Internally, this extends across both the corporate and service functions of the Council and, externally, into the wider Aberdeen and regional and national context. The work of the service is broadly aligned to the 'Four I' themes of the Regional Economic Strategy and the 'Aberdeen Prospers' priorities of the LOIP as shown below:

- Investment in Infrastructure – programmes and projects / new arena and conference centre, CCMP
- Innovation – partnerships and funding / H2 / business growth and sectors
- Inclusive economic growth – employment and skills / business growth and sectors
- Internationalisation – investment and trade / partnerships and funding

There are also several critical horizontal priorities for the service, including the support to the Council's annual credit rating assessment and the creation of an Economic Policy Panel, the implementation of a city and regional Inward Investment Plan, a review of the Council's External Funding Strategy (in the context of Brexit), and development of new financial mechanisms to deliver the infrastructure priorities of the Council and city.

There are 51 full-time equivalent (fte) posts in the newly established service with a total service budget of £3.7m, 0.5% of the Council's revenue budget.

2. Service Assessment

2.1 PESTLE analysis *(External factors that will/may impact on the service – the context for the service plan delivery)*

Political Landscape	Economic Trends	Social & Demographic
<ul style="list-style-type: none"> • Brexit • Scottish Independence Referendum Bill 2 • Scottish government review of Scottish Enterprise, Skills Development Scotland and the Funding Council • Double devolution agenda – regional decision making and tax-raising powers • Scottish Government “Programme for Government” 2015 (See legislation) • Fiscal Framework to support The Scotland Bill • Review of Non-Domestic Rates • Cap and multipliers to Council Tax • CoSLA and the member of the Scottish Local Government Partnership 	<ul style="list-style-type: none"> • Annual credit rating assessment • Austerity economics continued in public finances • Volatility in oil & gas industry, particularly affecting the supply chain and employment linked to exploration and drilling in the North Sea basin • Brexit • Skills, expertise and employment leaving the region • Intense global competition • Continued falling prices and fewer sales in last 12 months • Tight labour market, especially for key workers, with increased competition • Low real-terms wage increases and stronger inflation affecting standard of living 	<ul style="list-style-type: none"> • Growing population • Increasing school age population • Increasing migrant workers / multi-ethnic diversity • Geographical variations in deprivation • Multi-generational deprivation
Technological/Technical Changes	Legislation / Policy	Environmental Impacts
<ul style="list-style-type: none"> • Inadequate digital infrastructure and high cost of connections • Increase in use of digital channels 	<ul style="list-style-type: none"> • Brexit • Planning Review • Bill to devolve LA responsibilities to 	<ul style="list-style-type: none"> • Circular Economy and Zero Waste Bill • Climate change bill and Paris

<ul style="list-style-type: none"> • Greater automation of processes and objects • Big data / open data • More sophisticated security requirements • Integrated approach to public service ICT • Commitment to 100% super-fast broadband 	<p>communities</p> <ul style="list-style-type: none"> • Non-Domestic Rates increases • Apprentice Levy • Child Poverty Bill • Review of enterprise and skills agencies • Air Passenger Duty Bill 50,000 new affordable houses 	<p>Agreement implications</p> <ul style="list-style-type: none"> • Scottish Government's Low Carbon Economic Strategy • Flooding
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Summary of critical issues from the PESTLE analysis that will influence the plan

Given that the core focus and function of the service is to lead the Council's policies and interventions to stimulate economic growth, investment and job creation, this service improvement plan is particularly exposed to issues such as Brexit, globalisation and higher prices. In addition, macro-economic issues relating to energy prices have a much more direct impact on the local economy than elsewhere in Scotland and the United Kingdom – more than 50% of UK oil and gas employment, is in Scotland; and the Aberdeen and the North East accommodates the majority of these jobs, directly, indirectly across the supply chain tiers, and supporting those in the wider economy.

The implications of economic uncertainty are already being felt in Aberdeen and materialise in issues such as more competition within an already tight labour market, higher consumer debt levels (falling house values) and business consolidation and, in some cases, retraction. Whilst the recent upturn in oil prices might offer some temporary respite for companies working in the oil and gas sector and its supply chain, the diversification of the Aberdeen economy remains a vital ambition in terms of its future viability and sustainability. At the same time, businesses are facing uncertainty around the implications of Brexit, and additional cost pressures around non-domestic rates changes and the apprentice levy. These conditions, combined, will increase the demand for, and expectation of, Council support – within the service itself, corporately, and externally, the economic or civic leadership in collaboration with industry and other public sector bodies.

