

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 1 February, 2011 – minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present: Councillor Kevin Stewart, Convener; Councillor Yuill, Vice Convener; and Councillors Clark (as substitute for Councillor Dean for article 11, for Councillor Fletcher for articles 33 and 34 and as local member for article 3), Collie (as substitute for Councillor Crockett for articles 32 and 33), Cormack, Crockett (for articles 1 – 31 and 34 – 35), Dean, Dunbar, Farquharson, Fletcher (for articles 1 – 32 and 35 – 45), Graham, Kiddie, Laing, Leslie (as substitute for Councillor Cormack for article 11), McCaig, Penny (as substitute for Councillor Fletcher for article 11), John Stewart (as substitute for Councillor Leslie for articles 1 – 32 and 34 – 45), John West and Young (as substitute for Councillor Cassie).

1 DETERMINATION OF EXEMPT ITEMS OF BUSINESS

The Convener proposed that the Committee consider those reports identified on the agenda as being for determination in private, with the press and public excluded.

Councillor Graham, seconded by Councillor Laing, moved as a procedural motion:
that item 14.1 of the agenda (Land at Pitmedden Road, Dyce), be considered with the press and public in attendance.

On a division, there voted: for the procedural motion (4) – Councillors Crockett, Graham, Laing and Young; against the procedural motion (11) – the Convener, the Vice Convener, and Councillors Cormack, Dean, Dunbar, Farquharson, Fletcher, Kiddie, McCaig, John Stewart and John West.

Councillor Graham, seconded by Councillor Laing, moved as a further procedural motion:

that item 14.8 of the agenda (132 Wellington Road, Aberdeen), be considered with the press and public in attendance.

On a division, there voted: for the procedural motion (4) – Councillors Crockett, Graham, Laing and Young; against the procedural motion (11) – the Convener, the Vice Convener, and Councillors Cormack, Dean, Dunbar, Farquharson, Fletcher, Kiddie, McCaig, John Stewart and John West.

The Committee resolved:-

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting from item 11.1 of the agenda (article 33 of this

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minute) onwards so as to avoid disclosure of information of the class described in the following paragraphs of Schedule 7(A) to the Act: article 33 (paragraphs 6 and 9), article 34 (paragraphs 4 and 6), article 35 (paragraph 8), article 36 (paragraph 6), article 37 (paragraph 6), article 38 (paragraph 9), article 39 (paragraph 9), article 40 (paragraphs 6 and 9), article 41 (paragraphs 6 and 9), article 42 (paragraph 9), article 43 (paragraph 6), article 44 (paragraph 9); and article 45 (paragraphs 6 and 9).

2 ORDER OF AGENDA AND REQUESTS FOR DEPUTATION

The Convener advised (1) that item 9.1 of the agenda (Compulsory Purchase Order – A96 Park and Choose Car Park – Dyce Drive Link Road) had been withdrawn from the agenda as officers had not had sufficient time to draft the Compulsory Purchase Order for approval on this day; and (2) that in terms of Standing Order 22(9), he was tabling an emergency motion to be heard after item 4.1 of the agenda (Motion by Councillor Young).

Three requests for deputation were before the Committee, as follows:

- a request from the Dyce Sports and Leisure Development Trust in relation to item 14.1 of the agenda (Land at Pitmedden Road, Dyce);
- a request from Mr Alfred Elrick in relation to item 14.6 of the agenda (Former Public Toilet and Advertising Site – Great Southern Road); and
- a request from Mr Alan Massie in relation to item 14.7 of the agenda (Pinewood/ Hazledene).

Further to hearing from the Head of Legal and Democratic Services, the Convener proposed that the Committee hear from the Dyce Sports and Leisure Development Trust as the first item of business on this day on the proviso that only the community aspects of the issue be addressed; and do not hear Mr Massie's representative. It was noted that Mr Elrick had withdrawn his request prior to the commencement of the meeting.

The Committee resolved:-

to concur with the proposals of the Convener, and therefore (1) to agree to hear the Dyce Sports and Leisure Development Trust in relation to item 14.1 of the agenda (Land at Pitmedden Road, Dyce) as the first item of business on this day; (2) to not hear a representative on behalf of Mr Alan Massie in relation to item 14.7 of the agenda (Pinewood/ Hazledene); and (3) to note that Mr Elrick had withdrawn his request for deputation.

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3 LAND AT PITMEDDEN ROAD - DYCE - DEPUTATION

With reference to the previous article whereby it was agreed to hear Mr David McGrath on behalf of Dyce Sports and Leisure Development Trust, the Convener invited Mr McGrath to address the Committee.

Councillor Clark also joined the meeting as a local member. Mr McGrath alluded to the fact that officers had shared with him the report which was to be considered by members at a later point in the meeting (article 34 of this minute refers), and advised that the Trust were disappointed at the recommendations contained therein. He suggested that the proposals of the Trust to enhance the sporting facilities available in the north of the city had the support of the Dyce community, the business community and Sport Aberdeen, but that it was imperative that the Council supported the Trust and its aims for any progress to be made on the matter.

The Convener thanked Mr McGrath for his contribution.

The Committee resolved:-

to take Mr McGrath's comments into consideration when considering the officers' report.

4 MINUTE OF PREVIOUS MEETING OF 2 DECEMBER, 2010 - FOR APPROVAL

The Committee had before it the minute of its previous meeting of 2 December, 2010.

The Committee resolved:-

to approve the minute as a correct record.

5 MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE OF 14 OCTOBER, 2010 - FOR NOTING

The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 14 October, 2010.

The Committee resolved:-

to note the minute.

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6 MINUTE OF MEETING OF THE CORPORATE HEALTH AND SAFETY COMMITTEE OF 12 MAY, 2010 - FOR NOTING

The Committee had before it the minute of meeting of the Corporate Health and Safety Committee of 12 May, 2010.

The Committee resolved:-

to note the minute.

7 MINUTE OF MEETING OF THE CORPORATE HEALTH AND SAFETY COMMITTEE OF 27 AUGUST, 2010 - FOR NOTING

The Committee had before it the minute of meeting of the Corporate Health and Safety Committee of 27 August, 2010.

The Committee resolved:-

to note the minute.

8 COMMITTEE BUSINESS STATEMENT

The Committee had before it a statement of pending and outstanding committee business, as prepared by the Head of Legal and Democratic Services.

In relation to item 4 (Leaking of Report), the Head of Legal and Democratic Services advised that she had been in correspondence with Councillor Young, as secretary of the Labour group, who had intimated that the members in question would only agree to be interviewed if all members of the Council would be interviewed. Mrs MacEachran reminded the Committee that only those members who had received paper copies of the agenda for the meeting of 12 November, 2009 had been requested to attend an interview.

On hearing this, the Convener, seconded by the Vice Convener moved:

that the Councillors in question now be referred to the Standards Commission on the grounds of disrespect by members towards the Monitoring Officer (as per the decision of the previous meeting of 17 June, 2010, article 41 refers).

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Councillor Young, seconded by Councillor Crockett, moved as an amendment:

that no action be taken until all members of the Council have been requested to attend an interview with the Head of Legal and Democratic Services or her representative, pertaining to the leaking of the report on the St Nicholas House site (which was considered at the meeting of this Committee of 12 November, 2009, article 35 of the minute of that meeting refers).

On a division there voted: for the motion (11) – the Convener, the Vice Convener, and Councillors Cormack, Dean, Dunbar, Farquharson, Fletcher, Kiddie, McCaig, John Stewart and John West; for the amendment (4) – Councillors Crockett, Graham, Laing and Young.

