

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 15 March 2012 - minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present: Councillor Yuill, Convener; Councillor Noble, Vice Convener; and Councillors Corall, Cormack (as substitute for Councillor Dean), Crockett, Farquharson, Fletcher, Graham, Kiddie, Laing, Malone, McCaig, John Stewart, Wendy Stuart (as substitute for Councillor Dunbar) and John West.

The agenda and reports associated with this minute can be located at the following link:

<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=146&MIId=2279&Ver=4>

DETERMINATION OF EXEMPT ITEMS OF BUSINESS

1. 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:

- (i) 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 8.1 of the agenda (article 27 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 27 (paragraphs 6 and 9), article 28 (paragraph 4), article 29 (paragraphs 4, 6, 8 and 9), article 30 (paragraphs 4 and 6), article 31 (paragraphs 6 and 9), article 32 (paragraphs 6 and 9), article 33 (paragraph 6), article 34 (paragraph 6), article 35 (paragraph 6), article 36 (paragraph 6), article 37 (paragraph 6), article 38 (paragraph 6), article 39 (paragraphs 6 and 9), article 40 (paragraphs 6 and 9), article 41 (paragraphs 6 and 9), article 42 (paragraph 9), article 43 (paragraph 9), article 44 (paragraphs 6 and 9), article 45 (paragraph 8), and article 46 (paragraph 8); and
- (ii) to request that in future, every effort be made to keep reports in the public domain, and where possible, that an exempt appendix be presented to the Committee, as an alternative to the whole report being placed in the exempt section.

REQUESTS FOR DEPUTATION

2. The Committee had before it two requests for deputation as follows –
Dr Jon Tyler (Chair, Ferryhill Railway Heritage Trust) in relation to item 9.13 of the agenda (Ferryhill Engine Shed); and
Unison – in relation to item 10.3 of the agenda (Alternative Delivery Model – Corporate Governance).

The Committee resolved:

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to agree (1) to hear the deputation from Dr Tyler prior to consideration of the substantive report; and (2) to hear the deputation from Unison as the first item of exempt business on this day.

MINUTE OF PREVIOUS MEETING

3. The Committee had before it the minute of its previous meeting of 6 December, 2011.

The Committee resolved:

to approve the minute as a correct record.

MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE OF 13 OCTOBER, 2011

4. The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 13 October, 2011.

The Committee resolved:

to note the minute.

MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE OF 15 DECEMBER, 2011

5. The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 15 December, 2011.

The Committee resolved:

to note the minute.

COMMITTEE BUSINESS STATEMENT

6. 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 1 of the list (Leaking of Report – St Nicholas House), the Legal Manager (Commercial and Advice) advised that the Head of Legal and Democratic Services had received a response from the Commissioner who had stated that it would not be in the public interest to pursue the complaint.

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Councillor Graham, seconded by Councillor Crockett, moved as a procedural motion: that a full report be brought back to a future meeting of this Committee in relation to item 1 of the business statement (Leaking of Report – St Nicholas House).

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

The Committee resolved:

- (i) to not approve the procedural motion;
- (ii) to delete items 12 (General Fund Budget), 17 (Review of Corporate accommodation), and 19 (Pitmedden Road) from the business statement; and
- (iii) to otherwise note the updates as contained within the business statement.

MOTIONS LIST

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

The Committee resolved:

- (i) to remove item 2 from the list (Motion by Councillor Donnelly – Diamond Jubilee); and
- (ii) to note the updates as contained within the motions list.

FERRYHILL ENGINE SHED - (EPI/12/066) - DEPUTATION

8. With reference to article 2 of this minute, the Convener invited Mr David Hutcheons, Dr Jon Tyler and Mr Wyndham Williams of the Ferryhill Railway Heritage Trust to address the Committee.

Dr Tyler explained that the Ferryhill Railway Heritage Trust had worked very hard to improve the building, summarised existing funding received and aspirations for further support, and explained that in this regard, if the existing lease were allowed to remain, that would satisfy the requirements of the Heritage Lottery Fund which required a particular length of lease to be in place. Dr Tyler then spoke of the potential for the location as a heritage centre and its implications for tourism.

Members asked a number of questions of Dr Tyler, and the Convener thanked the members of the Trust for their input.

The Committee resolved:

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to note that the report relative to the deputation would be considered at a later point on this day (article 43 of this minute refers).

DISABLED PERSONS PARKING PLACES (SCOTLAND) 2009 - EPI/12/019

9. Reference was made to article 44 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 31 January, 2012, at which time members agreed, amongst other things, to refer the report before them to this Committee for consideration of allocating funding in 2012/2013 for the implementation of the on street disabled parking places. The Committee had before it on this day, the report as presented to the Enterprise, Planning and Infrastructure Committee.

