

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 17 June 2011. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor Kevin Stewart MSP, Convener; Councillor Yuill, Vice-Convener; and Councillors Allan (as substitute for Councillor Laing), Corall (as substitute for Councillor McCaig from article 33), Crockett (articles 1-51), Dean, Farquharson, Fletcher (articles 1-51), Graham, Leslie, May (as substitute for Councillor Kiddie), McCaig (articles 1-32), Reynolds (as substitute for Councillor Cormack), John West and Kirsty West (as substitute for Councillor Dunbar).

The agenda and reports associated with this minute can be located at the following link:
<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=146&MId=1927&Ver=4>

VALEDICTORY

1. As it was the Convener's final meeting as Convener of this Committee, he took the opportunity to thank staff and members for their efforts in getting the Council back to a sound financial position. He continued by stating that he had enjoyed his time in this role, and in his previous role as Convener of the former Resources Management Committee, and felt that members had in the main worked well together, particularly in scrutinising the finances of the Council.

The Vice Convener and Councillors Crockett, Farquharson and McCaig all paid tribute to the Convener on behalf of their political parties, and congratulated him on his recent victory in the Scottish Parliamentary elections, whereby he was appointed as the MSP for the constituency of Aberdeen Central.

DETERMINATION OF EXEMPT ITEMS OF BUSINESS

2. 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.

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 9.1 of the agenda (article 33 of this 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 4 and 6), article 34 (paragraph 6), article 35 (paragraph 6 and 10), article 36 (paragraph 2), article 37 (paragraphs 6 and 9), article 38 (paragraphs 6 and 9), article 39 (paragraphs 6 and 9), article 40 (paragraphs 6 and 9), article 41 (paragraphs 6 and 9), article 42 (paragraphs 6 and 9), article 43 (paragraphs 6 and 9), article 44 (paragraphs 6 and 9); article 45 (paragraphs 6 and 9), article 46 (paragraph 6), article 47 (paragraphs 6 and

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9), article 48 (paragraphs 6 and 9), article 49 (paragraph 9), article 50 (paragraphs 6 and 9), article 51 (paragraphs 6 and 9), and article 52 (paragraphs 6 and 9).

MINUTE OF PREVIOUS MEETING

3. The Committee had before it the minute of its previous meeting of 21 April, 2011.

The Committee resolved:

to approve the minute as a correct record.

MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE

4. The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 16 December, 2011.

The Committee resolved:

to note the minute.

MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE

5. The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 3 February, 2011.

The Committee resolved:

to note the minute.

MINUTE OF MEETING OF THE CORPORATE HEALTH AND SAFETY COMMITTEE

6. The Committee had before it the minute of meeting of the Corporate Health and Safety Committee of 1 December, 2011.

The Committee resolved:

to note the minute.

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COMMITTEE BUSINESS STATEMENT

7. 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 2 (Leaking of Report on St Nicholas House Site), the clerk to the Committee advised that the Head of Legal and Democratic Services had not had any recent correspondence in this regard, but had been in verbal communication with the Standards Commission regarding the direction to be taken.

In relation to item 39 (Corporate Governance Business Case), the Director of Corporate Governance advised that the project was on track, with the Official Journal of the European Union (OJEU) notice having been issued three weeks ago. He advised that there had been a lot of interest, and that a Project Manager had taken up post and was working with his team to keep the project on schedule.

The Committee resolved:

- (i) to remove items 5 (Altens Community Centre and Dyce (Carnegie Hall) Community Centre, 10 (Corporate Asset Management System – Progress), 11 (Grove Lodge), 16 (Future Funding of AECC), 17 (TIF for the City Garden Project), 20 (Pinewood/Hazledene), 22 (Aberdeen Local Development Plan), 32 (Extension of Contracts – Staff Training), and 37 (General Fund Budget) from the Business Statement;
- (ii) in relation to item 14 (Annual Housing and Council Tax Benefit Report), to agree that reports be presented each September, rather than each June, as previously agreed;
- (iii) to note the verbal updates provided on items 2 (Leaking of Report on St Nicholas House Site) and 39 (Corporate Governance Business Case); and
- (iv) to otherwise note the updates as contained within the Business Statement.

MOTIONS LIST

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

The Committee resolved:

- (i) to note that a report would be presented next cycle on item 1 (Motion by Councillor Jennifer Stewart – Defensible Garden Areas);
- (ii) to note that a report was on the agenda in relation to item 3 (Motion by Councillor McCaig – Community Fund) (article 10 of this minute refers), and to therefore remove this item from the list; and
- (iii) to otherwise note the updates as contained within the list.

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0845 NUMBERS - MOTION BY COUNCILLOR REYNOLDS

9. With reference to article 15 of the minute of meeting of Council of 27 April, 2011, the Committee had before it a motion in the following terms by Councillor Reynolds:

‘With the ever increasing number of Aberdeen citizens who use a mobile telephone as against a land line, officers be instructed to bring forward a report as a matter of urgency, to the next appropriate committee, identifying ways in which 0845 numbers used by our services can be replaced with a local number, which will reduce the cost to our citizens’.

The Committee resolved:

to instruct that a report be presented to a future meeting of this Committee addressing the terms of Councillor Reynolds’ motion.