The service operates in a landscape that is highly complex and dynamic. Services that are delivered by other parts of the Council, the Council's partners or through Council or government commissioning have a direct influence on the service and this improvement plan. The Council's role as a leader, deliverer and honest broker for the business customer that are relevant to the local economy and impactful for businesses and residents is significant. In response to the Pestle analysis, the service will have a direct or indirect role as both a stakeholder and enabler in delivering the Council's economic outcomes.

2.2 SWOT analysis (Strengths, Weaknesses, Opportunities & Threats for the service)

Strengths	Weaknesses
<ul style="list-style-type: none"> • Council reputation – ambitious and innovative local government leadership • A skilled, experienced, multi-disciplinary cohort of staff • Established partnerships and networks • EU and international experience • Award winning services and reputation of other services • In-house staff development and good training programmes • Strategic influence – nationally, regionally and globally • Portfolio of high impact projects • Proactive focus on continuous improvement • Strength of political and business relationships 	<ul style="list-style-type: none"> • Credibility amongst business customers • Lack of certain core skills and expertise • Budget cuts means strain on resources • Communications within directorate and organisation • Mainstreaming of monitoring and performance systems • Responding to changing need • Lack of integrated systems / database • Workforce planning – recruitment / retention of experienced staff and underdevelopment / training of staff
Opportunities	Threats
<ul style="list-style-type: none"> • Leading the Aberdeen Inward Investment Plan – a regional plan, and a new area of work for the Council • Maximising opportunities from the Councils Aa2 Credit Rating and resulting infrastructure bond issue • Recognising strengths of partners and agreeing new delivery arrangements • Locality Planning and the LOIP • City Region Deal • City Centre Masterplan • Regional Economic Strategy • SIP and other capital projects 	<ul style="list-style-type: none"> • Economic uncertainty and emergence of new market failures in relation to attracting and retaining investment • Public sector deficit and budget reductions • Failure to capitalise on the timing, moment and opportunity that the political, public and private sector leadership has shown • Welfare reform / Universal Credit • Oil and gas industry downturn

- | | |
|---|--|
| <ul style="list-style-type: none">• Public service reform and improvement agenda – SE/ SDS Review• Recruitment of new staff with different abilities | |
|---|--|

Summary of critical success factors emerging from the SWOT

Customer Experience

- Collaboration – regionally across public and private sectors
- Key Account Management across “Aberdeen’s Top 100” (employers). Single, shared business database to underpin consistent approach to business engagement within the service and wider Council, particularly within CH&I service areas
- Mitigating the impact of external factors on businesses and employers – aligning Business Gateway delivery to key sector needs
- Leadership of key corporate priorities – DYW strategy; Investment Plan
- Embed a strategic approach to utilities infrastructure investment to coordinate infrastructure investment and downstream development

Staff Experience

- Internally, creating more opportunities for cross-service working, ensuring that colleagues’ skills and experience are maximised whilst also enabling productive development opportunities – maximising the Council’s economic impact;
- Having restructured the service and developed new multidisciplinary and flexible roles, ensure that staff are getting experience across the Service’s delivery areas
- Recruitment and retention of staff with relevant specialist experience and knowledge;

Best Use of Resources

- Exploring potential for sharing capacity, across public sector partners, and in particular analysis of opportunities from the work of the seven Scottish Cities – Empowering City Government, and the review of the Scottish economic development agencies and the Planning System.
- Prioritising activity, and collaborating with external partners/ stakeholders to deliver other economic priorities
- Development of new funding models, capitalising on the implications of the bond, and delivering the Council’s inward investment plan
- Analysis of new income generating activity – eg tourism levy
- Deployment of staff in response to Council/ project need and priorities

3. Planned Improvements

There are two parts to this section.

3.1 Strategic Priorities

This section links delivery of the Council's Economic Development activity to the Local Outcomes Improvement Plans and the ACC Objectives set out in "Our Purpose – What our Business Is" within the Strategic Business Plan 2017/18.

3.2 Service Improvements

This section focuses on improvement activity in relation to Customer Experience, Staff Experience and the effective use of our resources. It highlights areas of change or improvement that are not provided in Section 1, and is driven by customer feedback, staff feedback via the Employee Opinion Survey, performance benchmarking, technological drivers and policy drivers, and in particular building on the Aberdeen City Region Deal, and the review of Scotland's enterprise agencies and the planning system, and increasing collaboration internally across services, and externally with other Councils, the private sector and industry.