The Convener advised that provision had been made in the Service budget, as agreed at the Budget meeting of Council of 9 February, 2012 (article 5 refers), and therefore there was no requirement for this Committee to provide further funding.

The Committee resolved:

to note the update.

REVENUE BUDGET 2010/11 - MONITORING REPORT - CORPORATE GOVERNANCE SERVICE (CG/10/025)

10. With reference to article 12 of the minute of its previous meeting of 6 December, 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.

ICT INVESTMENT PROGRAMME (CG/12/030)

11. The Committee had before it a report by the Director of Corporate Governance which presented information on the provisional ICT investment programme included in the approved revenue budget for 2012/13.

The Committee resolved:

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- (i) to approve the programme as detailed at appendix A to the report;
- (ii) to authorise the estimated expenditure in respect of each item;
- (iii) to instruct the appropriate officers to implement the programme as detailed in the report;
- (iv) to delegate powers to the Head of Customer Service and Performance, in consultation with the Corporate Asset Group and the Convener and Vice Convener of this Committee to amend the programme should priorities change during the year; and
- (v) to delegate power to appropriate officers to award contracts on receipt of a valid tender submission, where appropriate, subject to necessary funding in the approved revenue budget.

DESKTOP AND APPLICATIONS SOFTWARE - PROPOSED UPGRADE (CG/12/031)

12. The Committee had before it a report by the Director of Corporate Governance which sought approval to upgrade existing desktop and applications software (including email, Office and Windows) to a Microsoft enterprise agreement under the government PSA-09 framework agreement.

The Committee resolved:

- (i) to instruct officers to enter into a 5 year enterprise subscription agreement under the government framework PSA-09, which will enable the Council to upgrade to current versions of Microsoft Office, Windows, email (Exchange/Outlook), and collaborative working tools at a cost of £289,772 in year one, and £360,809 annually thereafter;
- (ii) to approve the estimated expenditure of £1,839,984 including implementation costs of approximately £107,476;
- (iii) to agree to commit the funds required for implementation (£107,476), and ongoing operational costs outlined above from existing ICT rolling programmes and operational budgets;
- (iv) to instruct officers to extend the current Novell enterprise agreement at a cost of £273,000 for 12 months to ensure business continuity during the implementation of the proposed replacement system; and
- (v) to agree to invoke Standing Order 1(6)(a) (Contracts and Procurement), and thereby exempt the extension of the current Novell agreement from the requirements of Standing Order 4 (Contracts and Procurement), which would require a compliant European Union tendering exercise to be undertaken.

REVENUE BUDGET - MONITORING REPORT (CG/12/039)

13. With reference to article 15 of the minute of its previous meeting of 6 December, 2011 the Committee had before it a report by the Head of Finance which presented the

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revenue position for the Council for 2011/12 and advised as to any areas of risk that had been highlighted by the Directors.

The Committee resolved:

- (i) to note the content of the report;
- (ii) to approve the business case in relation to the development and upgrading of the Council's financial monitoring and reporting systems;
- (iii) to approve an exemption under Standing Order 1(6)(a) in order to authorise the purchase of the upgrade without a competitive tendering exercise being undertaken; and
- (iv) to approve the cost of the upgrade of £169, 951.

NON HOUSING CAPITAL PROGRAMME - MONITORING REPORT (EPI/12/063)

14. With reference to article 16 of the minute of its previous meeting of 6 December, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update on the progress across all Services on projects within the 2010/11 Non Housing Capital Programme and advised as to the ongoing work in relation to future years' programmes.

The Committee resolved:

- (i) to note the current position;
- (ii) to homologate the action taken by the Corporate Asset Group to let the contract for Kincorth Community Centre which forms part of the 2012/12 Condition and Suitability Programme (item 294), with the resultant carry forward of £310,000;
- (iii) to approve carry forward to financial year 2012/13 for the following projects:
 - Item 244 – Duthie Park and Winter Gardens – cost net of Heritage Lottery Funding (£650,000)
 - Item 751 – Replacement of Education Management Information System (£167,000); and
- (iv) in relation to item 750 – ICT connectivity, to authorise officers to carry forward £33,195 to complete the project should it not be completed during this financial year.

COMMON GOOD BUDGET - MONITORING REPORT (CG(12/026)

15. With reference to article 17 of the minute of its previous meeting of 6 December, 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 for the period to 31 January, 2012, and outlined the forecast position of the cash balances.

The Committee resolved:

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- (i) to note the near actual income and expenditure position as at 31 January, 2012 and the forecast outturn for the year; and
- (ii) to note the forecast cash balances as at 31 March, 2012 of £6,200,000 based on current estimates, which was within the recommended levels indicated by the Head of Finance.