With reference to item 22 (Officers' Declarations of Interest), the clerk to the Committee advised that he had discussed the matter with the Legal Manager (Policy and Advice Team), who had advised that in her opinion the Standing Order required officers to declare interests in situations where their personal contracts of employment with the Council were under discussion at any meeting.

The Committee resolved:-

- (i) to remove items 1 (105-107 Urquhart Road), 3 (Great Southern Road), 20 (Pay Protection Arrangements Review), 25 (Society of Personnel Directors – Annual Conference), and 33 (Land at Pitmedden Road, Dyce) from the Business Statement;
- (ii) in relation to item 4 (Leaking of Report), to note the update provided by the Head of Legal and Democratic Services, and to therefore refer the relevant Councillors to the Standards Commission on the grounds of disrespect by members towards the Monitoring Officer; and
- (iii) in relation to item 22 (Officers' Declarations of Interest), to note the update provided by the clerk, and to therefore remove this item from the Business Statement.

9 MOTIONS LIST

The Committee had before it the outstanding motions list, as prepared by the Head of Legal and Democratic Services.

The Committee resolved:-

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- (i) in relation to item 1 of the list (Motion by Councillor Jennifer Stewart) to request that a full update be provided at the next meeting of 21 April, 2011 in order for the Committee to take a final decision as to whether to remove this motion from the list or not; and
- (ii) to otherwise note the updates as contained within the list.

10 MOTION BY COUNCILLOR YOUNG, REFERRED FROM THE MEETING OF COUNCIL OF 15 DECEMBER, 2010

With reference to article 22 of the meeting of Council of 15 December, 2010, the Committee had before it a motion in the following terms by Councillor Young:

“This Council congratulates Prince William and Kate Middleton on their Royal engagement and asks the Council to celebrate this joyous event in an appropriate fashion”.

The Committee heard Councillor Young in support of his motion.

The Committee resolved:-

- (i) to instruct officers to look into the possibility of setting up or contributing to a Trust for musically gifted children in the city as a wedding present for Prince William and Kate Middleton, and to report back at the next meeting of 21 April, 2011;
- (ii) to agree that an extra floating day of annual leave should be granted to staff in honour of the occasion, except teaching staff, for whom a separate arrangement would be made; and
- (iii) to otherwise support the motion.

MATTER OF URGENCY

The Convener instructed in terms Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973 and Standing Order 22(9) that the following motion be considered on this day in order that a view could be taken on the matter prior to the Budget meeting of Council of 10 February, 2011.

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DECLARATIONS OF INTEREST

Councillors Cormack, Dean and Fletcher declared an interest in the subject matter of the following article by virtue of their position as members of the Appeals Committee. The Councillors withdrew from the meeting, and were substituted by Councillors Clark, Leslie and Penny for this item of business only.

Councillors Dunbar, Farquharson, Laing and McCaig also declared interests by the same virtue, but chose to remain in the meeting for consideration of the item.

11 VOLUNTARY REDUNDANCIES - EMERGENCY MOTION BY COUNCILLOR KEVIN STEWART

The Committee had tabled before it a motion in the following terms by the Convener:

“that this Committee recommends to Council that in light of the Scottish Government’s announcement that councils will receive flat cash settlements at the same level as proposed in the draft budget for 2011/12, up to 2014/15, that officers be instructed to pursue six hundred voluntary redundancies; and also to invite officers on over £50,000 per annum to consider accepting a 5% pay cut on a voluntary basis, in line with what has already been accepted by administration Conveners and Vice Conveners”.

The Convener spoke to his motion and explained that in his opinion there was now scope to offer members of staff voluntary redundancy, which would be preferable to compulsory redundancies taking place. He continued by stating that figures had been worked up showing a better financial position and his conclusion was that seeking voluntary redundancies was now affordable, achievable and desirable.

The Convener moved his motion as detailed above, and was seconded by Councillor McCaig.

Councillor John Stewart, seconded by Councillor Leslie, moved as an amendment:

that the Committee notes both the UK Government’s spending plans and the Scottish Government’s indicative budgets for future years, and instructs officers to report on the implications of these to the Budget meeting of Council on 10 February, 2011.

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Councillor Farquharson, seconded by Councillor Penny, moved as a second amendment:

that the Committee recommends to Council that in light of the Scottish Government's announcement relating to enhanced cash settlements for the budget years from 2011/12 up to 2014/15, it agrees that Council officers be instructed to negotiate with the relevant trades unions with a view to agreeing a mechanism for meeting the Council's target of six hundred to nine hundred redundancies through a combination of voluntary and compulsory redundancy; and further to recommend to Council that the redundancy payments be similar for both categories of redundancy, and that the level of settlement is in excess of the statutory minimum amount, but is affordable in terms of the Council achieving a balanced budget.

Councillor Graham, seconded by Councillor Young, moved as a third amendment:

that the Committee (a) recommends to Council that the threat of wholesale compulsory redundancies be withdrawn; (b) instructs that urgent meetings be set up with representatives of the Council's workforce in order to negotiate an acceptable compromise centred on the principle of voluntary redundancy; and (c) instructs officers to provide the Council with the appropriate costed background papers, based on the outcome of the meetings with staff representatives, as part of the budget process.

At this juncture, the Convener intimated (1) that he would be willing to incorporate Councillor Graham's amendment into his motion; and (2) that he would also be willing to withdraw the final part of his motion ('to invite officers on over £50,000 per annum to consider accepting a 5% pay cut on a voluntary basis, in line with what has already been accepted by administration Conveners and Vice Conveners'). Councillor Graham therefore withdrew his amendment.

On a division between the amendment by Councillor Farquharson and the amendment by Councillor John Stewart, there voted: for the amendment by Councillor Farquharson (2) – Councillors Farquharson and Penny; for the amendment by Councillor John Stewart (13) – the Convener, the Vice Convener, and Councillors Clark, Crockett, Dunbar, Graham, Kiddie, Laing, Leslie, McCaig, John Stewart, John West and Young.

On a division between the motion and the amendment by Councillor John Stewart, there voted: for the motion (9) – the Convener, and Councillors Crockett, Dunbar, Graham, Kiddie, Laing, McCaig, John West and Young; for the amendment by

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Councillor John Stewart (5) – the Vice Convener, and Councillors Clark, Leslie, Penny and John Stewart; declined to vote (1) – Councillor Farquharson.

The Committee resolved:-

to approve the successful motion as follows:

- (i) to recommend to Council that in light of the Scottish Government's announcement that councils will receive flat cash settlements at the same level as proposed in the draft budget for 2011/12 up to 2014/15, officers be instructed to pursue six hundred voluntary redundancies;
- (ii) to recommend to Council that the threat of wholesale compulsory redundancies is withdrawn;
- (iii) to instruct that urgent meetings be set up with representatives of the Council's workforce in order to negotiate an acceptable compromise centred on the principle of voluntary redundancy; and
- (iv) to instruct officers to provide Council with the appropriate costed background papers, based on the outcome of these meetings, and that these papers be presented to elected members as part of the budget process.

12 CAIRNFIELD COMMUNITY CENTRE - REFERRED FROM THE MEETING OF THE HOUSING AND ENVIRONMENT COMMITTEE OF 12 JANUARY, 2011

Reference was made to article 13 of the minute of meeting of the Housing and Environment Committee of 12 January, 2011, at which time the former Cairnfield Community Centre had been declared surplus to the requirements of the Service, and officers had been instructed to obtain the First Minister's approval for the future sale of the property, and authorised to market the property for sale on the open market, following such approval. The Committee had before it on this day, the report as presented to the Housing and Environment Committee, and the relevant minute extract. It was noted that a report would be submitted to the appropriate meeting of this Committee detailing any offers received in due course.