3.1 Strategic Priorities – Driver Diagram

Prosperous Economy

1. Investment in infrastructure – Aberdeen City is a robust and resilient economy providing a vibrant built environment and attractive place for residents, students, business and tourists

Improvement Outcome	ACC Objective	Change Activity	How We will Measure Success	Baseline	17/18	18/19	19/20	Who will do it	People	Place	Technology
We will regenerate our city centre to become a vibrant and attractive place to live, work and invest in	To retain and attract global talent and business to the city	Deliver the new Aberdeen Investment Plan targeting DIT, SDI for sector specific and public sector relocations	Increase number of FDI projects as measured by EY	18 (2016)	18	19	19	Matt Lockley	√	√	
	To maximise the Council's credit rating and bond and secure institutional investment to fund priority projects	Develop a prioritised pipeline of 'investment ready' proposals in Aberdeen and region	Number of Planned New jobs from completed inward investment projects (SLAED)	142 (15/16)	145	150	155				
	To support the promotion and marketing of the city to tourism markets		- amount of new investment attracted to Aberdeen	Baseline TBC	+0.5%	+1%	+1.5%				
To support the development of tourism product to attract		Implement the SLA with Visit AberdeenShire and agree priorities for investment in tourism	# of tourists	1.25 million (2014 Visit Scotland data)	+1%	+1.5%	+2%	Richard Sweetnam via VA			

Prosperous Economy

1. Investment in infrastructure – Aberdeen City is a robust and resilient economy providing a vibrant built environment and attractive place for residents, students, business and tourists

Improvement Outcome	ACC Objective	Change Activity	How We will Measure Success	Baseline	17/18	18/19	19/20	Who will do it	People	Place	Technology
	additional tourists to the city and region	infrastructure – eg Aberdeen Art Gallery, Aberdeen Harbour Expansion, Aberdeen Airport	Increase in tourism spend	£351m	£355m	£360m	£365m	Dawn Schultz			
		Deliver Broad Street pedestrianisation	Delivery on time and to budget	None	Scheme complete			Andrew Win			
		Deliver Union Terrace Gardens transformation	Catalytic effect on occupancy rates in immediate vicinity	81.8%	82%	82.5%	83%		√		
We will attract the best possible range of incoming exhibitions and events and showcase the city's internationally	To attract new visitors to the City and increase Aberdeen's competitiveness as an events location.	Deliver year one of the Aberdeen 365 Events Strategy.	Baseline number of events					Dawn Schultz			
		Support Aberdeen Inspired and in particular Independent Aberdeen and Union Street projects	Change in footfall compared to average data	Union Street Footfall: 109,045 (2016 average weekly	+1%	+1.5%	+2%	Geoff Cooper			

Prosperous Economy

1. Investment in infrastructure – Aberdeen City is a robust and resilient economy providing a vibrant built environment and attractive place for residents, students, business and tourists

Improvement Outcome	ACC Objective	Change Activity	How We will Measure Success	Baseline	17/18	18/19	19/20	Who will do it	People	Place	Technology
recognised sports, arts and culture offer				footfall)							
We will deliver the new Aberdeen Exhibition & Conference Centre and support the establishment of a new operator	Manage the delivery of the new arena construction programme	Delivery of key milestones in the construction programme.	Delivery on time and to budget (2019)					Andrew Win/ Scott Ramsey		√	
	Manage the transition from the existing to new venue	Work with SMG Europe on transition and attraction of new events from 2019/20 Secure Offshore Europe in Aberdeen from 2021	Events pipeline at the new venue					Richard Sweetnam/ Andrew Win	√	√	

Prosperous Economy

2. Innovation – Aberdeen City has a reputation for enterprise, innovation and world class solutions

									People	Place	Technology
Improvement Outcome	ACC Objective	Change Activity	How We will Measure Success	Baseline	17/18	18/19	19/20	Who will do it			
We will provide business and innovation support to entrepreneurs/ business start-ups and increase the diversity of funding options through an increase in accessibility of international investment	To provide support to businesses in the city	To deliver Business Gateway start-up support	# of attendees at business gateway events	3,291	3,350	3,400	3,450	Andrew Stephen		√	
			# of start ups (trading)	478	485	490	495				
	3-year survival %		66%	66.5%	67%	67.5%					
	To provide access to funding to businesses	To deliver the Scottish Local Authority Loan Fund in Aberdeen	# of loans					Andrew Stephen			
# jobs supported											
		Design and implement a business rate relief scheme to support Aberdeen businesses	Take up of scheme (17-18 only at present)	None	60%	-	-	Jamie Coventry			
We will maximise the potential of hydrogen, energy from waste and other renewables technologies	To work with European and National Funding programmes to improve renewable energy infrastructure	Manage the delivery of H2 Aberdeen programme.	Delivery of projects on time and to budget Number of Aberdeen businesses involved in H2 delivery					Emma Watt		√	√