COMMUNITY FUND - MOTION BY COUNCILLOR MCCAIG (CG/11/071)

10. With reference to article 6 of the minute of its meeting of 28 September, 2010, the Committee had before it a report by the Director of Corporate Governance which responded to the following motion by Councillor McCaig:

‘Council recognises the benefits that can be gained from small scale investment in local areas and agrees to investigate the establishment of a city wide ‘community fund’ from which community groups, including community councils, can bid for money from to fund specific projects in their local area; and requests that officers report back on potential funding levels and streams with consideration given to this proposal as an alternative to ward budgets’.

The Committee resolved:

to agree that consideration be given as part of the budget setting process for 2012/13 to establishing a ‘city wide community fund’ from which community groups, including community councils, can apply for funding for specific projects for their area.

HOUSING REVENUE ACCOUNT BUDGET SAVINGS (H&E/11/053)

11. Reference was made to article 15 of the minute of meeting of the Housing and Environment Committee of 10 May, 2011 at which time members agreed £413,000 of savings (subject to the approval of this Committee), in the place of the decision taken at the budget meeting of Council of 10 February, 2011 (article 2 refers) to make £600,000 of efficiency savings from within the management and administration budget. The

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Committee had before it on this day the report as presented to the aforementioned meeting of the Housing and Environment Committee, and the relevant minute extract.

The Committee intimated its disappointment that the Director of Housing and Environment was not available to speak to the report.

The Committee resolved:

- (i) to concur with the recommendations of the Housing and Environment Committee and to note the financial implications accordingly;
- (ii) to instruct that a report be presented to this Committee at its next meeting of 27 September, 2011 detailing progress made with all changes that have been implemented since the budget meeting of Council, and further any financial implications that the changes to the welfare reform system would have on the Service; and
- (iii) to instruct that the Director of Housing and Environment attend the next meeting of this Committee to speak to his report.

COMMUNITY TOILET SCHEME (H&E/11/053)

12. Reference was made to article 30 of the minute of meeting of the Housing and Environment Committee of 10 May, 2011 at which time members requested that a further £30,000 of funding be added to the revenue budget for the Service in order for a community toilet scheme to be established. The Committee had before it on this day, the report as presented to the Housing and Environment Committee, and the relevant minute extract from the aforementioned meeting.

The Committee resolved:

to instruct (1) that the Housing and Environment Service look to fund the £30,000 required from within its own budget, and (2) that a report be presented to the next meeting of this Committee of 29 September, 2011, setting out how officers would achieve this.

ADDITIONAL CHARGES FOR STREET OCCUPATIONS (EPI/11/105)

13. Reference was made to article 33 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 24 May, 2011 whereby members agreed charges for street occupations, subject to the approval of this Committee. Members had before them on this day, the report as approved by the Enterprise, Planning and Infrastructure Committee.

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The Committee resolved:

to concur with the recommendations of the Enterprise, Planning and Infrastructure Committee, and to note the financial implications accordingly.

SCHOOL CATERING SERVICES - MEAL PRICE INCREASES (EPI/11/165)

14. Reference was made to article 15 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 24 May, 2011 at which time members had (1) agreed an increase in the price of a school meal by ten pence per meal from August, 2011; and (2) delegated power to the Head of Asset Management and Operations to determine and apply increases in future years as necessary, to reflect budget decisions, increased costs etc, subject to the charges being benchmarked with other comparable authorities. It was noted that the approval of this Committee was required prior to the implementation of these decisions. The Committee had before it on this day, the report as approved by the Enterprise, Planning and Infrastructure Committee.

The Committee resolved:

to concur with the recommendations of the Enterprise, Planning and Infrastructure Committee, and to note the financial implication accordingly.

26 NETHERHILLS AVENUE - FUTURE USE (SCW/11/039)

15. Reference was made to article 13 of the minute of meeting of the Social Care and Wellbeing Committee of 17 May, 2011 at which time members had declared 26 Netherhills Avenue surplus to the requirements of the Service. The Committee now had before it the report as approved at the aforementioned meeting of the Social Care and Wellbeing Committee, and the relevant minute extract.

Councillor Crockett advised that he was aware of an organisation that may be interested in obtaining this property for community use. Councillor Crockett undertook to contact the appropriate officers to provide further details in this regard.

The Committee resolved:

- (i) to declare the property surplus to the requirements of the Council;
- (ii) to instruct the Head of Asset Management and Operations to commence disposal of the property on the open market;
- (iii) to instruct officers to submit a further report to a future meeting of this Committee detailing any offers received.

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UPDATE ON IMPLEMENTATION OF BUDGET DECISIONS - REDUCE COMMUNITIES TEAM (ECS/11/035)

16. Reference was made to article 10 of the minute of meeting of the Education, Culture and Sport Committee of 2 June, 2011 at which time that Committee agreed, amongst other things, to provide management committees with a transition grant for 2011/12. This decision had been referred to this Committee for consideration of funding for the transition grants. The Committee had before it on this day the report as presented to the Education, Culture and Sport Committee, and the relevant minute extract from the aforementioned meeting.

Members queried as to whether training would be provided to management committees, and officers advised that a comprehensive programme was being rolled out to existing and new centres which was funded through the Education, Culture and Sport Service. Members requested that information in this regard be disseminated to all relevant persons at an early date.

The Committee resolved:

to note that the Director of Education, Culture and Sport had agreed that the funding for the transition grant would come from the Education, Culture and Sport Service budget.

CORPORATE GOVERNANCE SERVICE PERFORMANCE REPORT (CG/11/066)

17. With reference to article 18 of the minute of meeting of this Committee of 1 February, 2011, 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.