The Committee resolved:-

to note the information.

13 THE ESTATE OF THE LATE MRS LORNA DOREEN RUSSELL (H&E/10/181)

Reference was made to article 27 of the minute of meeting of the Housing and Environment Committee of 12 January, 2011 whereby a report was considered

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pertaining to a bequest (which included share certificates) which had been made to the City of Aberdeen District Council, or its successor authority, for the purposes of extending, improving or otherwise refurbishing the part of the Duthie Park known as the Winter Gardens or alternatively for providing further facilities at the said park.

At the aforementioned meeting, it was agreed, amongst other things, to refer the matter of the timing of the sale of shares to this Committee, and to request that it delegates authority to the Head of Finance, in conjunction with the Head of Legal and Democratic Services, to take advice as necessary, make decisions, and action the sale of any or all of the shares pertaining to the bequest at a time they deem appropriate. The Committee had before it on this day the relevant minute extract from the meeting of the Housing and Environment Committee.

The Committee resolved:-

to delegate authority to the Head of Finance, in conjunction with the Head of Legal and Democratic Services, to take advice as necessary, make decisions, and action the sale of any or all of the shares pertaining to the bequest at a time they deem appropriate.

14 INVESTMENT IN VEHICLE FLEET - EPI/11/040

Reference was made to article 28 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 18 January, 2011 at which time that Committee had considered a report by the Director of Enterprise, Planning and Infrastructure which highlighted the requirement for the Council to address the consequences of a lack of investment in its vehicle fleet and plant, and detailed options for the way forward. The Enterprise, Planning and Infrastructure Committee had agreed (1) to approve the strategic approach to modernise the fleet in order to bring its age profile down to manageable levels; and (2) to recommend to this Committee that it instruct the Service to investigate, with the Central Procurement Unit, alternative means of financing the required investment through revenue expenditure and the selection of the most cost effective option.

The Committee had before it on this day a copy of the report as approved by the Enterprise, Planning and Infrastructure Committee at the aforementioned meeting.

The Committee resolved:-

to instruct the Enterprise, Planning and Infrastructure Service to progress with the Central Procurement Unit (1) to investigate alternative means of financing the required

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investment through revenue expenditure; and (2) to select the most cost effective option.

15 CAR PARKING CHARGES 2011 - 2013 - EPI/11/038

Reference was made to article 30 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 18 January, 2011 at which time members had considered a report by the Service Director, and agreed, amongst other things and subject to the approval of this Committee (1) to approve the revised car parking charges as set out in option C (detailed within appendix A to the report), with the charges to take effect from 1 April, 2011 or as soon as practicable thereafter and that the revised charge be reviewed in six months; and (2) to approve the setting, under Section 74 of the Road Traffic Act 1991 (as modified) of the levels of charges proposed within the report for the removal, storage, and disposal of vehicles from immobilisation devices fixed under Section 69 of the Act, in relation to the parking area and with immediate effect. The Committee had before it on this day, the report as approved by the Enterprise, Planning and Infrastructure Committee.

The Convener, seconded by Councillor Dean, moved:

that the Committee approves (1) the revised car parking charges as set out in option C within appendix A, with the charges to take effect from 1 April, 2011 or as soon as practicable thereafter; and (2) the setting, under Section 74 of the Road Traffic Act 1991 (as modified) of the levels of charges proposed within the report for the removal, storage, and disposal of vehicles from immobilisation devices fixed under Section 69 of the Act, in relation to the parking area and with immediate effect.

Councillor Crockett, seconded by Councillor Young, moved as an amendment:

that the Committee recommends to Council that no action be taken to revise the car parking charges.

On a division, there voted: for the motion (8) – the Convener, the Vice Convener, and Councillors Dean, Dunbar, Fletcher, Kiddie, McCaig and John West; for the amendment (4) Councillors Crockett, Graham, Laing and Young; declined to vote (1) – Councillor Farquharson; absent from the division (2) – Councillors Cormack and John Stewart.

The Committee resolved:-

to approve the successful motion.

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16 REVENUE BUDGET MONITORING - COST OF PROVIDING SCHOOL MEALS

Reference was made to article 12 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee whereby a discussion had taken place on the forecast spend detailed in the cyclical revenue budget monitoring report by the Service Director and Head of Finance. The report stated that an agreement had been reached with the Education, Culture and Sport Service on the treatment of the cost of providing school meals; and that the full cost of £1,500,000 would revert to the Enterprise, Planning and Infrastructure Service. The Enterprise, Planning and Infrastructure Committee had requested that this Committee consider the accounting oversight that had taken place. The Committee had before it on this day the report as presented to the Enterprise, Planning and Infrastructure Committee, and the corresponding minute extract.

There was a suggestion within the report that £700,000 of the overspend was to be offset against corporate reserves, but at the aforementioned meeting, the Service Director had confirmed that this was a proposal, and had not been approved. With this issue having been raised again, the Head of Finance clarified that the report should have read 'Equal Pay and Modernisation contingencies' rather than 'corporate reserves'. Members alluded to the fact that there were different figures reported at the aforementioned meeting of the Enterprise, Planning and Infrastructure Committee, and the Education, Culture and Sport Committee of 20 January, 2011 (article 6 of the minute of that meeting refers). The Head of Finance advised that this had been due to timing issues associated with reporting to different committees.

The Committee resolved:-

- (i) to instruct the Head of Finance to ensure that the Service Accountants were aware of budget lines which had an impact on more than one Service, and for this to be highlighted in future reports to Committee; and
- (ii) to request that the correct and most up to date information be circulated to all members when it is available.

17 OBSERVATIONS ON EQUALITY AND HUMAN RIGHTS IMPACT ASSESSMENTS IN PRACTICE AT ABERDEEN CITY COUNCIL (CG/10/210)

Reference was made to article 6 of the minute of meeting of the Audit and Risk Committee of 25 January, 2011 at which time that Committee had before it a report by the Director of Corporate Governance which detailed the observations and

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recommendations of the Scottish Human Rights Commission on the Equality and Human Rights Impact Assessments in practice at this Council. The Audit and Risk Committee had (1) endorsed the recommendations of the Scottish Human Rights Commission report; (2) instructed officers to carry out further training and awareness raising that had been identified within the report; (3) instructed the report author and policy makers to participate in this training and awareness raising as required; (4) agreed to contribute to a culture which would promote the impact assessment process as a customer service improvement tool, and continue to prioritise early effective participation and consultation on all policy proposals, in particular on budget saving proposals; (5) instructed the Heads of Service to take a more proactive role in the monitoring and review process of impact assessment outcomes; and (6) referred the report to this Committee and the Corporate Policy and Performance Committee for approval.

The Committee resolved:-

to note and approve the content of report as requested by the Audit and Risk Committee.

18 CORPORATE GOVERNANCE SERVICE PERFORMANCE REPORT - CG/11/007

With reference to article 12 of the minute of meeting of this Committee of 28 September, 2010, the Committee had before it a report by the Director of Corporate Governance which presented information on the progress and performance associated with the Service's implementation of the Corporate Governance Business Plan.

The Committee resolved:-

to note the content of the report.