TREASURY MANAGEMENT POLICY AND STRATEGY (CG/12/024)

16. With reference to article 18 of the minute of its previous meeting of 6 December, 2011, the Committee had before it a report by the Head of Finance which outlined the treasury management policy and strategy for 2012/13 to 2014/15.

The Committee resolved:

to refer the report to the meeting of Council of 4 April, 2012 for its consideration, and to recommend that Council –

- (i) approves the Council's treasury management policy statement for 2012/13 to 2014/15;
- (ii) approves the Council's borrowing and investment strategy for 2012/13 to 2014/15; and
- (iii) notes the Council's prudential indicators for 2012/13 to 2014/15, as detailed at appendix 4 of the report.

APPLICATIONS FOR FINANCIAL ASSISTANCE

17. The Committee had before it a report by the Head of Finance which presented an application for financial assistance from the Bon Accord Bowling Association.

The Committee resolved:

to approve £440 towards coach hire, in support of the annual bowling competition between Aberdeen and Dundee for the Meff-Spence Trophy.

FINANCIAL ASSISTANCE - APPLICATION PROCESS UPDATE (CG/12/040)

18. Reference was made to article 20 of the minute of meeting of this Committee of 11 March, 2010 at which time members instructed officers to report back detailing ways in which the applications system could be streamlined, particularly in relation to reporting to committee. The Committee had before it on this day, a report by the Head of Finance which updated members in this regard.

The Committee resolved:

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- (i) to note the progress in moving towards a more streamlined process for financial assistance and grant applications; and
- (ii) to request that a final report be brought back on the process when it is implemented.

YOUTH ACTIVITIES SMALL GRANTS FUND 2010/11 (ECS/12/013)

19. With reference to article 21 of the minute of its previous meeting of 6 December, 2011, the Committee had before it a report by the Director of Education, Culture and Sport which presented the decisions of the Youth Activities Grant Funding Group for the latest round of funding for the financial year 2011/12, which had a closing date of 17 January, 2011.

The Committee resolved:

- (i) to note the grants awarded as detailed in the appendix to the report; and
- (ii) to instruct that a further report be submitted in order that members can consider whether the power to award this funding should transfer exclusively to the Youth Council.

HOUSING CAPITAL EXPENDITURE BUDGET 2012/13 (H&E/12/020)

20. With reference to article 2 of the Budget meeting of Council of 9 February, 2012, the Committee had before it a report by the Director of Housing and Environment which requested that officers be authorised to procure the works agreed as part of the Housing Capital Budget.

The Committee resolved:

- (i) to approve the sums shown against each heading of the Housing Capital Expenditure budget set out in appendix A of this report and for these sums to be approved as estimated expenditure in terms of Standing Order 1(3) (Contracts and Procurement); and
- (ii) to authorise the Director of Housing and Environment to carry out the appropriate procedures to procure these works.

INTERNATIONAL PARTNERSHIPS AND TWINNING APPLICATIONS (EPI/12/083)

21. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which presented the international twinning budget 2012/12.

The Committee resolved:

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- (i) to award £4,800 towards the participation of the Grampian Police Pipe Band in the 'Fete de la Rosiere' (25 – 28 May, 2012 in Clermont-Ferrand);
- (ii) to award £3,110 towards the visit of a group of staff and pupils from Kincorth Academy to allow them to continue and build on their existing twin city partnership link with School 71 in Gomel (15 – 24 June, 2012); and
- (iii) to award £3,000 towards the Civic Visit by Regensburg, Clermont-Ferrand and Gomel to Aberdeen to meet the Lord Provost (21 – 23 March, 2012).

DECLARATION OF INTEREST

Councillor Noble declared an interest in the subject matter of the following article by virtue of his position on the Aberdeen Heat and Power Board but did not withdraw from the meeting as Aberdeen Heat and Power was established wholly or mainly for the purpose of providing services to the local authority (as per paragraph 5.18(2)(i)(d)(i) of the Councillors' Code of Conduct).

NATIONAL ELECTRICITY AND GAS CONTRACTS FOR 2013 AND 2014 (CG/12/017)

22. The Committee had before it a report by the Director of Corporate Governance which recommended that the Council should sign up to the renewal process for the national electricity and gas contracts.

The Committee resolved:

to approve the signing of an addendum to the agency agreement which will contractually commit the Council to entering into these renewed national electricity and gas contracts, starting in 2013 and 2014 respectively.

CORPORATE MOBILE TELEPHONY CONTRACT (CG/12/042)

23. The Committee had before it a report by the Director of Corporate Governance which requested an extension to the current call off contract for mobile telecom devices with Vodafone.

The Committee resolved:

to approve an extension to the call off contract under the existing framework agreement for mobile telecom devices with Vodafone, for a period of 28 months, in order to secure savings of up to £150,000 per annum.