BUSINESS PLAN UPDATE - CORPORATE GOVERNANCE SERVICE (CG/11/046)

18. The Committee had before it a report by the Director of Corporate Governance which requested approval for the Corporate Governance Service Business Plan 2011 – 2016.

The Committee resolved:

- (i) to congratulate staff within the Corporate Governance Service for their efforts in reducing the budget by 12%;

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- (ii) to approve the Corporate Governance Service Business Plan 2011 – 2016; and
- (iii) to instruct that quarterly progress reports be presented to this Committee as part of the Corporate Governance performance reporting framework.

UPDATE ON PRIORITY BASED BUDGETING OPTIONS - CORPORATE GOVERNANCE SERVICE (CG/11/074)

19. Reference was made to article 2 of the minute of the budget meeting of Council of 10 February, 2011, whereby officers were instructed to report back on progress made in delivering the transformation options for each Service. The Committee had before it on this day a report by the Director of Corporate Governance Service which provided an update on the implementation of the options pertaining to his Service.

The Committee resolved:

- (i) to request that officers share information regarding the cooperation (or otherwise) of partners in relation to progressing shared services, with the Scottish Parliament's Local Government and Regeneration Committee, and to request that any findings by this committee be relayed back to members in due course; and
- (ii) to note the position to date on the implementation of the Corporate Governance service options.

CAPITAL BUDGET PROGRESS REPORT - CORPORATE GOVERNANCE SERVICE (CG/11/065)

20. With reference to article 15 of the minute of its previous meeting of 21 April, 2011, the Committee had before it a report by the Head of Finance which provided an update on progress made in relation to various projects within the Non Housing Capital Programme, previously approved by Council, which were aligned to the Corporate Governance Service.

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 ensure effective monitoring of the programme going forward.

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REVENUE BUDGET 2010/11 - MONITORING REPORT - CORPORATE GOVERNANCE SERVICE (CG/11/063)

21. With reference to article 16 of the minute of its previous meeting of 21 April, 2011, 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.

The Committee resolved:

- (i) to note the information on management action and risks contained within the report; and
- (ii) to instruct that officers continue to review budget performance and report on Service strategies.

REVENUE BUDGET - MONITORING REPORT - YEAR END (CG/11/069)

22. With reference to article 18 of the minute of its previous meeting of 21 April, 2011, the Committee had before it a report by the Head of Finance which presented the revenue position for the Council since the end of the 2010/11 financial year.

The report recommended:

that the Committee –

- (a) note the positive year end position for the financial year 2010/11;
- (b) note that the draft financial statements for 2010/11 would be presented to the meeting of Council of 29 June, 2011;
- (c) note that the audited financial statements would be presented to the meeting of the Audit and Risk Committee of 20 September, 2011, and thereafter would be presented to Council; and
- (d) instruct that £4,000,000 be returned to corporate contingencies from the Social Care and Wellbeing budget for 2011/12, and that £1,000,000 of this be earmarked for the use of the Social Care and Wellbeing Service if required.

The Convener, seconded by the Vice Convener, moved:

that the report's recommendations be approved; and that in view of the positive outturn as described within the report, officers report back to the appropriate Committee detailing the impact that a one off investment in roads, pavements and lighting of £1,000,000 would have.

Councillor Graham, seconded by Councillor Allan, moved as an amendment:

that the Committee approve recommendations (a), (b) and (c); instruct that £4,000,000 be returned to corporate contingencies from the Social Care and

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Wellbeing budget for 2011/12, and that £2,000,000 of this be earmarked for the use of the Social Care and Wellbeing Service if required; and that, that officers report back to the appropriate Committee detailing the impact that a one off investment in roads, pavements and lighting of £1,000,000 would have.

On a division, there voted: for the motion (11) – the Convener; the Vice Convener; and Councillors Dean, Farquharson, Fletcher, Leslie, May, McCaig, Reynolds, Kirsty West and John West; for the amendment (3) – Councillors Allan, Crockett and Graham.

The Committee resolved:

to approve the successful motion.

NON HOUSING CAPITAL PROGRAMME - MONITORING REPORT (CG/11/068)

23. With reference to article 17 of the minute of its previous meeting of 21 April, 2011, 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 March, 2011.

The Committee resolved:

- (i) to note the pre audit year end position of the Non Housing Capital Programme for 2010/11;
- (ii) to instruct the Head of Finance to report in due course on the audited outturn following completion of the 2010/11 external audit process;
- (iii) to instruct that a continued commitment of £183,000 be held against the capital fund in relation to 'investment in cleaning', in order to complete the project; and
- (iv) to note that the monitoring for the 2011/12 Non Housing Capital Programme will be managed by the Corporate Asset Group and officers from the Enterprise, Planning and Infrastructure Service.

NON HOUSING CAPITAL PROGRAMME - MONITORING REPORT (MONITORING REPORTING PROCESS) (EPI/11/169)

24. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which presented the new monitoring process for the Non Housing Capital Programme, and requested that a number of carry forwards and budget adjustments be approved.

The Committee resolved:

- (i) to approve the recommended carry forward from 2010/11 as per appendix A;
- (ii) to note the revised Capital budget monitoring process, as per appendix B; and

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- (iii) to note that current position of the Non Housing Capital Programme for 2011/12.

