

ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	20/09/2017
REPORT TITLE	ACC Communications Policy 2017
REPORT NUMBER	OCE/17/018
LEAD OFFICER	Angela Scott
REPORT AUTHOR	Paul Smith

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**1. PURPOSE OF REPORT:-**

- 1.1 To seek committee approval for the implementation of the updated Aberdeen City Council Communications Policy.

**2. RECOMMENDATION**

- 2.1 It is recommended that the committee approve the policy for implementation as attached at Appendix 1.

**3. BACKGROUND/MAIN ISSUES**

- 3.1 The current Aberdeen City Council Communications Policy was introduced following approval by the Finance, Policy and Resources committee in November 2015.
- 3.2 The primary purpose of the policy is to define the Council's approach to communications taking into consideration the relevant regulatory requirements in relation to local government communications.
- 3.3 Since the 2016 bond issue on the London Stock Exchange, Aberdeen City Council has been bound by additional regulatory requirements which include stipulations around external communication in relation to subjects which may impact on the price of the bond.
- 3.4 The revised Communications Policy takes into account these additional regulatory requirements.
- 3.5 The revised policy also includes updates in areas including the approval of external communication which are designed to enhance the operational efficiency of the External and Internal Communications Team.

- 3.6 The draft policy was considered by the Council's Governance Reference Group on 11/07/2017.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 There is a financial cost for each announcement made through the London Stock Exchange (depending on the category of announcement, up to £330 per announcement). The number of announcements will be dependent on the business transacted by the Council, but it is anticipated that on average this will be less than 12 per annum.

#### **5. LEGAL IMPLICATIONS**

- 5.1 The recommendation to approve the revised policy is part of the wider work being undertaken in relation to bond governance and compliance with regulations. Specific updates to the communications policy are in relation to: Regulation (EU) No 596/2014 of the European Parliament and of the Council on Market Abuse; London Stock Exchange; Financial Conduct Authority. The regulations were implemented to improve market integrity and transparency.

#### **6. MANAGEMENT OF RISK**

##### **6.1 Financial**

- 6.1.1 There are no financial risks associated with approving the recommendation to implement the revised policy. However, failure to comply with the regulatory requirements outlined within the policy would pose financial and reputational risks, with the potential for penalties to be imposed on the organisation if a breach occurred. Processes and protocols are already in place to support compliance, therefore the risk is considered low.

In addition, the Council currently has a AA2 credit rating which supports the Bonds. The credit rating agency annually reviews the credit rating and while the financial robustness of the Council will be the prime consideration, the credit rating agency may take cognisance of the communications generated on behalf of the Council. The Communications Policy assists in mitigating the risk that the credit rating is reduced.

##### **6.2 Employee**

- 6.2.1 The policy is designed to provide a clear framework to ensure employees comply at all times with relevant legislation. With an existing policy already in place and established protocols to mitigate the exposure of individual officers, the risk is considered low.

##### **6.3 Customer**

- 6.3.1 The customers are both the citizens of Aberdeen and the investors in the bonds, as such there is a risk to achieving customer satisfaction if information

is not communicated appropriately. If implemented, this policy assists in mitigating that risk.

#### **6.4 Environmental and Technological**

6.4.1 There are no risks associated with the Environmental and Technological categories.

#### **6.5 Legal**

6.5.1 There are no legal risks associated with the recommendation in the report. As stated in relation to financial risks, there are legal risks associated with failure to comply with the provisions within the policy but due to existing processes and protocols these are considered low.

#### **6.6 Reputational**

6.6.1 There are no reputational risks associated with the recommendation in the report. There is the potential to cause damage to the Council's reputation if communications with the public are not handled appropriately. In addition, if the regulatory requirements around the bond are not adopted as part of the revised policy there is a risk that investor confidence is damaged.

### **7. IMPACT SECTION**

#### **7.1 Economy**

7.1.1 Proactive communication is important in meeting the economic development aims of the Council, which support improvement in the local economy to ensure a high quality of life for all people in Aberdeen.

#### **7.2 People**

7.2.1 The Council is committed to communicating clearly and openly with all residents, businesses and organisations in the city to ensure information on services is available and access to services is encouraged for the benefit of all. The Communications Policy is important as a foundation for enhancing engagement with residents and all stakeholders, designed to support quicker and more effective communication with the public.

7.2.3 Staff will benefit from a clearer policy which will support the more efficient use of their time by creating a more efficient approval process. The inclusion of bond implications will also provide guidance to staff, supported by training on the subject, to broaden the skills and knowledge within the team.

#### **7.3 Place**

7.3.1 The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit. Promoting these aims locally, regionally, nationally and internationally is integral to Council communications, which are underpinned

by this policy. Protecting the people and place from harm is also a priority and the policy supports the role of communication in meeting that responsibility.

## **7.4 Technology**

7.4.1 The Council recognises that enabling technology is central to innovative, integrated and transformed public services. The policy applies to the council's digital communication channels, which are continuing to grow and evolve in line with the organisation's commitment to transformation.

## **8. BACKGROUND PAPERS**

N/A

## **9. APPENDIX**

Aberdeen City Council Communications Policy 2017.

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