19 CAPITAL BUDGET PROGRESS REPORT 2010/11- CORPORATE GOVERNANCE SERVICE - CG/11/002

With reference to article 13 of the minute of its previous meeting of 2 December, 2010, the Committee had before it a report by the Head of Finance which provided an update on the progress being made with regard to various projects within the Non Housing Capital Programme, previously approved by Council, which were aligned to the Corporate Governance Service.

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The report advised that the Corporate Asset Group had worked with Services to determine the minimum spend requirement for the year, further to a decision taken at the meeting of this Committee of 28 September, 2010 (article 19 of the minute refers), that the funding for the Non Housing Capital Programme should remain at the previously agreed level.

Appendix A to the report outlined the Non Housing Capital Programme projects which related to this Committee; and provided for each (1) the revised budget; (2) the minimum spend required (as determined by the Service); (3) the actual expenditure to November, 2010; (4) the variance between the actual spend and minimum spend required; and (5) the percentage of spend to date. Comments on particular projects, where appropriate, were included within the narrative.

The report concluded that work had been ongoing in relation to the programme from 2011/12, and officers were of the opinion that it would be difficult to sustain the previously agreed capital position moving into 2011/12 due to a number of factors including (a) reduced capital funding support from the Scottish Government; (b) increasing costs of borrowing; and (c) falling revenue funding.

The Committee resolved:-

- (i) to note the content of the report in relation to the projects outlined at appendix A; and
- (ii) to instruct the relevant officers to work closely with the Corporate Asset Group, and in particular, the Head of Asset Management and Operations and the Head of Finance to review all projects with a view to bringing the programme down to a funded level for 2010/11 and to a more sustainable level for future years.

20 REVENUE BUDGET 2010/11 MONITORING REPORT - CORPORATE GOVERNANCE SERVICE - CG/11/003

With reference to article 13 of the minute of its previous meeting of 2 December, 2010, the Committee had before it a report by the Head of Finance which provided information on the current year's revenue budget to date for the Corporate Governance Service, and advised of any areas of risk and management action being taken in this regard.

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The report advised that there had been a net reduction in costs of £900,000 (3.3%) across the overall current net budget of £28 million. Appended to the report was the Service report and associated notes.

The Committee queried as to how many vacancies were being held across the Service and across the whole Council. The Director undertook to circulate these figures when they were available.

The Committee resolved:-

- (i) to request that the Director advise members of the actual and average number of vacancies held across the each Service of the Council;
- (ii) to note the report and the information on management action and risks that were contained therein; and
- (iii) to instruct officers to continue to review budget performance and report on Service strategies as appropriate.

21 GENERAL FUND REVENUE BUDGET 2010/11 - MONITORING REPORT - CG/11/005

With reference to article 16 of the minute of its previous meeting of 2 December, 2010, the Committee had before it a report by the Head of Finance which advised on the projected outturn and financial position for the Council for the financial year 2010/11 as at November, 2010.

Appendix A to the report provided a financial statement which highlighted that the Council was managing a risk of £2.5 million in relation to the current outturn position varying from budget. The report advised that at this stage officers were content that a balanced budget could be achieved this financial year.

The report outlined the position of each Service as follows:

- The Social Care and Wellbeing Service was still reporting an underspend (of £2.9 million), due mostly to an under commitment of demand led budgets, which was offset in part by a reduction in grant income. It was noted that the demand and needs led nature of the Service posed a constant risk for cost pressures to arise.
- The Housing and Environment Service was taking action to mitigate the cost pressures associated with providing accommodation to those who were homeless; but were still managing a cost pressure of £1,300,000 in this regard.

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- The Enterprise, Planning and Infrastructure Service was predicting an overspend of £3,100,000 arising from (a) winter maintenance operations associated with the extreme weather conditions experienced in the city during November and December, 2010; (b) a shift in budget responsibility for the cost of catering of £1,500,000, with £700,000 of this being offset from equal pay and modernisation contingencies; and (c) a reduction in projected income from fees due to a reduction in architectural and design services.
- There was a small overspend projected for the Education, Culture and Sport Service which was attributed to the costs relating to placing children in residential care and education outwith the city, and to provide cover for teachers in relation to long term sickness absence.

The report concluded that overall corporate budgets were expected to be overspent by £1,100,000; and that Council contingencies were expected to be spent by the end of the year.

The Committee resolved:-

to note the content of the report.

22 NON HOUSING CAPITAL PROGRAMME 2010/11 - MONITORING REPORT - CG/11/006

With reference to article 15 of the minute of its previous meeting of 2 December, 2010, the Committee had before it a report by the Head of Finance which provided an update on the progress across all Services on projects within the 2010/11 Non Housing Capital Programme, as at 31 December, 2010.

Appendix 1 to the report outlined the Non Housing Capital Programme projects which related to this Committee, and provided for each (1) the total approved budget; (2) adjustments and carry forward from 2009/10; (3) the total budget for 2009/10; (4) the minimum amount of spend required for 2010/11 (as determined by the Service); (5) actual spend as at October, 2010; and (6) the estimated budget.

Appendix 2 to the report detailed projects funded from the capital fund, and provided for each (1) the budget; (2) the total spend to date; (3) the underspend or overspend associated with the project; (4) the funding required for the project; and (5) comments from officers where appropriate.

The Committee resolved:-

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- (i) to note the current position on the Non Housing Capital Programme for 2010/11;
- (ii) to instruct the Head of Finance and the Head of Asset Management and Operations to continue to update the Committee, in consultation with the Directors, on the overall position and projected outturn of the Non Housing Capital Programme; and
- (iii) to request that all elected members be circulated the intranet link to the slides that had been presented at the Treasury Management training for members earlier in the day.

23 COMMON GOOD BUDGET 2010/11 - MONITORING REPORT - CG/11/001

With reference to article 17 of the minute of its previous meeting of 2 December, 2010, the Committee had before it a report by the Head of Finance which presented information on the income and expenditure of the Common Good budget for six months to 30 November, 2010, and the estimated outturn for the year.

By way of background the report advised that the approved budget for the Common Good for 2010/11 was £450,000; and the estimated outturn for the year to 31 March, 2011 was £430,000, which was a favourable movement of £20,000 when compared to the budget. A financial statement in this regard was appended to the report.

The report concluded that this gave projected cash balances of £5.3 million as at 31 March, 2010, and explained that the Council had previously adopted an underlying principle that the cash balance should be no less than £4.8 million after adjusting for the Greenfern Development Site, as at 31 March, 2011, utilising the consumer price index as a basis for calculating indicative cash balances.

The Committee resolved:-

- (i) to note the income and expenditure position as at 30 November, 2010 and the estimated outturn for the year; and
- (ii) to note the estimated cash balances as at 31 March, 2011 of £5.3 million, based on current forecasts.

24 YOUTH ACTIVITIES SMALL GRANTS FUND - ECS/11/003

With reference to article 22 of the minute of meeting of its previous meeting of 2 December, 2010 the Committee had before it a report by the Director of Education,

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Culture and Sport which advised of the recommendations of the Youth Activities Grant Funding Group for the fourth round of funding for the financial year 2010/11, which had a closing date of 29 November, 2010.

The report advised that five new applications had been received this round; five recommendations for funding had been made by the Youth Activities Grant Funding Group; that the total sum recommended for approval was £730; and that if the recommendations outlined were approved there would be an uncommitted budget of £856.72 remaining.

Appended to the report were details of the applications received and the recommendations made by the Youth Activities Grant Funding Group.