COMMON GOOD BUDGET 2010/11 - MONITORING REPORT (CG/11/034)

25. With reference to article 19 of the minute of its previous meeting of 21 April, 2011, 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 as at 31 March 2011, and outlined the forecast status of the cash balances.

The Committee resolved:

- (i) to note the near actual income and expenditure position as at 31 March, 2011; and
(ii) to note the estimated cash balances as at 31 March, 2011 of £5,900,000 based on current forecasts.

TREASURY MANAGEMENT POLICY AND STRATEGY (CG/11/067)

26. With reference to article 20 of the minute of its previous meeting, the Committee had before it a report by the Head of Finance which provided an update on the treasury management activities undertaken during the financial year 2010/11.

The Committee resolved:

- (i) to note the content of the report; and
(ii) to recommend to Council that it notes the treasury management activities undertaken in 2010/11.

YOUTH ACTIVITIES SMALL GRANTS FUND 2010/11 - APPLICATIONS FOR ROUND TWO FUNDING (ECS/11/041)

27. With reference to article 22 of the minute of its previous meeting of 21 April, 2011 the Committee had before it a report by the Director of Education, Culture and Sport which presented the recommendations of the Youth Activities Grant Funding Group for the second round of funding for the financial year 2011/12, which had a closing date of 28 April, 2011.

The Committee resolved:

- (i) to approve funding to the following organisations:

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Group Name	Summary of Application	Decision
African Women's Group	To purchase equipment to set up a film making group.	to award £1,500
Aberdeen (Cults) Scout Group	To help fund a return trip to Gomel to help develop English teaching methods.	to award £350
Granite City School of Darts	To fund travel, entry fees, new boards and shirts for young people to take part in competitions in other areas of Scotland.	to award £1,485
Oldmachar Vikings Visit Orkney	To fund a trip to Orkney.	to award £825
Granite City Explorer Scout Unit	To help fund a trip to Poland to help local communities improve their English.	to award £1,500
The Scottish Romanian Society	To help fund a celebration of International Children's Day in Aberdeen.	to award £1,375
Cults Bowling Club – Junior Section	To purchase equipment to start up a junior bowling club.	to award £1,096.93
Foyer Lifeskills	To purchase equipment to enable group to mix, record and design a CD.	to award £950
3 rd Aberdeen Girls' Brigade	To cover the cost of three girls to attend a national residential leadership training course.	to award £240
Girl Guiding Aberdeen	To help fund a national camp in the Netherlands.	to award £1,500
Castlegate Seniors	To help fund a stage production of 'The Revenge of Sherlock Holmes'.	to award £1,500
Deeside Explorer Scout Unit	To help fund a two week cross country hike across Poland for five Deeside Explorers.	to award £1,458
Girls Allowed	To cover the costs of participation in the Braemar Highland Safari.	to award £375
Guarana	To cover the cost of a trip to Luton Samba Drumming Workshop weekend.	to award £1,500
Youth Outreach Bus	To purchase games and films for the bus.	to award £600
Stoneywood Scout Group	To help fund a stay at a residential activity centre.	to award £1,500
Hazlewood Art Attack	To purchase materials to design and produce a large textile work of art.	to award £600
Inspire's Holiday Activity Scheme	To fund snowboarding at the dry slopes at Kaimhill for young people who attend the holiday Activity Scheme.	to award £270

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Group Name	Summary of Application	Decision
ACT 2 – Devising Skills for the 21 st Century	To provide training, advice and support for tutors.	to award £1,440
Music 4 U	To purchase music equipment and educational software.	to award £1,264

- (ii) to instruct the Director of Education, Culture and Sport to arrange for the funds to be distributed accordingly;
- (iii) to request that the Youth Activities Funding Group reconsider the application from Station House Media Unit (SHMU) (reference YAG/11/07);
- (iv) to note that the application from Granite City Explorer Scout Unit had been withdrawn, and therefore that the funding of £1,500 would not be granted; and
- (v) to instruct that details of the criteria which the applications are set against be circulated to members of this Committee for information.

CITY COMPOSTING PROJECT FUNDING (EPI/11/157)

28. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which requested that retrospective funding be granted for the second year of the city composting project, managed by Aberdeen Forward.

The Committee resolved:

to approve funding of £7,500 for the Aberdeen Forward city composting project for the financial year 2010/11.

MARRIAGE AND CIVIL PARTNERSHIP FEES (CG/11/076)

29. The Committee had before it a report by the Director of Corporate Governance which presented proposed increases to the marriage and civil partnership fees charged by the Council.

The Committee resolved:

to approve the revised Schedule of fees as follows, commencing on 1 August, 2011:

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Grant Room – Marischal College	
Monday – Friday	
Private ceremony (4 people in total)	£125
Ceremony (10 people in total)	£175
Ceremony (54 people in total)	£250
Saturday	
Ceremony (up to a maximum of 54 people)	£350

Town House	
Friday only	
Private ceremony (8 people in total)	£200
Ceremony (up to a maximum of room used)	£300
Saturday	
St Nicholas Room only (up to a maximum of 60 people)	£400

Within approved licensed premises	
Monday – Friday	£370
Saturday	£450
Sunday	£550

POLICIES UPDATE (RETIREMENT POLICY AND PROCEDURE AND PATERNITY LEAVE SCHEME) (CG/11/073)

30. The Committee had before it a report by the Director of Corporate Governance which presented (1) a Retirement Policy and Procedure (which would replace the current Age Neutral Policy); and (2) a replacement Paternity Leave Scheme (which had been rewritten further to new Regulations being introduced).