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CONDITION AND SUITABILITY PROGRAMME (CG/12/059)

24. With reference to article 28 of the minute of its meeting of 21 April, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which presented the provisional Condition and Suitability Programme included in the non housing capital budget 2012/13.

The Committee resolved:

- (i) to approve the schemes listed at appendix A to the report;
- (ii) to instruct officers to implement the detailed programme;
- (iii) to delegate powers to the Head of Asset Management and Operations, in consultation with the Convener and Vice Convener of this Committee, to amend the programme should priorities change due to unforeseen circumstances during the year; and
- (iv) to grant approval to appropriate officers to award contracts on receipt of a valid tender submission, subject to necessary funding being available in the approved non housing capital budget.

HOUSING AND RELATED CONSULTANCY SERVICES (H&E/12/021)

25. With reference to article 5 of the minute of the Budget meeting of Council of 9 February, 2012, the Committee had before it a report by the Director of Housing and Environment which sought approval for officers to appoint a consultant to provide a range of services, which were outlined.

The Committee resolved:

to instruct officers to tender for the four year consultancy service as detailed within the report.

DECLARATION OF INTEREST

Councillor Noble declared an interest in the subject matter of the following article by virtue of his position on the Aberdeen Heat and Power Board but did not withdraw from the meeting as Aberdeen Heat and Power was established wholly or mainly for the purpose of providing services to the local authority (as per paragraph 5.18(2)(i)(d)(i) of the Councillors' Code of Conduct).

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STRUCTURAL AND HEATING UPGRADES AT BRIMMOND, GRAMPAN AND MORVEN COURTS IN TORRY (H&E/12/022)

26. The Committee had before it a report by the Director of Housing and Environment which sought approval to carry out over cladding, window replacement and heating upgrade works at Brimmond, Grampian and Morven Courts in Torry.

The Committee resolved:

- (i) to instruct that a procurement process for over cladding and window replacement works at Brimmond, Grampian and Morven Courts be undertaken at an estimated expenditure as detailed in the exempt appendix to the report (article 45 of this minute refers);
- (ii) that Aberdeen Heat and Power be awarded the contract to install a district heating system for the above blocks at an estimated expenditure of £1,002,048; and
- (iii) that Aberdeen Heat and Power be awarded a long term Maintenance Agreement in respect of the district heating system at an estimated expenditure of £8112 per annum.

In accordance with the decision recorded under article 1 of this minute, the following items were considered with the press and public excluded.

ALTERNATIVE DELIVERY MODEL - CORPORATE GOVERNANCE SERVICE (CG/12/029)

27. Reference was made to article 5 of the minute of the Budget meeting of Council at which time the Director had been instructed to report back to this Committee detailing progress to date on the Corporate Governance Service Alternative Delivery Model (ADM), and whether this project should be progressed. The Committee had before it on this day, a report by the Director of Corporate Governance which set out the current position in relation to the Corporate Governance Service ADM, and presented a way forward, in the form of the proposed 'Internal Corporate Governance Transformation Project'.

With reference to article 2 of this minute, the Convener invited Karen Davidson, Secretary of Unison, to address the Committee.

Mrs Davidson (1) welcomed the recommendation to end the Alternative Delivery Model project; (2) queried as to why it was suggested within the report that a preferred option would be presented to Committee regarding the external support required, rather than an options appraisal of what external support may be required and sound justification

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for this; (3) raised concerns at the proposed Internal Corporate Governance Transformation Project being based on a commitment to external support; and (4) suggested that no new project should be initiated until a point whereby members had all of the relevant information before them.

Members asked a number of questions of Mrs Davidson, and the Convener thanked her for her contribution.

The report recommended –

that the Committee –

- (a) authorises the Director of Corporate Governance to reorientate the ADM project to the Internal Corporate Governance Transformation Project, predicated on a commitment to investment and external support which will be the subject of a future business case to be brought back to committee;
- (b) authorises the Director of Corporate Governance to terminate the existing procurement process without a contract award; and
- (c) approves the saving of £782,000 for 2012/13 from the Corporate Governance Service to be met from vacancy management to ensure a balanced budget.

Councillor John Stewart, seconded by Councillor Malone, moved –

that the Committee instructs that a detailed options appraisal be produced for members, to include all benefits and risks of the ADM project and the internal transformation proposals, particularly addressing (1) financial benefit to the Council; (2) impact on jobs; (3) implications for workload of staff; (4) investment in Council infrastructure and systems; and (5) broader benefit to the city, before any decision is taken on this matter.

Councillor Noble, seconded by Councillor Crockett, moved as an amendment–

that the Committee –

- (i) instructs the Director of Corporate Governance to terminate the procurement process without a contract award;
- (ii) approves the saving of £782,000 for 2012/13 from the Corporate Governance Service to be met from vacancy management to ensure a balanced budget; and
- (iii) instructs the Director of Corporate Governance to consult with the relevant Trades Unions and the wider workforce seeking their views on the future direction of the service, and report back to this committee with options for how future years' savings can be achieved in absence of the ADM project.