The Committee resolved:-

- (i) to ratify the recommendations of the Youth Activities Grant Funding Group and to therefore approve funding to the following organisations:

Group Name	Summary of Application	Decision
Grampian Society for the Blind	To ensure volunteers are kept up to date with first aid training, and covered by insurance.	to award £150
Monday Night Angels	To cover the cost of a tutor and ingredients for healthy eating 'Come Dine With Us' evenings.	to award up to £130
Dearest Bangladesh Youth (Youth Group)	To fund the cost of cross cultural and educational events for the group.	to award £150
Minority Young Boys' Community	To fund the cost of cross cultural and educational events for Muslim boys.	to award £150
Minority Young Girls' Community	To fund the cost of cross cultural and educational events for Muslim girls.	to award £150

and

- (ii) to instruct the Director of Education, Culture and Sport to arrange for the funds to be distributed accordingly.

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25 A FRAMEWORK FOR LINKING REWARD TO PERFORMANCE - CG/11/015

The Committee had before it a report by the Director of Corporate Governance which proposed a two phase change to the way in which incremental payments are awarded to staff.

The report reminded members that as a result of an agreement with the trades unions in October, 2010, officers had commenced a review into the rewarding of increments in future years. The report suggested that the changes be implemented in two phases (1) a Local Salary Progression scheme which would link the increment to certain criteria (namely performance, behaviour and attendance); and (2) a performance related pay scheme which would link to the long term objectives of the Council, and would be in place for April, 2012.

In relation to phase two, it was noted that significant consultation would be undertaken with the trades unions, managers and employees to develop this scheme, and that this would then be reported back to this Committee for consideration. When implemented this scheme would supersede the increment arrangements currently in place.

Appended to the report was the policy and procedure document for the proposed Local Salary Progression scheme.

The Committee resolved:-

- (i) to approve the implementation of the Local Salary Progression scheme, and to note that this would change the way in which increments are awarded in future (as per appendix A as attached to the report); and
- (ii) to instruct that work be undertaken during 2011 to build on the basic principles of the Local Salary Progression scheme so that a more developed and comprehensive performance and reward scheme, aligned to Council objectives, and a revised appraisal scheme, is in place prior to 1 April, 2012.

26 EMPLOYEES CODE OF CONDUCT - CG/11/013

The Committee had before it a report by the Director of Corporate Governance which presented a proposed Code of Conduct for employees of the Council.

The report explained that the proposed Code of Conduct had been prepared in response to an Internal Audit recommendation and was based on 'the seven principles

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of public life' as defined by the Nolan Committee in 1995. It was hoped that the Code would provide clarity for both employers and employees as to what constituted acceptable behaviour, but it was made clear that the Code would not attempt to identify situations where the disciplinary policy would apply.

The report advised that teachers and social workers each already had a Code of Conduct, and suggested that the proposed Code would apply to these members of staff in addition to the professional codes.

Appended to the report was the proposed Code, which addressed the areas of (1) conflicts of interest; (2) hospitality and gifts; (3) information and communication technology security; and (4) the rights of employees.

The Committee resolved:-

to adopt the Employee Code of Conduct as appended to the report.

27 REDEPLOYMENT POLICY AND PROCEDURE - REVISIONS - CG/11/014

The Committee had before it a report by the Director of Corporate Governance which proposed that an amendment be made to the current Redeployment Policy and Procedure.

By way of background, the report advised that currently employees who were displaced on either medical or redundancy grounds would receive a thirteen week search period for an alternative suitable post comprising of one week within the employees current Service, followed by twelve weeks across the whole Council; therefore all redeployees currently received twelve weeks' notice of termination of contract regardless of their length of service.

The report proposed that the length of the redeployment search be restricted to the contractual notice period only (subject to a minimum period of four weeks). The report continued to explain that most employees were entitled to one week's notice per year of service up to a maximum of twelve weeks, which would mean that each employee would be entitled to a redeployment search period of between four and twelve weeks. The report further proposed an end to the one week Service search. It was noted within the report that Chief Officers were entitled to a notice period three months, and therefore they would receive a redeployment search period of that length of time.

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Appended to the report was the revised Redeployment Policy and Procedure document.

The report recommended:-

that the Committee approves the revised Redeployment Policy and Procedure, as appended to the report.

The Convener, seconded by the Vice Convener, moved:
that the report's recommendation be approved.

Councillor Young, seconded by Councillor Laing, moved as an amendment:
that the Committee does not approve any changes to the Redeployment Policy and Procedure document, until proper dialogue with the trades unions has been undertaken.

On a division, there voted: for the motion (11) – the Convener, the Vice Convener, and Councillors Cormack, Dean, Dunbar, Farquharson, Fletcher, Kiddie, McCaig, John Stewart and John West; for the amendment (4) – Councillors Crockett, Graham, Laing and Young.

The Committee resolved:-

to approve the successful motion.

28 105 TO 107 URQUHART ROAD - MARKETING - EPI/11/036

Reference was made to article 18 of the minute of meeting of the former Area Committee Central of 19 November, 2008, at which time officers were instructed to develop a planning brief for the property 105 – 107 Urquhart Road, and to report back on this thereafter.

The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which recommended that the property be advertised for sale on the open market.

The Committee resolved:-

- (i) to instruct the Head of Asset Management and Operations to market the property for sale on the open market; and
- (ii) to instruct that a report be submitted to this Committee in due course, detailing the outcome of the marketing exercise.

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29 CAUSEWAYEND SCHOOL AND LODGE - FUTURE USE - EPI/11/035

Reference was made to article 40 of the minute of meeting of the former Resources Management Committee of 25 November, 2008, at which time officers had been instructed to commission a planning brief for Causewayend School and Lodge, and to report back on this thereafter.

The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which provided a synopsis as to the background issues associated with the property, and recommended that the property be advertised for sale on the open market.

The Committee resolved:-

- (i) to instruct the Head of Asset Management and Operations to market the whole site for sale on the open market after the future approval of the Planning Brief by the Development Management Sub Committee has been obtained; and
- (ii) to instruct that a report be submitted to this Committee in due course, detailing the outcome of the marketing exercise.

30 EXTENSION OF TENANTS' CONTENTS INSURANCE CONTRACT - CG/10/206

The Committee had before it a report by the Director of Corporate Governance which advised that authority had been granted by the relevant officers to extend the contract for the tenants' household contents insurance scheme, which provided home contents insurance cover for Council tenants.

By way of background the report advised that the Council had gone out to tender in 2010 in order to appoint a supplier for the provision of contents insurance for Council tenants, but the process had been abandoned due to the specification not identifying that 100% accidental damage coverage was required. The successful bidder in terms of the Council's evaluation criteria only offered 25% accidental damage coverage, but met all of the Council's requirements as specified in the tender documents, and therefore could not be disqualified. A decision was therefore taken to abandon the process, but due to the timescales involved, a contract extension with the current provider was required in order to provide sufficient time to successfully retender.

The Committee intimated its concern at the fact that the specification had not been completed to a satisfactory standard, and suggested that this was not the first time an

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issue like this had occurred. Members requested an assurance that appropriate staff would be provided with training in this regard.

The Committee resolved:-

- (i) to note the position in respect of the implementation of Standing Order 1(6)(b) (Contracts and Procurement), as agreed by the Chief Executive, the Head of Legal and Democratic Services, the Head of Finance and the Head of Procurement; and that a contract extension had been entered into until 31 December, 2011;
- (ii) to instruct that the Council undertakes a formal European Union compliant tender process to appoint a provider for the provision of tenants' household contents insurance for 1 January, 2012;
- (iii) to request that all staff who are expected to deal with tenders and write specifications are trained, in order that they are clear as to what is expected of them; and
- (iv) to instruct that a report be submitted at the meeting of 16 June, 2011, detailing the action that has been undertaken in relation to (iii) above.