Members suggested that officers make contact with the Grampian Pre Retirement Group to see if it could offer any assistance.

The Committee resolved:

- (i) to approve the introduction of the Retirement Policy and Procedure as appended to the report; and
- (ii) to approve the introduction of the new Paternity Leave Scheme as appended to the report.

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WHITEMYRES CENTRE (CG/11/070)

31. The Committee had before it a report by the Director of Corporate Governance which provided a synopsis of the current situation at Whitemyres Centre (central stores), and proposed that the current operations cease to ensure that the Council did not encounter any financial loss.

The Committee resolved:

- (i) to instruct that current operations at the Whitemyres Centre cease as of 30 September, 2011;
- (ii) to instruct that the nine members of staff affected by this closure be supported in accordance with Council policies relating to redeployment and voluntary severance;
- (iii) to approve the migration to national contracts for the particular product ranges where applicable; and
- (iv) to instruct the appropriate officers to consider the future of this facility, and to report back to this Committee at the meeting of 6 December, 2011 in this regard.

KAIMHILL COMMUNITY FACILITIES (ECS/11/046)

32. With reference to article 23 of the minute of its previous meeting of 21 April, 2011, the Committee had before it a report by the Director of Education, Culture and Sport which provided an update on progress officers were making in relation to developing a management agreement for Inchgarth Community Centre to manage the programme for the community rooms at the Kaimhill 3Rs school.

The report recommended:

that the Committee –

- (a) confirm that it will be a requirement for Inchgarth Management Committee to fully meet the requirements of the Council's Following the Public Pound code of practice;
- (b) instruct officers to facilitate the necessary actions to support an after school club for the pupils of Kaimhill Primary School (the programming of which would be developed in consultation with Inchgarth Management Committee); and
- (c) agree that the model management agreement being developed should include a requirement for management committees to ensure that there will be no charge levied for the provision of out of school care by non profit making registered childcare and pre school providers (as per the Council's Out of School Care policy).

Members queried as to the difference between audited accounts and independently verified accounts, and the Corporate Accounting Manager advised that to produce

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audited accounts, a clear process had to be followed and accounts would be produced to a professional standard; to produce independently verified accounts would be less onerous on organisations, but an appropriately qualified person would have to undertake this task. It was suggested that as part of the Following the Public Pound review that would be reported to a future meeting of the Audit and Risk Committee, an 'appropriately qualified person' should be defined. At this point the Director of Corporate Governance advised that as part the aforementioned review, officers would look at whether the Council would have the capacity to undertaken an internal audit in cases such as this.

The Convener confirmed at this stage that Inchgarth Management Committee would not be required to produce what officers had referred to as a 'business plan', but that a full programme of activities would have to be set out.

The Committee resolved:

- (i) to confirm that it will be a requirement for Inchgarth Management Committee to agree the following:
 - to provide the Council with monthly accounts
 - to provide minutes of its meetings to the Council Liaison Officer
 - to provide quarterly attendance figures
 - to provide an annual independently verified copy of its accounts as per the terms of its new constitution
 - that the Council Liaison Officer may attend any management committee meeting of his or her choice;
- (ii) that this provides the basis for negotiations with management committees for other 3Rs buildings;
- (iii) to approve recommendation (b) as contained within the report; and
- (iv) to instruct officers to report back on establishing a community development fund of £50,000 per annum that can be bid for by community groups to provide not for profit registered childcare and pre school provision.

In accordance with the decision taken at article 2 of this minute, the following articles were considered with the press and public excluded.

SATROSPHERE LIMITED (ECS/11/039)

33. With reference to article 38 of the minute of its meeting of 11 May, 2010 the Committee had before it a report by the Director of Education, Sport and Culture which provided an update on the financial status of Satrosphere Limited.

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The Committee resolved:

- (i) to note the financial and performance update as contained within the report; and
- (ii) to approve the renewal of the current bank guarantee arrangement until 31 March, 2012, based on the company's 2011/12 business plan and commitment to work towards a reduction in the overdraft requirement by 10% by this date.

3RS PROJECT - HEDGING ARRANGEMENTS (EPI/11/184)

34. With reference to article 41 of the minute of its meeting of 28 September, 2010, the Committee had before it a joint report by the Director of Enterprise, Planning and Infrastructure and the Director of Corporate Governance which presented proposed hedging arrangements, and outlined the commercial implications to the Council of approving such arrangements.

The Committee resolved:

- (i) to note the report regarding the hedging arrangements and restoration amount for the 3Rs project;
- (ii) to grant consent under clause 7.2 of the project agreement, in order to allow NYOP Education (Aberdeen) Limited to enter into the proposed hedging arrangements with Barclays Bank plc;
- (iii) to delegate authority to the Director of Corporate Governance, the Director of Enterprise, Planning and Infrastructure and the Head of Legal and Democratic Services (or each of their nominated representatives), to undertake the final negotiation, completion and approval, on behalf of the Council, of the hedging and restoration amount documents (the third project agreement supplementary agreement and the certificate to be issued under Section 3 of the Local Government (Contracts) Act 1997), along with other contracts, letters or documents which require to be signed, including assignments, waivers, acknowledgements and releases in relation to the existing financial documents; and
- (iv) to authorise the signing of the above hedging and restoration amount documents (the third project agreement supplementary agreement and the certificate to be issued under Section 3 of the Local Government (Contracts) Act 1997) in accordance with the Standing Orders of Council.