On a division, there voted: for the motion (6) – the Convener; and Councillors Cormack, Farquharson, Fletcher, Malone and John Stewart; for the amendment (9) – the Vice

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Convener; and Councillors Corall, Crockett, Graham, Kiddie, Laing, McCaig, Wendy Stuart and West.

The Committee resolved:

to approve the successful amendment.

In terms of Standing Order 36(3) Councillor Malone intimated that she wished the matter dealt with in the preceding article to be referred to Council for final decision. She was supported by the Convener and Councillors Cormack, Farquharson, Fletcher and John Stewart in this respect.

**ABERDEEN BUSINESS ENTERPRISE SCHEME LOANS - MONITORING REPORT
(CG/12/007)**

28. The Committee had before it a report by the Head of Finance which advised of the current position of outstanding Aberdeen Business Enterprise Scheme loans provided by the Council.

The Committee resolved:

- (i) to note the current list of outstanding loans, and that efforts would be made to pursue these where necessary; and
- (ii) to instruct that no further action be taken to pursue the loan identified to be written off at appendix 1 to the report, and approve the write off of the outstanding balance in respect of this loan.

SATROSPHERE LIMITED (ECS/12/015)

29. With reference to article 33 of the minute of its meeting of 17 June, 2011, 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.

The Legal Manager (Commercial and Advice) advised that the State Aid implications had changed from that detailed in the report, and undertook to update members in this regard in due course.

The Committee resolved:

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- (i) to note the financial and performance update as contained within the report, including the reduction on overdraft levels, and therefore the level of potential exposure to the Council, delivered in the past 12 months;
- (ii) subject to completion of the actions highlighted at section 4.3 of the report, to approve the renewal of the current bank guarantee arrangement at a reduced level of £142,000 until 31 March, 2013, based on the company's 2012/13 business plan and commitment to work towards a reduction in the overdraft requirement by a further 5% by this date;
- (iii) to instruct that an update on Satrosphere's 2011/12 year end financial position be provided to this committee in six months; and
- (iv) to request that future reports be succinct.

GRAMPIAN JAPAN TRUST (CG/12/041)

30. The Committee had before it a report by the Head of Finance which provided details of a request for a secured loan that had been received from Grampian Japan Trust.

The Committee resolved:

- (i) to instruct officers to seek further clarification on the Grampian Japan Trust as per paragraph 5.4 of the report;
- (ii) subject to the above, to approve a secured loan for a period of 12 months of up to £15,000 to Grampian Japan Trust subject to (1) the Head of Legal and Democratic Services being satisfied that the Council has adequate security over the property known as Thomas Glover House; and (2) the Head of Finance being satisfied that there is no financial risk to the Council, and evidence of proper financial stewardship of the Trust; and
- (iii) to instruct the Director of Education, Culture and Sport to report back to this Committee providing details of the final outcome of the above.

PROPERTY - VACANT AND SURPLUS ASSETS (EPI/12/080)

31. With reference to article 30 of the minute of the previous meeting of this Committee of 6 December, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided members with an update on activities in relation to properties which had been declared surplus to the Council's requirements or were currently vacant awaiting a decision on future use.

The report recommended:

that the Committee –

- (a) notes the position in relation to all the vacant and surplus assets, as identified in appendices A, B and C of this report;

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- (b) notes that following circulation of the Pittodrie Community Centre to internal services and external partners, the Social Care and Wellbeing Service had noted an interest in the property and this was being taken forward in accordance with the surplus property procedure; further to this, title investigations had identified that the land on which the property had been constructed lay on the Housing Revenue Account and, as such, a request was being made to the next Housing and Environment Committee to declare the site surplus to the Housing Revenue Account for either sale on the open market or transfer to the General Services Account;
- (c) agrees that the Hillylands Centre remains under consideration by the Education, Culture and Sport Service; and notes (i) that the future of this property will be reported next cycle; and (ii) that a request for the property has also been received from the Social Care and Wellbeing Service in the event that the property is declared surplus by the Education, Culture and Sport Service;
- (d) notes that missives have not been concluded for the former Dominies Hostel, Dominies Road, following initial investigations indicating suspect ground conditions, with potentially significant remediation costs, and that it is recommended that negotiations continue with the preferred developer to identify if any viable development could be advanced on the site whilst further investigations are undertaken, with a report to be submitted to a future meeting of this Committee;
- (e) notes that a closing date was set for properties at 19/25 Inverurie Road with the successful bid of £93,000 being approved within levels of delegated powers;
- (f) approves the transfer of the former St Machar School to the Housing Revenue Account for a revised figure of £420,000;
- (g) notes that Council officers had withdrawn from negotiations with the preferred bidder for the proposed development site at North Denmore Road and therefore authorises the Head of Asset Management and Operations to instruct and submit a planning application in principle for the site, for a mixed use neighbourhood centre, prior to a further marketing exercise being undertaken;
- (h) notes that an area of ground, within the amenity land to the south of the Kingswells Park and Ride facilities, would be sold under delegated powers to Scottish and Southern Electricity;
- (i) notes that missives would shortly be concluded for the former Mile End School and had been concluded for 105 Urquhart Road, suspensive on planning and satisfactory site investigations;
- (j) notes that the marketing campaign for St Nicholas House would be formally launched in March 2012;
- (k) notes that the marketing campaign for Pinewood/ Hazledene sites (held on the Common Good Account) would be formally launched in March, 2012;
- (l) notes that the Proposed Aberdeen Local Development Plan was approved by the Council on 25 January, 2012 formally adopted on 29 February, and, in particular, that a number of significant Council owned sites were zoned for future development;