DECLARATION OF INTEREST

Councillor Dean declared an interest in the following article by virtue of her home being located in the area where the scheme was being carried out. Councillor Dean withdrew from the meeting prior to the report being considered.

31 UNIVERSAL HOME INSULATION SCHEME - EPI/11/039

The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised the Committee that authority had been granted by the relevant officers to suspend the Contract and Procurement Standing Orders, to allow officers to procure an installation partner in the Council's bid to the Scottish Government for funding to deliver a Universal Home Insulation Scheme in the city.

By way of background the report advised that the Scottish Government had allocated £10 million in 2010/11 for the implementation of Universal Home Insulation Schemes across the country. The objective of these schemes was to reduce carbon emissions and reduce fuel poverty in a large number of households. The report continued to

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explain that an installation partner was required as part of this Council's bid, and due to the short timescales involved between receipt of the invitation to bid for funding and the closing date, the usual procurement procedures could not be followed.

The relevant officers had therefore agreed that Standing Order 1(6)(b) (Contracts and Procurement) could be suspended to allow an installation partner to be procured in line with the timescales set out by the Scottish Government.

The Committee resolved:-

to note the position in respect of the implementation of Standing Order 1(6)(b) (Contracts and Procurement), as agreed by the Chief Executive, the Head of Legal and Democratic Services, the Head of Finance and the Head of Procurement.

Councillor Collie substituted for Councillor Crockett for the following two items of business.

DECLARATIONS OF INTEREST

A number of Councillors declared interests in the subject matter of the following article, but chose to remain as the Boards and organisations in question were established wholly or mainly for the purpose of providing services to the local authority and had entered into a contract (as per paragraph 5.18(2)(i)(d) of the Councillors' Code of Conduct). The declarations were as follows: Councillor Collie due to his position as a Director of Aberdeen Sports Village, Councillor Cormack due to her being a Board member of Aberdeen Performing Arts, Councillor Fletcher due to him being a Board member of AECC, Aberdeen Sports Village, Sport Aberdeen and Castlegate Arts, Councillor John Stewart due to his position as a Director of Transition Extreme, Councillor John West due to his position as a Director of Sport Aberdeen, and Councillor Young due to his position as a Director of Sport Aberdeen.

32 ACCORD CARD - CITIZEN ROLL OUT - CG/10/205

Reference was made to article 20 of the minute of the previous meeting of this Committee of 2 December, 2010, whereby officers were instructed to report back on a rapid roll out of the Accord Card to all citizens of Aberdeen, with the fees and charges

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for the facilities of this Council to be discounted for Accord Card holders; and further, to investigate the possibility of including any partner organisations in this proposed rapid roll out. The Committee had before it on this day a report by the Director of Corporate Governance which provided the details as requested at the aforementioned meeting.

The report advised that the proposed rapid roll out could be achieved by taking a number of steps, namely (1) a Mifare 4k smartcard would be used to minimise card procurement costs; (2) existing systems could be adapted to accommodate this new smartcard type; (3) an electronic 'residents' pass' would be added to the Accord card which the cardholder would use to validate their entitlement to the appropriate charge; (4) the residents' pass would be valid for one year and would have to be renewed annually in person by the cardholder; (5) the locations at which residents could apply for an Accord card and renew their residents' pass would be reviewed to increase the number of available sites; and (6) the National Card Production Bureau would process bulk applications and produce the Accord card. The costs associated with these steps were outlined within the report.

The report further detailed (a) the timeframe associated with the proposal; (b) the services provided by the Council for which there was currently a charge; and (c) information pertaining to the proposal to implement a tiered charging policy for services provided by the Council and for services provided by partner organisations. Appended to the report was further information on the implications of introducing a tiered charging policy.

The Committee intimated its concern that some organisations were under the impression that the Council would be imposing fees, and requested that officers make it clear to all relevant organisations that this would not be the case.

The Committee resolved:-

- (i) to instruct officers to investigate a tiered charging policy, and for options on an appropriate revised charging policy for Aberdeen City Council facilities to be reported to the Budget meeting of Council of 10 February, 2011 in order for a decision to be taken in this regard; and
- (ii) to instruct that a progress report be submitted to this Committee every second cycle.

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In accordance with the decision taken at article 1 of this minute, the following articles were considered with the press and public excluded.

DECLARATIONS OF INTEREST

Councillor Yuill declared an interest in the subject matter of the following article by virtue of him residing in a neighbouring property and as a Governor of Robert Gordon's College; Councillors Laing and Young declared interests in the same article by virtue of their positions on the Board of Governors of Oakbank School. All Councillors withdrew from the meeting prior to consideration of the report.

Councillor John Stewart also withdrew from the meeting during consideration of this item. Councillor Clark substituted for Councillor Fletcher for the following two items of business only.

33 PINWOOD/HAZELDENE - EPI/11/041

With reference to article 51 of the minute of its meeting of 28 September, 2010, the Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which advised of developments resulting from the ongoing discussions with all parties having an interest in the future of the Pinewood and Hazledene sites. The report detailed the options now available to the Council, the risks and benefits associated with each option, and an officer recommendation on the preferred way forward.

The report recommended:-

- (I) that the Committee notes –
 - (i) the main issue identified in ongoing discussions with Carlton Rock regarding the renunciation process for these identified sites; and
 - (ii) the content of the advice provided by the Council's external legal advisers Brodies LLP regarding the two alternative options identified in discussions with the Council's tenants for the delivery of land renunciation; and
- (II) that having given full consideration to the benefits and risks of each of these two identified options to the Council, that the Committee instructs officers to either –
 - (a) develop with the assistance of the Council's external legal and property advisors an agreement between the Council and Carlton

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Rock wherein the Council gives a binding undertaking that should any future offer received, subsequent to a managed marketing process, commenced following Carlton Rock's delivery of all required renunciation land, meets or exceeds all criteria agreed prior to marketing commencing, then the Council will be bound to accept such an offer if recommended by officers and external advisors and will not, under the terms of the agreement, be permitted to decline to sell these sites should the Council so choose to do at that future time; **or**

- (b) develop with the assistance of the Council's external legal and property advisors an agreement between the Council and Carlton Rock wherein Carlton Rock provides to the Council a binding undertaking that should the Council enter into a disposal contract with a third party developer, following a managed marketing process and subsequent approval by the Council, then and only then will Carlton Rock be required to procure from the Council's tenant a renunciation of the land which forms part of the existing agricultural tenancy so enabling vacant possession to be offered to the identified developer; **or**
- (c) advise Carlton Rock and Robert Gordon's College that the Council
 - (i) does not intend to commence a managed marketing of these sites at an as yet unascertained date until a renunciation of the required area of land currently subject to an agricultural tenancy has been received by the Council, and
 - (ii) reserves the right, having considered all offers received following any pre approved marketing process and all recommendations from Council officers and external advisors, to accept or decline any/all offers;

and further instructs officers to:

- (d) maintain all current channels of communication with all parties having an interest in this land and report back to Committee at a later date all significant developments; **and**
- (e) continue to develop, in conjunction with the Council's external advisors, a marketing strategy, a tender strategy and a joint working agreement with Robert Gordon's College for subsequent submission and approval by Committee as soon as practicable.