PROCUREMENT OF CONSULTANCY SERVICE - DEVELOPMENT OF NEW DELIVERY MODEL FOR SOCIAL CARE (SCW/11/056)

35. The Committee had before it a report by the Director of Social Care and Wellbeing which requested that Standing Order 1(6)(a) (Contracts and Procurement) be

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invoked retrospectively in order to homologate a contract with Ernst and Young for the preparation of an options appraisal and business case for establishing a local authority trading company for services for older people.

The Committee intimated its disappointment and anger at the circumstances as detailed within the report.

The Committee resolved:

- (i) to instruct that a report be submitted by the Chief Executive at the next meeting of this Committee, advising as to the outcome of her investigations into this matter;
- (ii) to agree to invoke Standing Order 1(6)(a) (Contracts and Procurement), thereby exempting the contract between the Council and Ernst and Young from the provisions of Part A of the Council's Standing Orders relating to Contracts and Procurement on the grounds that the exemption is justified by special circumstances, as detailed in the report;
- (iii) to approve the disapplication of Standing Orders (Contracts and Procurement) 1(12), 3(2)(a), 4 or 5 as appropriate, 8(1), 11(1), 13(1), 20(1) as they apply to the said contract, as detailed in the report;
- (iv) to approve the committed expenditure for the retention of consultants Ernst and Young in order to progress the proposal approved by Council in February, 2011 under priority based budgeting, for the presentation of a business case for the establishment of a Local Authority Trading Company, to be considered by Council at its meeting of 29 June, 2011; and
- (v) to suspend Standing Order 44 of the Council's Standing Orders, thereafter homologating the signature of the contract between the Council and Ernst and Young by the Director of Social Care and Wellbeing.

AREA OFFICES AT BUCKSBURN AND PETERCULTER - FUTURE USE (EPI/11/161)

36. The Committee had before it a report by the Director of Corporate Governance which requested that the Bucksburn area office and staff flat (19 – 25 Inverurie Road) and the Peterculter area office (102 North Deeside Road) be declared surplus to the requirements of the Council, and advertised for sale.

The Committee resolved:

- (i) to declare the properties surplus to the requirements of the Corporate Governance Service, and of the Council;
- (ii) to instruct the Head of Asset Management and Operations to market the properties for sale on the open market at an appropriate time; and

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- (iii) to instruct that a report be submitted to a future meeting of this Committee detailing any offers received.

1 SEAVIEW ROAD, BRIDGE OF DON - OUTCOME OF MARKETING (EPI/11/163)

37. Reference was made to article 11 of the minute of meeting of this Committee of 2 December, 2010, whereby officers were instructed to advertise the property, 1 Seaview Road, Bridge of Don, on the open market, and to report back to this Committee with any offers received. Members had before them on this day, a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise.

The Committee resolved:

- (i) to instruct that the highest offer, submitted by Alex Hutcheon and Company on behalf of Mr Alan Clyne, be accepted; and
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of this property, incorporating various qualifications as are necessary to protect the Council's interests.

SURPLUS SCHOOL LODGES - OUTCOME OF MARKETING (EPI/11/162)

38. Reference was made to article 40 of the minute of meeting of this Committee of 2 December, 2010 at which time members had declared the following properties surplus to the requirements of Council:

- Aberdeen Grammar School Gate Lodge, Skene Street
- Cornhill Primary School Lodge, 8 Beechwood Road
- Skene Square Primary School Lodge, 61 Skene Square
- Ashley Road Primary School Lodge, 45 Ashley Road

The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise which the Head of Asset Management and Operations had undertaken.

The Committee resolved:

- (i) to instruct that the highest offers in all cases be accepted as follows:
- Aberdeen Grammar School Gate Lodge, Skene Street – offer submitted by Peterkins on behalf of Mr Jamie McMillan
 - Cornhill Primary School Lodge, 8 Beechwood Road – offer submitted by Plenderleath Runcie on behalf of Ms Natalie Hulse

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- Skene Square Primary School Lodge, 61 Skene Square – offer submitted by Bruton Miller on behalf of Ms Megan Victoria McLachlan
 - Ashley Road Primary School Lodge, 45 Ashley Road – offer submitted by Hamilton Watt and Company on behalf of Mr and Mrs Thomas Skinner;
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of these properties, incorporating various qualifications as are necessary to protect the Council's interests; and
- (iii) to request that officers contact Councillor Allan to clarify as to whether Victoria School and Lodge were being sold as one lot.

GROVE LODGE, MUGIEMOSS - OUTCOME OF MARKETING (EPI/11/164)

39. Reference was made to article 28 of the minute of meeting of this Committee of 11 March, 2010 at which time officers had been instructed to market the property Grove Lodge, Mugiemoos, and to report back thereafter. The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise.

The Committee resolved:

- (i) to instruct that the highest offer, submitted by Peterkins, on behalf of @SIPP (Pension Trustees) Limited, be accepted; and
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of this property, incorporating various qualifications as are necessary to protect the Council's interests.

GLAMIS COTTAGE, 30 MERKLAND ROAD - OUTCOME OF MARKETING (EPI/11/167)

40. Reference was made to article 11 of the minute of meeting of this Committee of 2 December, 2010 at which time officers had been instructed to market the property Glamis Cottage, 30 Merkland Road. The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise.

