

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	05 July 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Funding External Bodies and Following the Public Pound Policy Update
<b>REPORT NUMBER</b>	RES/23/215
<b>DIRECTOR</b>	Steven Whyte
<b>CHIEF OFFICER</b>	Jonathan Belford
<b>REPORT AUTHOR</b>	Lesley Fullerton
<b>TERMS OF REFERENCE</b>	1.1.11

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### 1. PURPOSE OF REPORT

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

### 2. RECOMMENDATION(S)

That the Committee:-

- 2.1 approve the updated Following the Public Pound Code of Practice as appended to this report; and
- 2.2 approve the Following the Public Pound Code of Practice to be amended to a Council Policy.

### 3. CURRENT SITUATION

- 3.1 The Following the Public Pound Code of Practice is reviewed and updated on an annual basis to reflect any organisational changes and ensure appropriate governance across the Council's Arms-Length External Organisations (ALEOs).
- 3.2 The current Code of Practice requires to be updated to reflect changes in response to recommendations from recent internal audit reports approved at Audit and Risk Committee.
- 3.3 Under the new subsidy control legislation that came into force on 4 January 2023 all grants paid to external organisations must now be the subject of a subsidy control assessment.
- 3.4 The main changes to the guidance document are as follows:

- The inclusion of subsidy control procedures at Section 6 to ensure that all grants are being assessed accordingly.
- Updated to reflect changes made to payment scheduling and to include debt checks.
- Amended to include a link to the Central Register that is now available to all Council Officers on the Intranet.
- Updated to refer to a central file where all Council Officers should retain the relevant documentation.

3.5 It is intended that the Code of Practice is adopted as a Council Policy and will therefore be considered a key control document that eliminates and reduces risk to the Council and ensures that Council meets its statutory and legislative financial duties.

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

4.1 There are no direct financial implications arising from this report.

4.2 By “Following the Public Pound” the Council demonstrates that there is proper accountability for public funds used in delivering services, irrespective of the means of service delivery.

4.3 The concept of Following the Public Pound applies when the Council agrees to fund external organisations to deliver specified services. Such funding is a significant element of council business and as such millions of pounds are paid to external organisations each year.

4.4 It is therefore important that by following the principles of Following the Public Pound, an appropriate and suitable means of approval of funding is maintained to ensure Best Value.

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

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

#### **6. ENVIRONMENTAL IMPLICATIONS**

6.1 There are no direct environmental implications arising from the recommendations in this report.

#### **7. RISK**

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	There is the risk that the grant is not used to provide the services that it was intended for.	The FtPP Code aids in mitigating the risks with the requirement of regular checks on every grant recipient to ensure compliance	M	Yes
<b>Compliance</b>	If subsidy control legislation is not complied with there is the risk that the grant recipient would have to repay the grant to the Council	Procedures have been established to ensure all grants are being assessed in line with requirements.	M	Yes
<b>Financial</b>	If the procedure is not reviewed and updated, then there is a risk our reducing financial resources are not directed to the correct outcomes.	All staff and Elected Members advised of updated procedure.	M	Yes
<b>Reputational</b>	There is a risk of reputational damage if statutory obligations	The Following the Public Pound Code enhances the council's reputation for accountability in the use of public funds and aids in mitigating the	M	Yes

	are not met, and public funds are misused wasted or lost.	risks posed in providing funding to external organisations		
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## 8. OUTCOMES

<u><a href="#">COUNCIL DELIVERY PLAN 2023-2024</a></u>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>  <u><a href="#">Working in Partnership for Aberdeen</a></u>	The proposals in this report have no impact on the Council Delivery Plan.
<u><a href="#">Aberdeen City Local Outcome Improvement Plan 2016-26</a></u>	
Prosperous Economy Stretch Outcomes	The proposals in the report have no impact on the Local Outcome Improvement Plan.
Prosperous People Stretch Outcomes	The proposals in the report have no impact on the Local Outcome Improvement Plan.
Prosperous Place Stretch Outcomes	The proposals in the report have no impact on the Local Outcome Improvement Plan.
<b>Regional and City Strategies</b>	The proposals in this report have no impact on Regional and City Strategies.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Integrated Impact Assessment</b>	Full impact assessment not required.
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

- 10.1 Audit Risk and Scrutiny Committee, 23 March 2023, Report IA/2303, Following the Public Pound
- 10.2 Audit Risk and Scrutiny Committee, 11 May 2023, Report IA/AC2306, ALEOS Performance and Payments

## 11. APPENDICES

Appendix 1 - Following the Public Pound Policy

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Lesley Fullerton
<b>Title</b>	Finance Operations manager
<b>Email Address</b>	lfullerton@aberdeencity.gov.uk
<b>Tel</b>	01224 067157