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With all members agreeing to approve recommendations (I)(i), (I)(ii), (II)(d) and (II)(e) the Convener proposed that Standing Order 12 be suspended in order to allow the Committee to divide firstly between options (II)(a) and (II)(b), and then secondly between the preferred option in this regard and option (II)(c). The Committee agreed to this course of action.

On a division between option (II)(a) and option (II)(b), there voted: for option (II)(a) (5) – the Convener, and Councillors Clark, Collie, Dean and Graham; for option (II)(b) (0); declined to vote (6) – Councillors Cormack, Dunbar, Farquharson, Kiddie, McCaig and John West; absent from the division (4) – the Vice Convener, and Councillors Laing, John Stewart and Young.

On a division between option (II)(a) and option (II)(c), there voted: for option (II)(a) (4) – Councillors Clark, Collie, Dean and Graham; for option (II)(c) (7) – the Convener, and Councillors Cormack, Dunbar, Farquharson, Kiddie, McCaig and John West; absent from the division (4) – the Vice Convener, and Councillors Laing, John Stewart and Young.

The Committee resolved:-

- (i) to note the main issue identified in ongoing discussions with Carlton Rock regarding the renunciation process for these identified sites;
- (ii) to note the content of the advice provided by the Council's external legal advisers Brodies LLP regarding the two alternative options identified in discussions with the Council's tenants for the delivery of land renunciation;
- (iii) to advise Carlton Rock and Robert Gordon's College that the Council (a) does not intend to commence a managed marketing of these sites at an as yet unascertained date, until a renunciation of the required area of land currently subject to an agricultural tenancy has been received by the Council; and (b) reserves the right, having considered all offers received following any pre approved marketing process and all recommendations from Council officers and external advisors, to accept or decline any/all offers;
- (iv) to instruct officers to maintain all current channels of communication with all parties having an interest in this land and report back to Committee at a later date all significant developments; and
- (v) to instruct officers to continue to develop, in conjunction with the Council's advisors, a marketing strategy, a tender evaluation strategy and a joint working agreement with Robert Gordon's College for subsequent submission

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34 LAND AT PITMEDDEN ROAD, DYCE - EPI/10/252

Reference was made to (i) article 3 of this minute; and (ii) article 37 of the minute of the previous meeting of this Committee of 2 December, 2010 whereby members deferred consideration of the report before them, and instructed officers to meet with the Dyce Sports and Leisure Development Trust and local members. The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which provided an update on the situation to date, and proposed a way forward in this regard.

The Committee resolved:-

- (i) to defer consideration of the report until the next meeting of 21 April, 2011; and
- (ii) to request that officers meet the Dyce Sports and Leisure Development Trust's legal advisors in order to progress the situation.

35 EXTENSION OF CONTRACTS - H&E/10/199

Reference was made to article 34 of the minute of meeting of the Housing and Environment Committee of 12 January, 2011, and article 12 of the minute of meeting of the Social Care and Wellbeing Committee of 13 January, 2011, whereby both Committees agreed (1) to approve an extension to the contract of The Richmond Fellowship Scotland (TRFS) until 31 March, 2011 for Care at Home and Housing Support services for people with mental illness and/or learning disabilities, in order to facilitate the entering into of a new contract; (2) to invoke Standing Order 1(6)(b) (Contracts and Procurement), thereby waiving the requirement for a competitive procurement; (3) that a contract for Care at Home and Housing Support services be awarded directly to TRFS for two years, and within this period, for the Council to undertake a procurement exercise for the provision of comparable Care at Home and Housing Support services, in accordance with the requirements of the Public Contracts (Scotland) Regulations 2006; (4) the estimated expenditure in relation to the Care at Home and Housing Support services; and (5) to refer the report to this Committee for consideration of the financial implications. The Committee had before it on this day, the report as presented to the Housing and Environment Committee and the Social Care and Wellbeing Committee and the relevant minute extracts.

The Committee resolved:-

to concur with the recommendations of the Service Committees and to note the financial implications in this regard.

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36 TRADING SERVICES MONITORING - CG/11/012

With reference to article 33 of the minute of its previous meeting, the Committee had before it a report by the Head of Finance which advised on the current positions and updated forecast outturns for the financial year 2010/11 for the Council's trading activities.

Appended to the report were figures that advised on the anticipated full year income and expenditure for each of the services identified by the Council as a significant trading activity under the Local Government (Scotland) Act 2003, with similar information also provided for non significant activities.

The Committee resolved:-

- (i) to note that the forecast outturn to 31 March, 2011 showed a projected overall surplus for the significant trading activities in the order of £6.6 million, compared with a budgeted surplus of £6.8 million;
- (ii) to note that the provisional full year results indicated that the financial objective for each significant trading activity would be achieved, before allowing for the effects of pension adjustments required under the provisions of Financial Reporting Standard number 17 (FRS17), the value of which was unknown at this time;
- (iii) to note that following a previous decision by Committee (article 32 of the minute of meeting of this Committee of 12 November, 2009 refers), a review of the Council's trading activities had been undertaken earlier in 2010 and as a result of this review, the building cleaning and catering services were found to no longer meet the criteria for inclusion as non significant trading activities (article 20 of the minute of meeting of this Committee of 11 May, 2010 refers); and accordingly, that both of these services had been moved to the General Fund for 2010/11; and
- (iv) to note that, whilst there was no statutory requirement for fleet services, as the Council's sole non significant trading activity, to meet the best value financial objective, an overall surplus of £120,000 was currently forecast for the year for this activity.

37 MANAGED DATA CENTRE AND VIRTUAL DESKTOP ENVIRONMENT - CG/11/004

With reference to article 37 of the minute of its meeting of 17 June, 2010, the Committee had before it a report by the Director of Corporate Governance which

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provided an update on the outcome in relation to the procurement of services to provide a managed data centre and a virtual desktop environment, and on progress in relation to the implementation in this regard.

The Committee resolved:-

to note the report.

38 NATIONAL HOUSING TRUST INITIATIVE - H&E/10/096

Reference was made to article 11 of the minute of meeting of Council of 18 August, 2010, at which time members agreed to participate in the National Housing Trust (NHT) procurement, as developed by the Scottish Futures Trust. The Committee had before it a report by the Director of Housing and Environment which provided an update on the initiative and requested authority to enable officers to appoint tenderers into a Framework Agreement from which a mini tendering exercise would then be taken forward.

The report detailed the financial implications associated with this project, and advised of the procurement exercise that had been undertaken. An amended version of the report was circulated at the meeting, further to an evaluation of the tenders having been undertaken by officers.

The Committee intimated its concern at the financial implications, and queried as to whether any financial modelling had been undertaken. Officers confirmed that was the case.

The report recommended:-

that the Committee –

- (i) approves the appointment of Langstane Housing Association, Muir Group and Stewart Milne Group onto the Framework Agreement for the National Housing Trust Initiative;
- (ii) instructs officers to fund the delivery of a maximum of 55 units to a maximum value of £4,879,000;
- (iii) instructs officers to consider the participation in a further phase of the NHT Initiative subject to the Director of Corporate Governance and the Director of Housing and Environment being satisfied that the legal and financial elements of the initiative do not expose the Council to undue risk;
- (iv) agrees that borrowing through the Council's Loan Fund for the scheme be agreed in principle, subject to a maximum of 50 units; and

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- (v) instructs officers to report to future Committee meetings as further decisions are required.