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- (m) authorises the Head of Asset Management and Operations and the Head of Legal and Democratic Service to enter into detailed discussions with the other ownership interests at the 'Devil's Den' site, Woodside, with a view to entering into a development agreement/ LLP structure with the other landowners, with the detail and conclusion of these discussions being presented to the next Committee for consideration;
- (n) notes the concluded sales for the following properties since the previous meeting of 6 December, 2011:
- Cornhill Primary School Lodge (General Services Account - £156K)
 - Grove Lodge, Mugiemoos (General Services Account - £112K)
 - 20A Loirston Road, Cove (General Services Account - £191K)
 - 1 Seaview Road, Bridge Of Don (General Services Account - £218K)
 - 30 Springfield Avenue (General Services Account - £315k)
 - 74 Urquhart Road (General Services Account - £45K);
- (o) notes the concluded leases of properties held on the tenanted non residential portfolio since the previous meeting of 6 December, 2011:
- 2 Great Northern Road, Aberdeen
 - 471 Holburn Street, Aberdeen
 - 89 Skene Square, Aberdeen
 - 475 Holburn Street, Aberdeen
 - 398 George Street, Aberdeen
 - Units 7 and 8 Woodlands Road, Dyce
 - Car Park Space 1 Bon Accord Lane
 - Unit 21 Kirkhill Place, Dyce
 - Units 10 and 11 Kirkhill Place, Dyce
 - Storage Unit 3, Granitehill Enterprise Centre
 - 32/34 Marchburn Drive
 - Unit 1, Granitehill Enterprise Centre
 - Office 14 Aberdeen Business Centre
 - Rosehill Avenue

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

Councillor Laing, seconded by Councillor Graham, moved as an amendment:
that recommendations (a) – (e) and (g) – (o) be approved; and that a decision of recommendation (f) be deferred until the revised valuation had been reported back to the Housing and Environment Committee for its agreement, and a further report on the matter presented to this Committee thereafter.

On a division, there voted: for the motion (11) – the Convener; the Vice Convener; and Councillors Corall, Cormack, Farquharson, Fletcher, Kiddie, Malone, McCaig, Wendy

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Stuart and West; for the amendment (3) – Councillors Crockett, Graham and Laing; declined to vote (1) – Councillor John Stewart.

The Committee resolved:

to approve the successful motion.

PROPERTY SALES (EPI/12/075)

32. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised members on marketing activities undertaken in relation to four properties surplus to the requirements of the Council.

The Committee resolved:

- (i) to accept the offer submitted by Cockburns on behalf of Mr David Charles Smith in relation to the property at 26 Netherhills Avenue, Bucksburn;
- (ii) to accept the offer submitted by James and George Collie on behalf of Mr Arron and Mrs Sarah Finnie in relation to property at 12 Devanha Gardens West;
- (iii) to accept the offer submitted by Andersonbain on behalf of Mr and Mrs Bruce in relation to the property at 29 Redmoss Avenue, Nigg;
- (iv) to accept the offer submitted by McGrigors on behalf of Cala Management Limited in relation to Hilton Nursery and Clinic, Hilton Avenue; and
- (v) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of these properties, incorporating various qualifications as necessary to protect the Council's interests.

REVIEW OF COMMON GOOD GROUND LEASES (EPI/12/065)

33. With reference to article 25 of the minute of 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 the ground leases held within the Common Good property investment portfolio.

The Committee resolved:

for the reasons outlined in this report, to agree that the Common Good Account retains ownership of the Ground Leases within the property investment portfolio with a view to maximising rental income and premium receipts for the Common Good Account.

**REVIEW OF COMMON GOOD MISCELLANEOUS LEASED PROPERTIES
(EPI/12/082)**

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34. With reference to article 25 of the minute of 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 the miscellaneous leased properties held within the Common Good property investment portfolio.