Prosperous Economy

2. Innovation – Aberdeen City has a reputation for enterprise, innovation and world class solutions

Improvement Outcome	ACC Objective	Change Activity	How We will Measure Success	Baseline	17/18	18/19	19/20	Who will do it	People	Place	Technology
to develop a medium-long term demand for the transferable skills in the oil and gas sector		Provide strategic and policy support to AREG alongside transition of operational aspects to external provider(s).	AREG has more sustainable business model built on increased income streams	Income £30k	£40k	£60k	£75k	Morag McCorkindale	√	√	
We will seek to lever external funding to support delivery of the Council's priorities	To identify external funding sources to support the delivery of projects and reduce Council financial commitments	Deliver an External Funding Plan aligned to supporting priority capital and revenue projects	Plan completed Projects funded Leverage					Yasa Ratnayeke			
		EU Structural Fund Action plan in relation to potential underspends in 2014-2020 Structural Funds Programme	Plan completed Match funding Leverage					Yasa Ratnayeke			

Prosperous Economy

3. Inclusive economic growth – A skilled workforce for the future that provides opportunities for all our people

Improvement Outcome	ACC Objective	Change Activity	How We will Measure Success	Baseline	17/18	18/19	19/20	Who will do it	People	Place	Technology
We will develop the people and skills necessary to deliver economic development and, as a result, support diversification of businesses and economy	We will support delivery actions in the Regional Skills Strategy	Deliver year one of ESF Employability Pipeline programme (Aberdeen Works)	Number of People that have Progressed to Employment as a Result of their Participation in Council Funded or Operated Employability Activities	285	295	305	315	Angela Taylor	√		
		Deliver a consortium bid for the new Fair Start Scotland programme	Consortium bid successful Number of sustained job outcomes (>26 weeks)	None exists – new activity	0	3	53	Matt Lockley	√		
We will invest in our workforce, develop our future workforce and ensure all benefit from economic activity	We will support the implementation of “Developing the Young Workforce” through seeking “Investors in Young People” accreditation	Deliver the ‘Linking Opportunity and Need’ programme within the City Council [community benefit clauses – targeted recruitment and training clauses]	Outcomes from the LOAN programme will include modern apprenticeships and work experience placements	Baseline to be set during 2017-18		+2%	+2%	Lori Manson	√		

Prosperous Economy

4. Internationalisation – Aberdeen City is a location of choice for investment, high value business activity and skills

Improvement Outcome	ACC Objective	Change Activity	How We will Measure Success	Baseline	17/18	18/19	19/20	Who will do it	People	Place	Technology
We will support companies in all key sectors to identify market opportunities and develop products and services in international markets	We will continue to develop a diverse range of international trade links to support the export potential of Aberdeen companies	Review existing Memoranda of Understanding and refocus on core and emerging trade relationships and economic outcomes	Greater impact from partner activity					Morag McCorkindale		√	

In addition to the change priorities highlighted in the tables, the service will also lead in the following areas:

- Provide policy responses to regional or national issues that have an economic growth implication – for example, Scottish Government consultations (Enterprise & Skills Review, City Region Deals), UK Government developments (eg Industrial Strategy, Sector Deals)
- Support implementation of the Aberdeen City Region Deal, the Memorandum of Understanding and the Regional Economic Strategy priorities
- Monitoring & evaluation support on the impacts of the City Region Deal and Regional Economic Strategy, drawing on the city and regional economic data repository
- Supporting elected member representation on external bodies (eg Opportunity North East, VisitAberdeenShire, Aberdeen Inspired etc)
- Lead the Council / partners' contributions to the Aberdeen Prospers strand of Community Planning Aberdeen

- Corporate activity – for example, the implications of the NDR revaluation, estates / asset management and finance to develop an industrial sites strategy to support investment activity, planning application support
- Support to third party project development – eg tourism feasibility

3.2 Service Improvement – Driver Diagram

Improvement Outcome	Primary Change Activity	Secondary Change Activity	Measures	Baseline	17/18	18/19	19/20	Who will do it	Customer Experience	Staff Experience	Best Use of Resources
We will improve our capture, sharing and use of data in order to ensure that economic development and wider Council interventions are effectively targeted	Deliver evidence and economic information in a way that is accessible and meaningful for our internal colleagues and elected members	Increase use of the regional dashboard monitoring the economic performance of the city and supporting change activity with up to date information and data	Dashboard embedded corporately Increased use of dashboard by external partners	Reporting will be a qualitative assessment.				Jamie Coventry			X
We will seek ways to recover costs of providing city and regional data	Work with partners to share 'costs' – and reduce costs to the Service	Put in place contracts/ SLAs for development and use.	% of costs recovered	None	0%	10%	20%	Richard Sweetnam		X	X
We will support the annual credit rating assessment required by the Council and ensure that this process results in improved prioritisation of activity and investment	Establish an Economic Policy Panel. We will move to a system of business planning which aligns to the Council's wider obligations to the LSE, and assumes a 'zero base' approach, with spend driven by robust appraisal of costs/ benefits	Develop & support work programme of the Panel	Panel established Credit rating supported by de-risking the short-term economic performance of the place	Reporting will be a qualitative assessment.				Richard Sweetnam/ Ciaran Monaghan/ Jamie Coventry	X		X

