

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	5 November 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Funding External Bodies and Following the Public Pound Policy Update
REPORT NUMBER	CORS/24/304
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Lesley Fullerton
TERMS OF REFERENCE	1.1.11

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 policy guidance.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 approve the updated Following the Public Pound guidance as appended to this report as Appendix 1;

3. CURRENT SITUATION

- 3.1 The Following the Public Pound Code policy and guidance 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 policy guidance 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 if they are determined to be a subsidy. Further information has been added regarding Minimal Financial Assistance and its requirements.
- 3.4 The main changes to the guidance document are as follows:

- The inclusion of further information on the minimal financial assistance subsidy within the subsidy control procedures at Section 6 to ensure that all requirements are met.
- The inclusion of a section on PREVENT to comply with Internal Audit recommendation.
- The inclusion of a section on Fair Work First to comply with Scottish Government guidance.
- Checklists have been updated to require a copy of the Bank Statement to be provided in order to comply with an internal audit recommendation.

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?

Strategic Risk	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
Compliance	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
Financial	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
Reputational	There is a risk of reputational damage if statutory obligations are not met, and public funds are misused	The Following the Public Pound Code enhances the council's reputation for accountability in the use of public funds and aids in mitigating the risks posed in providing funding to external organisations	M	Yes

	wasted or lost.			
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8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	The proposals in this report have no impact on the Council Delivery Plan.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</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.
Regional and City Strategies	The proposals in this report have no impact on Regional and City Strategies.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	No assessment required. I confirm this has been discussed and agreed with Jonathan Belford, Chief Officer Finance on 14 October 2024.
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

- 10.1 Audit Risk and Scrutiny Committee, 12 February 2024, Report IA/2409, Assurance Review of Covid 19 spend

- 10.2 Audit Risk and Scrutiny Committee, 27 June 2024, Report IA/AC2419, Assurance Review of PREVENT
- 10.3 Scottish Government Fair Work First Guidance

11. APPENDICES

Appendix 1 - Following the Public Pound Policy

12. REPORT AUTHOR CONTACT DETAILS

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