The Committee resolved:

- (i) notwithstanding the current disposal criteria of the Common Good Account and subject to the overall ongoing option appraisal of all properties detailed, that the Common Good Account retain ownership of the properties detailed within the attached appendix to the report, with the exception of the garage sites located within Hilton and Footdee; and
- (ii) to instruct officers to report back to a future meeting of this committee on the management options, costs, etc. in relation to the garage sites located within Hilton and Footdee.

**REVIEW OF PROPERTY ACCOUNT/COMMON GOOD PUBLIC HOUSES
(EPI/12/072)**

35. With reference to article 25 of the minute of 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 the Council's public house lease investment portfolio, including public houses held on the Common Good Account.

The Committee resolved:

- (i) to instruct that in the short term, the Council retains ownership of the public house lease investment portfolio with a view to maximising rental income and premium receipts; and
- (ii) to instruct that in the medium term, the Head Of Asset Management and Operations assesses the options again with a view to establishing whether any changes in economic factors are affecting the Council's property interests.

REVIEW OF COMMERCIAL OFFICE PROPERTIES (EPI/12/068)

36. With reference to article 25 of the minute of 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 the Council's office properties investment portfolio.

The Committee resolved:

- (i) to approve the retention of all office in the short term;

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- (ii) to instruct the Head of Asset Management and Operations to undertake an appraisal on 11/13 and 15/17 Belmont Street, reporting back to this Committee in due course; and
- (iii) to instruct the Head of Asset Management and Operations to review and report on possible options for the future of 1 Queens Gardens, prior to the current lease expiring in April, 2014.

PITMEDDEN ROAD, DYCE - DYCE SPORTS AND LEISURE DEVELOPMENT TRUST (EPI/12/073)

37. With reference to article 36 of the minute of its meeting of 29 September, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised members as to the latest position in relation to the future use of a sixteen acre site at Pitmedden Road, Dyce.

The Committee resolved:

- (i) to note the planning designation of the site as detailed within the report;
- (ii) to agree under the circumstances to suspend Standing Order 22(1) and to rescind the decision of this Committee's meeting of 29 September, 2011 in regard to the decision "...to instruct that officers negotiate a new lease of up to five years with the Dyce Sports and Leisure Development Trust, if they wish it, and to report back in this regard";
- (iii) to instruct the Head of Asset Management and Operations to negotiate short term leases of the site to those sports teams and other organisations who presently use it; and
- (iv) to instruct the Head of Legal and Democratic Services to formally conclude such leases on terms and conditions as are necessary to protect the Council's interests.

JESSIEFIELD FARM - PROPOSED ASSIGNATION OF LEASE (EPI/12/328)

38. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which presented two requests from the tenant of Jessiefield Farm, and presented an officer recommendation as to the way forward.

The Committee resolved:

- (i) to instruct the Head of Asset Management and Operations to enter into provisional negotiations with the tenant for the partial renunciation by agreement of the area of land required, and ensure that any compensation payable, in terms of the Agricultural Acts, is paid to the tenant, by Equiworld Club Limited;
- (ii) to instruct the Head of Asset Management and Operations to enter into provisional negotiations with Equiworld Club Limited in relation to the granting of

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- (iii) a new limited duration tenancy lease for an initial period of fifty years of the area of land, in order to facilitate the building of an equestrian centre; and to instruct the Head of Asset Management and Operations to report back to an appropriate future meeting of this Committee on the provisionally agreed Heads of Terms for (a), and (b).

FORMER WOODLAND SPECIAL SCHOOL - SURRENDER OF GROUND LEASE (EPI/12/071)

39. Reference was made to article 26 of the minute of meeting of this Committee of 28 January, 2010 at which time the Head of Asset Management and Operations was instructed to enter into negotiations with the landlord of the former Woodlands Special School site with a view to agreeing an appropriate exit strategy for the Council. The Committee had before it on this day, a report by the Director of Enterprise, Planning and Infrastructure which provided an update on negotiations in this regard.

The Committee resolved:

to instruct the Head of Asset Management and Operations and the Head of Legal and Democratic Services to finalise the surrender of the ground lease between the Council and Stewart Milne Homes, on the terms noted in this report, incorporating such other provisions as are considered necessary to protect the Council's interest.