Improvement Outcome	Primary Change Activity	Secondary Change Activity	Measures	Baseline	17/18	18/19	19/20	Who will do it	Customer Experience	Staff Experience	Best Use of Resources
We will improve the effectiveness of regional economic leadership and collaboration by providing political and officer leadership and support to regional economic forums	Implementing improvements to City Region Deal Joint Committee Mapping out the development of 'regional delivery' mechanisms in relation to existing forums	Terms of Reference of Joint Committee amended Research with SCA and SG on the regional partnership models	Increased value/ leverage into city and region on developing 'growth deal' models	Reporting will be a qualitative assessment.				Angela Scott/ Richard Sweetnam/ JP Cleary	X		X
We will raise business awareness of the service and the Council's work on economic growth through the 'account management' approach to key businesses within the City	Increase the corporate relationships with key employers in the city. Improve and better co-ordinate the way that the Council interfaces with businesses	Key Account Programme 'Top 100' Training with ECMT on the approach Database - corporate	System in place Customer feedback	10 KAMs visited in 16/17 (cumulative)	20	50	70	Matt Lockley, Jamie Coventry, ICT ECMT	✓	✓	✓
Improved services provided to small and medium-sized businesses in Aberdeen	We will ensure better outcomes from Business Gateway contracted services, and increase integration to Council	Ensure that additionality outlined in tender submission is delivered – eg tourism sector support, delivery in	Deliver targeted support programmes for city centre retailers,	None	5	7	8	Andrew Stephen, Elevator	✓		✓

Improvement Outcome	Primary Change Activity	Secondary Change Activity	Measures	Baseline	17/18	18/19	19/20	Who will do it	Customer Experience	Staff Experience	Best Use of Resources
	'business facing activity'	locality plan areas	tourism sector and in localities								
We will increase the % of team members who are fully aware of what is discussed at Economic Development, CH&I SMT.	"10: 2 Cascade Briefing"	A clear summary note with context to the actions is written up and shared with the service after each SMT meeting. Full information/ understanding of the work delivered across the service/ Council	% of team members awareness increased		100%	100%	100%	Managers/ Team Leaders		X	
We will ensure that staff are confident to report matters of concern to management	Officers have a channel to raise any queries or concerns and have a mechanism that ensures their concern is considered and responded to.	All officers have 121s with line managers where they can express concerns (2-4 week frequency)	% of team members saying they feel able to report matters of concern to management		100%	100%	100%	Line Managers		X	
We will increase officers' role in driving innovation and transformation at team ,service and corporate levels	Increased communication between officers, teams and services of the work that we do. Increased awareness of the services we deliver and improvements	Programme of 'Lunchtime Seminars' to present key topics, and at quarterly service meetings Promote Ideas Hub utilisation	% of staff agreeing that they are encouraged to think of ways to improve the service we deliver		100%	100%	100%	ALL	X		X

Improvement Outcome	Primary Change Activity	Secondary Change Activity	Measures	Baseline	17/18	18/19	19/20	Who will do it	Customer Experience	Staff Experience	Best Use of Resources
	Environment that encourages a non-personal supportive discussion among colleagues of how we do work and how we might make it better.										
Team recognition for its professional, well-motivated staff	We will embed the transformation programme within all our people We will ensure that our people are not restricted in their project work across aspects of the service delivery	Officers will work across projects to improve their expertise in other areas of the service We will increase the number of staff working in other corporate areas/projects	# of staff working on transformation programme work packages – directorate/ other directorates	None	3	5	5	Head of Service/ ECMT	X		X
We will increase the % of staff who have a clear understanding of the aims and objectives of the council by ensuring that the golden thread is articulated in all PR&Ds and 1:1 records	We will encourage continuous improvement through mentoring, peer support and access to experiential learning through networks and attendance at key events	All colleagues to have an active PR&D in place for 2017-18 by end March 2017	% of staff that have a clear understanding of the aims and objectives of the Council		100%	100%	100%	ALL Line managers		✓	

4 Resources

4.1 Revenue Budget 2017/18

Directorate	Budget 2017/ 18 £'000	Outturn 2017/ 18 £'000	Variance to 2016/17 Budget £'000	Draft Budget 2017/18 £'000
Head of Economic Development	3,700	3,700	0	3,700
Total	3,700	3,700	0	3,700