The Committee resolved:-

to approve the recommendations on the proviso that the financial modelling that had been undertaken be shared with the Director of Corporate Governance, the Director of Housing and Environment and the Head of Finance, and in consultation with the Convener and Vice Convener of this Committee, and that they be satisfied that the project is as risk free as the report alluded.

39 JOINT CUSTOMER CONTACT CENTRE BUSINESS CASE - CG/10/203

With reference to article 30 of the minute of its previous meeting of 2 December, 2010, the Committee had before it a report by the Director of Corporate Governance which provided an update on the feasibility of developing a joint customer contact centre at Frederick Street between the Council and Grampian Police.

The report again provided a number of options on the way forward, and appended to the report was a business case on the proposal.

The Committee resolved:-

- (i) to note the progress to date of analysis undertaken as detailed within the outline business case as appended to the report;
- (ii) to approve the start up and initiation of a joint project team consisting of staff from both the Council and Grampian Police, the remit of which will be to review that analysis and validate assumptions made to date; the outcome of this being the refinement of the business case and creation of a joint project initiation document;
- (iii) to instruct that the joint project team report back to this Committee on 16 June, 2011 with a recommendation as to whether to proceed with the development of the Joint Customer Contact Centre;
- (iv) to instruct that work on the joint customer contact centre is undertaken in parallel with the priority based budgeting option for the externalisation of customer services, which would optimise the Council's chances for the best outcome.

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DECLARATION OF INTEREST

Councillor Young declared an interest in the subject matter of the following article as he was a personal acquaintance of one of the partners involved. Councillor Young therefore withdrew from the meeting prior to consideration of the report.

40 PROVISION OF LEASING SERVICES FOR PROPERTIES PURCHASED IN CONNECTION WITH AWPR

The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which requested approval to procure leasing services under a single contract for properties purchased in connection with the Aberdeen Western Peripheral Route (AWPR).

The Committee noted that the length of the contract could not be determined at present due to three legal challenges having been lodged in relation to the AWPR.

The Committee resolved:-

- (i) to instruct officers to undertake an Official Journal of the European Union procurement process for AWPR property leasing services contract;
- (ii) to approve the estimated contract cost range, expected to be between £100,000 and £200,000; and
- (iii) to instruct that an extension be granted to the existing contracts awarded to Mackinnons and Aberdeen Considine until the new single contract has been awarded and in place at an estimated cost of £30,000.

41 FOUR GROUP HOMES – REQUEST TO RENOUNCE LEASES - EPI/11/042

The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised that the charity Inspire wished to renounce four leases they had with the Council prior to the natural termination dates. The report explained that Inspire had relocated residents of the four group homes (the four properties in question), further to a redevelopment programme.

The report advised as to the background of the request; detailed the financial implications for the Social Care and Wellbeing Service of agreeing to the request; set out a number of options for the Committee; and provided an officer recommendation in

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this regard. It was noted that Council at its next meeting would consider declaring the properties (namely 12 Devanha Gardens West, 30 Springfield Avenue, 29 Redmoss Avenue and 20A Loirston Road, Cove) surplus to the requirements of the Social Care and Wellbeing Service.

Appended to the report was correspondence from the Depute Operations Manager at Inspire, setting out the request, and the reasoning behind it.

The Committee highlighted that the current Orders of Reference of the committees of Council were, in instances such as this, impeding the efficient operation of the Corporate Management Group, and requested that officers investigate how this situation could be rectified, and report back thereafter.

The Committee resolved:-

- (i) to approve Inspire's request that the leases for the properties at 12 Devanha Gardens West, 30 Springfield Avenue, 29 Redmoss Avenue and 20A Loirston Road, Cove, be renounced as soon as possible, at which date Inspire's legal liability for property costs would end, but on the condition that before the Council formally concludes the lease renunciations, Inspire settle any outstanding dilapidation liability in terms of the four leases (as detailed at paragraph 5.5 of the report);
- (ii) to instruct that Head of Legal and Democratic Services formally conclude the renunciation of the four property leases, on terms and conditions as are necessary to protect the Council's interests; and
- (iii) to instruct officers to investigate ways of improving the process for declaring properties surplus to Service requirements and disposing of them, and to report back on this in due course.

DECLARATION OF INTEREST

Councillor Graham declared an interest in the subject matter of the following article by virtue of his position as Secretary of Auchmill Golf Course, and withdrew from the meeting prior to consideration of the report.

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42 AUCHMILL GOLF COURSE - EPI/11/034

With reference to article 23 of the minute of meeting of Council of 25 March, 2009 the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided options for the continued occupation of Auchmill Golf Course by the Management Committee of Auchmill Golf Club, from 1 April, 2011.

The Committee queried as to why a long term lease could not be pursued at this time, and were provided with a detailed response from officers in this regard.

The Committee resolved:-

- (i) to instruct officers to grant a further one year Licence to Occupy to the Management Committee of Auchmill Golf Club, to allow them to continue to run and maintain the golf course until the Council is in a position to grant a long term lease;
- (ii) that the annual rent for the site of the clubhouse remains at the current rate until the next rent review; and
- (iii) to instruct officers to report back if there is any change in circumstances in the meantime.

DECLARATION OF INTEREST

Councillor Dean declared an interest in the subject matter of the following article by virtue of her position as a Board member of NHS Grampian, but chose to remain in the meeting as NHS Grampian was a devolved public body (as set out in paragraph 5.18(2)(i)(a) of the Councillors' Code of Conduct).

43 FREDERICK STREET DEVELOPMENT SITE

With reference to article 12 of the minute of meeting of the former Area Committee Central of 4 April, 2009, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update on the proposed sale of the Frederick Street development site to NHS Grampian.

The report provided a synopsis as to the background issues and detailed the current position of the Council and NHS Grampian.

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The Committee resolved:-

to note the report.

44 FORMER PUBLIC TOILET AND ADVERTISING SITE GREAT SOUTHERN ROAD – PROPOSED SALE - EPI/11/046

With reference to article 33 of the minute of its meeting of 12 November, 2009, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised of progress that had been made in relation to the ongoing negotiations for the sale of an area of ground on Great Southern Road.

The report outlined the detailed discussions that had taken place with the owner of the neighbouring property, Mr Elrick, and highlighted the areas of agreement and the areas of contention in this regard.

Members intimated their concern at the considerable officer time that had been invested into this property sale.

The Committee resolved:-

- (i) to note the progress with negotiations and the differing views between Mr Elrick and officers;
- (ii) to approve the disposal of the site to Mr Elrick for £51,000 subject to an appropriate clawback as part of the transaction, with the Council retaining 50% of any future enhanced value;
- (iii) to instruct the Head of Legal and Democratic Services to sell the site on terms acceptable to the Council, including the full clawback position and apportionment; and
- (iv) to instruct that if the terms outlined above are not acceptable to Mr Elrick, that the sale be abandoned.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973 that the Committee consider the following item of business as a matter of urgency on this day in order that the issue could be resolved timeously.

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45 132 WELLINGTON ROAD, ABERDEEN

The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised of the current situation in relation to the lease of the property at 132 Wellington Road, and suggested a way forward in this regard.

At this juncture, the Head of Legal and Democratic Services advised that there had been insufficient time for officers to fully examine the potential State Aid implications for the Council and the tenant.

The Committee resolved:-

to defer consideration of this report to the meeting of Council of 23 February, 2011 in order that the State Aid implications could be fully investigated by officers, and that the Council be advised of the outcome of these investigations in order for a decision to be taken.

- COUNCILLOR KEVIN STEWART, Convener