The Committee resolved:

- (i) to instruct that the highest offer submitted by Warners Commercial, on behalf of Glencairn Properties (Scotland) Limited, be accepted; and
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of this property, incorporating various qualifications as are necessary to protect the Council's interests.

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3 DOMINIES ROAD - OUTCOME OF MARKETING (EPI/11/168)

41. Reference was made to article 11 of the minute of meeting of this Committee of 2 December, 2010 at which time officers had been instructed to market the property 3 Dominies Road, and to report back thereafter. The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise.

The report recommended:

- (a) that the highest offer submitted by The Commercial Law Practice, on behalf of Bon Accord Land Ltd, be accepted;
- (b) that the Head of Legal and Democratic Services be instructed to conclude missives for the sale of the property, incorporating various qualifications as are necessary to protect the Council's interests; and
- (c) that should this highest offer not achieve the required planning permission for 17 residential units, the Head of Asset Management and Operations be authorised to (1) enter into negotiations on any proposed amendment to the sale price as per the formula detailed in the offer; and (2) if necessary, to readvertise the combined property on the open market, subject to reporting further to this Committee on the actions taken following any readvertising.

The Committee resolved:

- (i) to approve recommendations (a) and (b); and
- (ii) to instruct that officers report back to this Committee if the preferred bidder does not gain the required planning permission.

MAINS OF DYCE STEADING - OUTCOME OF MARKETING (EPI/11/175)

42. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of a marketing exercise that had been undertaken in relation to the Mains of Dyce Steading.

The Committee resolved:

- (i) to instruct that the highest offer, submitted by Paull and Williamsons on behalf of Malcolm Allan Housebuilders Limited, be accepted;
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of this property, incorporating various qualifications as are necessary to protect the Council's interests; and
- (iii) in the event that the required planning permission is not granted, to instruct the Head of Asset Management and Operations to (1) enter into negotiations on any

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proposed amendment to the sale price; and (2) if necessary, to readvertise the property on the open market, subject to reporting further to this Committee on the actions taken following any readvertising.

MAINS OF DYCE - SALE OF GRAZING GROUND (EPI/11/176)

43. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which recommended that grazing ground at Mains of Dyce be declared surplus to the requirements of the Council, and sold.

The Committee resolved:

- (i) to declare the ground surplus to the requirements of the Council;
- (ii) to agree to the proposed transaction with Mr G Ross; and
- (iii) to instruct that the site be disposed of at the price detailed within the report, and to instruct the Head of Legal and Democratic Services to conclude missives for the sale and renounce the existing lease, incorporating various qualifications as are necessary to protect the Council's interests.

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).

HILTON CENTRE - EARLY SURRENDER OF NHS GRAMPIAN LEASE (EPI/11/170)

44. Reference was made to article 9 of the minute of meeting of this Committee of 2 December, 2010 at which time officers were instructed to market the former Hilton nursery and community centre as a residential development opportunity further to negotiations with the NHS and District Valuer to surrender the NHS lease interest in part of this building. The Committee had before it on this day, a report by the Director of Enterprise, Planning and Infrastructure which updated members on negotiations that had taken place with NHS Grampian in relation to the surrender of its lease.

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The Committee resolved:

to instruct the Head of Legal and Democratic Services to investigate the query raised at the meeting regarding the use of the site; and thereafter to delegate power to the Head of Legal and Democratic Services, the Director of Corporate Governance and the Head of Asset Management and Operations (in consultation with the Convener and Vice Convener of this Committee), to surrender the lease on terms as they deem appropriate.

APPROACH TO PURCHASE - SPRINGFIELD ROAD (EPI/11/172)

45. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised of an unsolicited approach by a Council tenant for an area of ground currently used as a car park at Springfield Road.

The Committee resolved:

to not accept the offer.

CASTLE STREET BUS PRIORITY MEASURES CONSTRUCTION CONTRACT (EPI/11/166)

46. With reference to article 22 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 7 September, 2010, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which sought approval to award a contract in relation to the Bus Punctuality Improvement Partnership project.

The Committee resolved:

- (i) to note that tenders had been received for a Castle Street Bus Priority Measures construction contract, which was part of the Bus Punctuality Improvement Partnership: Buchan – King Street corridor project; and
- (ii) to award the contract to the lowest tenderer (Leiths (Scotland) Limited) for the sum of £99,983 to enable the construction to proceed during the school holiday period in July and August, 2011.

COMMERCIAL PROPERTY - REVIEW OF FARMLAND AND GRAZING (EPI/11/174)

47. With reference to article 25 of the minute of its meeting of 28 September, 2010, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which presented information pertaining to a review undertaken by officers

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on the farmland and grazing land held on the property and Housing and Environment Service account.

The Committee resolved:

- (i) to instruct that the farmland be retained in Council ownership;
- (ii) to instruct officers to continue to manage the leased properties proactively to try to maximise rental income;
- (iii) to instruct officers to assess properties as and when they fall vacant, and recommend to this Committee as to whether they believe whether the sale or lease of the property would be in the best financial interests of the Council; and
- (iv) to instruct officers to continue to monitor the planning designations of the properties and be ready to take advantage of any development opportunities as and when they arise.

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 Club. Councillor Graham withdrew from the meeting.