Commentary on Revenue Budget

The revenue budget includes staff and non-staff budgets. It is aligned under the following service areas:

- Inward Investment
- Business Support
- Projects
- Enabling activity

Head of Economic Development	Budget 2017/18 £'000	Outturn 2017/18 £'000	Variance to 2017/18 Budget £'000
Staff Costs	1,625	1,625	0
Premises Costs	22	22	0
Administration Costs	57	57	0
Transport Costs	247	247	0
Supplies & Services	1,628	1,628	0
Commissioning Services	2,005	2,005	0
Other Grant-Reimburse-Contrib.	(744)	(744)	0
Recharges To Other Heads	(615)	(615)	0
Other Income	(524)	(524)	0
Total	3,700	3,700	0

Common Good Budget	Budget 2017/18 £'000	Outturn 2017/18 £'000	Variance to 2017/18 Budget £'000	Draft Budget 2018/19 £'000
Head of Economic Development	528	528	0	444

4.2 Capital requirements

Economic Development - Non Housing Capital Plan (2017/2018)

- City Centre Regeneration (Union Terrace Gardens, Broad Street Improvements, Union Street) - £11.4m
- New Aberdeen Exhibition and Conference Centre - £131.8m
- New Aberdeen Exhibition & Conference Centre Anaerobic Digestion Plant - £ 4.0m
- City Deal: Strategic Transport Appraisal – £0.495m
- City Deal: Aberdeen Harbour Expansion Project - £1.5m
- City Deal: Digital Infrastructure - £1.75m
- Joint Initiative for Vehicle Expansion (JIVE) project – £2.5m (approved in principle)

4.3 Asset Management

Asset Demand

N/A

Current Asset Summary

See above – work with Land & Property Assets on s strategy for the Councils' industrial portfolio, and which assets could have a role in development projects/ priorities eg existing AECC site, CCMP, Aberdeen Harbour Development Framework

Gap Analysis

See above – review will identify gaps and a strategy going forward on key assets to deliver the Council's priorities

4.4 Workforce Planning

Introduction

In order to deliver our business strategies and improvement plans we need a workforce that is “*capable, confident, skilled, motivated and engaged*”. Planning for how we will have a workforce that meets this profile is paramount and requires a commitment to attract, develop, retain and recognise talented and motivated employees with the right behaviours who are aligned with our vision and values. To successfully workforce plan, we need to forecast future gaps between demand and supply of critical talent, and have effective strategies and activities in place to bridge those gaps. It is a continuous process of shaping our workforce to ensure it is capable of delivering service and organisational objectives both now and in the future.

Factors that influence our workforce planning

We recognise that the future shape of our workforce, and the many workforce challenges we face in terms of supply and demand, will be influenced by a range of internal and external factors and change themes (e.g. the external market and competition, political and legal changes, changing demographics, society and technological advances). For example, the impact of Brexit; impact on the local employment market of the falling oil price; the changing employment demands of the workforce; ageing population and reduced fertility rate; cuts in external funding with increased demand for services; and the need to modernise and transform how we do business (e.g. impact of our Being Digital Strategy).

Focus on succession planning

The most effective way to meet these workforce challenges is to develop strong succession plans to help us attract people with the knowledge, skills and abilities we need, retain key employees, develop our existing teams and prepare suitable replacements internally through a variety of learning and development activities. Succession planning therefore underpins our workforce planning.

How we will succession plan

Our plans for succession will:

- support **service continuity** when key people leave
- help us to **attract** people with the skills, qualifications, knowledge, abilities we need as well people with the right cultural/motivational fit
- demonstrates an understanding of the need to have the **right number and type** of people to achieve strategic plans

- help us to **retain key employees** and give our staff the future **skills** they'll need
- develops **career paths** for employees which will help us to recruit and retain high potential, top performing people
- prepare **suitable ready replacements** internally through a variety of learning and development activities
- give us a reputation as an employer that invests in its people and provides opportunities and support for advancement (making the Council an '**employer of choice**')

Our focus is on developing succession plans for key occupational groups within our workforce i.e. business critical, hard to fill posts. In the following sections, we have identified the occupations that fall into this category, the supply and demand issues these occupations face and the strategies, plans and activities that have been put in place to address these issues.

Our business critical/hard to fill occupations

Service	Business critical/hard to fill occupations
<i>Economic Development</i>	<i>Head of Service</i> <i>Service Managers</i> <i>Team Leaders / Economic Advisor</i> <i>Senior Project Officers</i> <i>Project Officers</i>

Succession planning actions

What are the issues?*	What we're experiencing	What are our plans?
Age profile – indicates an ageing workforce	There is a slightly older profile amongst the team leader cohort which could, in the medium-long term, result in VSER or standard retirements and therefore vacancies.	TBC pending outcome of VSER process and assimilation of events and promotion team into the service. May be opportunity for limited restructure to accommodate changes?