FORMER SUMMERHILL ACADEMY, PROPOSED DEMOLITION - STANDING ORDER 1(6)(B) (EPI/12/070)

40. Reference was made to article 19 of the minute of meeting of this Committee of 29 September, 2011 at which time members approved demolition costs for the former Summerhill Academy of up to £500,000. The Committee had before it on this day, a report by the Director of Enterprise, Planning and Infrastructure which advised that Standing Order 1(6)(b) (Contracts and Procurement) had been implemented, with the agreement of the Chief Executive, the Head of Finance, the Head of Legal and Democratic Services and the Head of Procurement, in order that the approved costs could be revised to a maximum of £750,000. Additional costs had been identified in the pre demolition survey and related to the presence of asbestos in the building, particularly within the concrete floor slabs. It was noted that the costs for the demolition were being met by the site purchaser at this time, and it would only be in the event that a planning consent was not available by summer 2014 that the Council would be liable to reimburse the purchaser for the costs.

The Committee resolved:

to note the implementation of Standing Order 1(6)(b) (Contracts and Procurement) as detailed within the report.

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SALE OF GROUND - WESTBURN CRESCENT (EPI/12/079)

41. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised members of an approach by NHS Grampian in relation to a proposed joint sale of an area of ground at Westburn Crescent.

The Committee resolved:

- (i) to instruct that the site is declared surplus to the operational requirements of the Council;
- (ii) to instruct the Head of Legal and Democratic Services to make an application for a Declarator from the Sheriff to sell the site, if required, given the site is held on a Common Good title; and
- (iii) assuming a Declarator were to be granted, to instruct the Head of Legal and Democratic Services to conclude the sale of the site to Kirkwood Homes Limited incorporating appropriate qualifications as are necessary to protect the Council's interest.

QUEEN'S LINKS LEISURE PARK (EPI/12/067)

42. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised members of a request to amend a ground lease of a site at Queen's Links, in order that a second 'drive thru' licensed restaurant could be developed.

The Committee resolved:

that in the event that a second 'drive thru' licensed restaurant on site were to be granted the appropriate planning permission:

- (i) to approve, in principle, the amendment of the ground lease to permit the erection and operation of a second 'drive thru' licensed restaurant on site; and
- (ii) to instruct the Head of Asset Management and Operations to provisionally negotiate an appropriate grassum payment to be paid by the tenant/ developer, in return for the Council's consent to amend the terms of the ground lease in this way, and to report to a future meeting of this Committee for potential approval of those provisional negotiations.

FERRYHILL ENGINE SHED (EPI/12/066)

43. With reference to article 8 of this minute, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided a synopsis of the

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situation in relation to a site and building at Ferryhill which was leased to Ferryhill Railway Heritage Trust.

The Committee resolved:

- (i) to instruct officers to discuss a business and development plan with the Ferryhill Railway Heritage Trust;
- (ii) to instruct officers to report back to this Committee on progress in six months; and
- (iii) to note that a Notice to Quit had been served, and to therefore agree that a short term lease be granted to the Ferryhill Railway Heritage Trust.

DECLARATION OF INTEREST

Councillor Crockett declared an interest in the following item of business due to his previous involvement in Glencraft, and withdrew from the meeting prior to consideration of the report.

PREMISES AT 132 WELLINGTON ROAD (EPI/12/078)

44. With reference to article 25 of the minute of meeting of Council of 14 December, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which updated members on the discussions in relation to Glencraft Aberdeen Limited, particularly concerning the company's occupation of premises at 132 Wellington Road.

The Committee resolved:

- (i) to note that a satisfactory business plan had been provided and that the one year lease at a rent of £160,000 as approved by Council on 14 December, 2011 would come to fruition; and
- (ii) to decline the approach by a third party to take a partial assignation of the southern most third of the site.

DECLARATION OF INTEREST

Councillor Noble declared an interest in the subject matter of the following article by virtue of his position on the Aberdeen Heat and Power Board but did not withdraw from the meeting as Aberdeen Heat and Power was established wholly or mainly for the purpose of providing services to the local authority (as per paragraph 5.18(2)(i)(d)(i) of the Councillors' Code of Conduct).

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STRUCTURAL AND HEATING UPGRADES AT BRIMMOND, GRAMPIAN AND MORVEN COURTS IN TORRY (H&E/12022)

45. With reference to article 26 of this minute, the Committee had before it an appendix containing exempt information pertaining to the report which had been considered at an earlier point in the meeting in relation to structural and heating upgrades at Brimmond, Grampian and Morven Courts in Torry.

The Committee resolved:

to note that the matter had been dealt with at article 26 of this minute.

ACCORD CARD CATERING SYSTEM UPGRADE (CG/12/008)

46. The Committee had before it a report by the Director of Corporate Governance which requested an exemption in terms of Standing Order 1(6)(b) (Contracts and Procurement) in order to award directly a contract for an upgrade of the existing cashless catering system use in all secondary schools.

The Committee resolved:

to approve an exemption under Standing Order 1(6)(a) (Contracts and Procurement) for the upgrade of the cashless catering system (CHIPS) due to the special circumstances outlined in the report.

COUNCILLOR IAN YUILL, Convener.