ABERDEEN LOCAL DEVELOPMENT PLAN - COMMON GOOD SITES (EPI/11/173)

48. With reference to article 26 of the minute of meeting of the Finance and Resources Committee of 2 December, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which outlined potential development sites held on the Common Good account, and provided an officer recommendation as to the way forward.

Members were very clear that they were only dealing with the financial issues on this day, and in no way taking a view on planning, or potential planning, issues.

The Committee resolved:

- (i) to instruct the Head of Legal and Democratic Services to make an application to the Lands Tribunal to resume the area OP35 from the tenants of Bucksburn Farm for the reconfiguration of Auchmill Golf Course;
- (ii) to note the position in relation to the discussions officers had with the tenants of Bucksburn Farm regarding the resumption of their entire tenancy;
- (iii) to note the requirement to have a planning application in principle in place prior to being able to resume the Bucksburn Farm tenancy; and to instruct the Head of Asset Management and Operations to procure the relevant professional support

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- to achieve this and make the necessary formal application, including all required community consultation, on the condition that this can be delivered for less than £100,000;
- (iv) to instruct the Head of Legal and Democratic Services to take steps to resume the Bucksburn Farm tenancy at the appropriate time on the understanding that a compensation figure of up to £250,000 may be due to the tenant;
 - (v) to note the situation in relation to the lease of Greenferns Farm and the status of negotiations with the tenant; and to instruct that a further reports be presented to this Committee at an appropriate time;
 - (vi) to (1) instruct the Head of Legal and Democratic Services to take steps to service the appropriate notice to resolve the partnership at Holmhead Farm, with a view to being able to resume the tenancy; (2) note that officers would meet with the tenant prior to such notice being given; and (3) note that this would result in a compensation payment being triggered;
 - (vii) to instruct the Head of Asset Management and Operations to procure all necessary works to achieve a Development Framework for the Greenferns Landward site up to a budget of £150,000.

CORPORATE OFFICE ACCOMMODATION - UPDATE (EPI/11/178)

49. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update in relation to Council corporate accommodation, and outlined the financial implications of acquiring the vacant properties adjacent to the new corporate headquarters.

The Committee resolved:

to instruct that no further action be taken in relation to the Council immediately acquiring either of the properties adjacent to Marischal College, but for officers to continue to work with the owners to identify uses, users, options and financial solutions which would complement the refurbishment of Marischal College, and be within the context of implementing the City Centre Framework.

PARK HOUSE - POSSIBLE AMENDMENTS TO LEASE (EPI/11/183)

50. With reference to article 19 of the minute of its meeting of 11 May, 2010 the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which updated members on progress being made by Cancer Link Aberdeen and North (CLAN) in relation to the redevelopment of Park House, and provided an officer recommendation as to the way forward.

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The Committee resolved:

to delegate authority to the Head of Asset Management and Operations and the Head of Legal and Democratic Services (in consultation with the Convener and Vice Convener of this Committee) to approve a further rent free period of up to one year to CLAN, subject to CLAN absolving the Council of any future liability in relation to all outstanding lease conditions.

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).

FUNDING OPPORTUNITIES FOR DELIVERING PROJECTS - VERBAL UPDATE

51. With reference to article 51 of the minute of its previous meeting of 21 April, 2011, the Committee heard Mike Duncan (General Manager – Asset Management), who provided an update to the Committee on recent discussions that had taken place with Hub Co. Mr Duncan advised that further to Hub Co producing projected revenue implications, he had asked Services to undertake further work in order to ascertain as to whether it would be viable to proceed. In particular he raised concern about the potential revenue implications on the Education, Culture and Sport Service. Mr Duncan concluded that officers had challenged Hub Co in relation to the potential costs and charges they had outlined, and this was currently being progressed.

The Committee resolved:

to note verbal update provided.

DECLARATIONS OF INTEREST

Councillor Yuill declared a financial interest in the subject matter of the following article by virtue of his ownership of a neighbouring property, and a non financial interest as a Governor of Robert Gordon's College. Councillor Yuill withdrew from the meeting.

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During the course of discussion Councillor Kirsty West declared a financial interest by virtue of her partner being employed by Robert Gordon's College. Councillor West withdrew from the meeting at this point.

PINEWOOD/ HAZLEDENE (EPI/11/179)

52. With reference to article 33 of the minute of its meeting of 1 February, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update in respect of the Pinewood and Hazledene sites, set out the financial implications associated with various options, and provided an officer recommendation as to the way forward.

It was made clear that this Committee would take the final decision as to whether to sell the sites or otherwise.

The Committee resolved:

- (i) to note that the application from Duthie Holdings for a partial assignation of the lease to Carlton Rock, with a lease back to Duthie Holdings (ACC) in part was rejected by officers under Delegated Powers (in the normal manner);
- (ii) to note the following documents, as appended to the report:
 - market commentary by Ryden (May, 2011)
 - tender evaluation document by Ryden (May, 2011)
 - commentary by Robert Gordon's College
 - proposed Heads of Agreement with Duthie Holdings (ACC)/ Carlton Rock
 - financial appraisals; and
- (iii) to instruct the Head of Asset Management and Operations, in consultation with the Head of Legal and Democratic Services, to take forward a legal agreement with other stakeholders to allow the marketing strategy of the site to be advanced in late summer 2011 (as per option 1 in the report), without this prejudicing the Council's interest and the reporting back to this Committee on the outcome of the marketing exercise in due course.

- COUNCILLOR KEVIN STEWART MSP, Convener.