What are the issues?*	What we're experiencing	What are our plans?
Resourcing – High vacancy rates and number of leavers	Vacancy rates have reduced in recent months but there are still a number of posts that are proving difficult to fill and the tendency to appoint from within the service, whilst good for ongoing development of staff, can result in more significant gaps elsewhere.	Continued monitoring of vacancy rates, churn and promotions/appointments from within the service and wider implications of this.
Recruitment – difficulties in attracting candidates and recruiting staff	There are ongoing difficulties in attracting applications from people with the skills and experience required.	See above. Smarter advertising and using networks to promote opportunities.
Retention – Issues relating to retaining talent and planning for potential leavers	Retention of new staff is a priority given the difficulties we experience with recruitment in the first place.	Ensure new colleagues, in particular, are effectively supported both by line managers and through learning and development. Ensure structured work programmes and effective line management support.
Future skills – New skills, knowledge and competencies required in the future	We particularly require people with private sector and/or commercial experience, both in terms of project management but also in terms of negotiating and securing investment deals. Strong networking and facilitation skills are also important. The significance of strong digital skills should not be underplayed, particularly in terms of web development and social media.	Use PR&D process to identify learning and development needs and career ambitions. Where possible, respond positively to these. Ensure that experiential opportunities (i.e. conferences, mentoring) are offered fairly across the service.
Talent pool – building a talent pool to	HR priority	HR lead

What are the issues?*	What we're experiencing	What are our plans?
<p>enable staff to fill vacancies quickly</p> <p>Potential to advance – identifying potential to move at least one level above current position as well as potential to expand scope and ability</p>	<p>Expanding scope is difficult when colleagues are already experiencing heavy workloads. The ability for colleagues to work across the service and support each other at 'pinch points' in the cycle is not being realised due to workload pressures. Generic job descriptions were introduced to enable more cross service working but this hasn't happened to the extent envisaged to date.</p>	<p>Use PR&D process to understand career ambitions and set realistic and meaningful objectives with colleagues. Enable shadowing/mentoring where feasible. Encourage wider organisational exposure (i.e. through corporate initiatives, transformation programme; Committee meetings).</p>

5. Assessment of Risks

This section will summarize the high level risks which could prevent the Service delivering its Service Improvement Plan.

Service Delivery Area	Risk Category *	Risk Description	Risk Severity	Risk Owner	Controls & Mitigation
Economic Development	Customer/citizen	Economic output stagnates or declines in certain sectors	Medium	Richard Sweetnam	Regional Economic Strategy and associated Economic Development Service Plans / partner plans are stress-tested and refreshed against new context City Region Deal Joint Committee develops work-stream around mapping and monitoring investment across the area and supports the release / implementation of investment plans where possible
	Customer/citizen	Sufficient growth to mitigate stagnation / decline is not delivered, contributing to widening economic inequality	Medium	Richard Sweetnam	Continue to lobby for devolution of key growth powers / resources to cities Support diversification / export ambitions through targeted international trade activity Development and implementation of the inward investment plan for the region
	Reputation	Reputational damage for the Council and its partners	High	Richard Sweetnam	Deliver key projects to time / budget Governance – each project has a Board, that reports into the Council’s Strategic Capital Review Group and relevant Committee
	Financial	Projects are not delivered to projected budget	High	Richard Sweetnam	Governance – each project has a Board, that reports into the Council’s Strategic Capital Review Group and relevant Committee. The composition of the Board is drawn from heads of

Service Delivery Area	Risk Category *	Risk Description	Risk Severity	Risk Owner	Controls & Mitigation
					service from economic development, finance, legal, supported by the Council's Programme Management Office
	Customer/citizen; reputation	Economic opportunities not realised	High	Richard Sweetnam	Council understands and maximises use of the levers that are within its existing jurisdiction / control. Authority is delegated to the most appropriate / effective level for agile and flexible decision-making
	Reputation	Investment put at risk if confidence in the Aberdeen economy / partnerships declines	High	Richard Sweetnam	Continue to develop innovative investment solutions (i.e. the Aberdeen Bond) in the context of a wider Investment Plan for Aberdeen Participation in external partnerships – political and civic leadership

- Customer / Citizen; Employee; Legal and Regulatory; Property; Financial; Reputation

5.1 Health & Safety Plan

General Protocol:

- Staff carry the mobile phones which they have been provided with when conducting site visits or attending meetings away from the office
- Outlook - officers enter the intended time of absence in their Outlook Diary together with a list of places to be visited
- In all cases if an officer has any concern for their safety they should terminate their visit and discuss with their Line Manager alternative arrangements.
- Staff undertaking overseas work are required to complete an “Overseas Travel” risk assessment.

Matrix - Key: S = Severity L = Likelihood R = Remaining risk rating

What has the potential to cause harm (hazards) and what harm might result	Who and how many people might be at risk	What are the preventative and protective measures already in place	S	L	R	What further action, if any, needs to be taken to reduce risk	By whom and by what date
Slips and trips – falls resulting in bruising or fractures.	Staff and visitors.	<ul style="list-style-type: none"> • General good housekeeping. • All areas well lit, including stairs. • No trailing leads or cables. • Staff keep work areas clear, e.g. no boxes left in walkways, deliveries stored immediately. • Use of suitable storage. • Offices cleaned out 	3	1	3	<ul style="list-style-type: none"> • Reminder to employees to clean spills that present a slip hazard 	

What has the potential to cause harm (hazards) and what harm might result	Who and how many people might be at risk	What are the preventative and protective measures already in place	S	L	R	What further action, if any, needs to be taken to reduce risk	By whom and by what date
		with core hours					
Manual handling of inanimate loads eg. paper, office equipment, PPE etc. – injuries resulting in back / musculoskeletal disorders or pain.	Staff		3	1	3		
Display Screen Equipment – injuries and discomfort to upper body (neck / shoulders / arms / wrists), repetitive strain injury, headaches from poorly designed workstations.	Staff		3	1	3	<ul style="list-style-type: none"> • Bulk deliveries received at reception floor. Boxes and packets of paper carried up to Ground Floor within an individual's capabilities. Less than 10 steps change in level • Minimal lifting by staff. • No significant manual handling of loads (lifting, pulling, pushing, pulling, carrying or moving by hand or bodily force) required to be assessed in line with corporate manual handling guidance. 	

What has the potential to cause harm (hazards) and what harm might result	Who and how many people might be at risk	What are the preventative and protective measures already in place	S	L	R	What further action, if any, needs to be taken to reduce risk	By whom and by what date
						<ul style="list-style-type: none"> Confidential paper bag has upper limit marked and is emptied on a regular basis. Heavy items stored at waist height and at low level. Alternatively, mobile steps used to access files 	
Stress – impact on individual’s health / work performance, team dynamic / and office atmosphere.	Staff	<ul style="list-style-type: none"> Implementation of corporate policies / guidance such as Stress Guidance, Bullying and Harassment Policy, Culture statement. Staff understand what their duties and responsibilities are. Staff prioritise own workload which is reviewed on an on-going basis by Line Managers Open door policy, employees reminded asked to highlight or 	3	1	3	<ul style="list-style-type: none"> Implementation of corporate DSE Policy. DSE assessments completed by competent assessor. Adjustments made to user workstation as recommended. Staff reminded to alternate computer use with other tasks. Staff shown how to adjust chairs etc 	

What has the potential to cause harm (hazards) and what harm might result	Who and how many people might be at risk	What are the preventative and protective measures already in place	S	L	R	What further action, if any, needs to be taken to reduce risk	By whom and by what date
		<p>discuss concerns or issues work related or other that may be impacting on their work performance</p> <ul style="list-style-type: none"> • Issue of employee Stress guidance and stress related training courses. • There is confidential Employee Counselling service and Chaplin service. 					
Fire - smoke inhalation, burns, death in the event of fire.	Staff and visitors.	<ul style="list-style-type: none"> • Completion of Fire Risk assessment in line with corporate Fire Policy and Procedure. Identified actions relayed to appropriate personnel. • Regular fire drills as determined Corporately and maintenance organised on fire detection, alarm system and equipment 	3	1	3	<ul style="list-style-type: none"> • Follow-up identified fire risk assessment actions have been undertaken. 	

What has the potential to cause harm (hazards) and what harm might result	Who and how many people might be at risk	What are the preventative and protective measures already in place	S	L	R	What further action, if any, needs to be taken to reduce risk	By whom and by what date
		through Facilities.					
Lone working – personal injury or ill health from accident or incident.	Staff	<ul style="list-style-type: none"> • Lone working arrangements relayed to staff by line managers • Access to colleagues electronic calendars. • Telephones/ forwarding office phone to enable contact with the office to be maintained. 	3	1	3		
Environmental conditions (hot/cold temperatures, drafts, poor lighting) - uncomfortable working conditions leading to circulatory problems	Staff	<ul style="list-style-type: none"> • Facilities informed of any problems relating to office environment. • Implementation of Smoke Free at Work policy. 	2	3	6		