

FINANCE, POLICY AND RESOURCES COMMITTEE

ABERDEEN, 20 February 2014 - minute of meeting of the FINANCE, POLICY AND RESOURCES COMMITTEE. Present: Councillor Young, Convener; Councillor Forsyth, Vice Convener; and Councillors Allan, Cameron, Cormie (as substitute for Councillor McCaig), Crockett, Dickson, Donnelly, Jackie Dunbar, Grant, Len Ironside CBE (as substitute for Councillor Milne), Laing, Noble, Reynolds and Yuill.

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=2905&VER=4](http://committees.aberdeencity.gov.uk/ielistdocuments.aspx?CID=146&MID=2905&VER=4)

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AGENDA ORDER

1. The Convener proposed that the Committee consider item 11.1 (Motion by Councillor McCaig – Aberdeen and Grampian Chamber of Commerce Funding Report) (article 3 refers) following the first item of business on today's agenda.

The Committee resolved:
to concur with the proposal.

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 12.1 of the agenda (article 19 of this minute) onwards so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act: article 19 (paragraph 9), article 20 (paragraphs 4,6,8 and 9), article 21 (paragraph 6 and 9), article 22 (paragraph 12), article 23 (paragraph 1), article 24 (paragraph 1), article 25 (paragraph 1), article 26 (paragraph 1) and article 27 (paragraph 1).

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ABERDEEN AND GRAMPIAN CHAMBER OF COMMERCE RESEARCH STUDY AND BUSINESS RATES INCENTIVISATION SCHEME (CG/14/029)

3. With reference to article 6 of the minute of its meeting of 5 December 2013, the Committee had before it a report by the Director of Corporate Governance which presented the Aberdeen and Grampian Chamber of Commerce (AGCC) research study as well as the latest position on the Business Rates Incentivisation Scheme (BRIS).

The report recommended –

that the Committee –

- (a) note the content of the AGCC research study; and
- (b) instruct officers to commission a further piece of work to identify future possible funding streams.

The Convener took this opportunity to thank James Bream, Research and Policy Director at AGCC, for his presentation to members before the Committee on funding streams outlined in the report.

The Committee resolved:-

to approve the recommendations.

MINUTE OF PREVIOUS MEETING

4. The Committee had before it the minute of its previous meeting of 5 December 2013.

The Committee resolved:-

to approve the minute as a correct record.

COMMITTEE BUSINESS STATEMENT

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

The Committee resolved:-

- (i) in relation to item 3 (External Support to Deliver the Business Plan), to note the update and therefore to delete;
- (ii) in relation to item 5 (Centre for Scottish Public Policy) to note that an information bulletin was available and therefore to delete;
- (iii) in relation to item 7 (Annual Housing and Council Tax Benefit Report), to note the update and therefore to delete;
- (iv) in relation to item 9 (Local Code of Corporate Governance), to note the update and therefore to delete;

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- (v) in relation to item 10 (Trade Union Facility Time), to note that the Local Government Employees Joint Consultative Committee had requested that further consultation be undertaken with trades unions on this matter and therefore a report would be submitted to the next meeting of the Committee;
- (vi) in relation to item 11 (Parenting Strategy), to note the update and to transfer this item to the Education, Culture and Sport Committee business statement;
- (vii) in relation to item 15 (Subsistence Rate for Foreign Travel), to note the update and therefore to delete;
- (viii) in relation to item 18 (Posts to Deliver Key Goal 1 of the Strategic Infrastructure Plan), to note the update and therefore to delete;
- (ix) in relation to item 19 (Business Requirements for Service Improvement – Building Services), to note the update and therefore to delete;
- (x) to note that reports on items 1 (Affordable Housing Delivery), 2 (North East Scotland Japan Trust Loan Request), 4 (Satrosphere), 13 (Social Care and Wellbeing Management Structure – Monitoring Officer), were to be considered on today's agenda and to remove them subject to the decision taken; and
- (xi) to otherwise note the updates provided.

MOTIONS LIST

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

The Committee resolved:-

to note that a report had been considered earlier on today's agenda (article 3 refers) and therefore to delete motion 1 (Motion by Councillor McCaig - Business Rates Incentive Scheme).

APPLICATION TO OLDER PEOPLE'S ADVISORY GROUP

7. Reference was made to article 3 of the minute of the meeting the Older People's Advisory Group of 4 December 2013, at which time the Group considered an application to join from Dave Valentine, Footprints Connect, to join the Group and agreed to accept the application for its interest and refer it to this Committee for approval.

The Committee resolved:-

to approve the application from Dave Valentine, Footprints Connect, to join the Older People's Advisory Group.

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2013/14 FINANCIAL MONITORING - CORPORATE GOVERNANCE SERVICE (CG/14/014)

8. With reference to article 11 of the minute of its meeting of 5 December 2013, the Committee had before it a report by the Director of Corporate Governance which provided information to date on the current year's revenue budget for the Corporate Governance Service, and advised of any areas of risk and management action being taken in this regard.

The report recommended –

that the Committee –

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

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) to congratulate staff for their achievements to date.

COUNCIL REVENUE BUDGET 2013/2014 MONITORING (CG/14/028)

9. With reference to article 12 of the minute of its meeting of 5 December 2013, the Committee had before it a report by the Director of Corporate Governance which presented the revenue position for the Council for 2013/2014 and advised as to any areas of risk that had been highlighted by Directors.

The report recommended –

that the Committee –

- (a) note and endorse the content of the report; and
- (b) approve the actions being taken by directors to ensure Council was subject to robust financial management.

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) to congratulate staff for their achievements to date.

2013/2014 COMMON GOOD BUDGET - MONITORING REPORT UPDATE (CG/14/013)

10. With reference to article 13 of the minute of its meeting of 5 December 2013, the Committee had before it a report by the Chief Executive which presented information on income and expenditure of the Common Good budget for the period to 31 December 2013, and outlined the forecast position of the cash balances as at 31 March 2014.

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The report recommended –

that the Committee –

- (a) note the income and expenditure position as at 31 December 2013, and the forecast outturn for the year to 31 March 2014; and
- (b) note the forecast cash balances as at 31 March 2014, of £7,000,000 based on the current estimates, which was within the recommended levels indicated by the Head of Finance.

The Committee resolved:-

to approve the recommendations.

TREASURY MANAGEMENT POLICY AND STRATEGY (CG/13/018)

11. With reference to article 9 of the minute of its meeting of 13 June 2013, the Committee had before it a report by the Director of Corporate Governance which sought approval of the Treasury Management Policy and Strategy for 2014/15 to 2016/17.

The report recommended –

that the Committee recommend that Council –

- (a) consider and approve the Council's Treasury Management Policy Statement for 2014/15 to 2016/17 as detailed at appendix 1;
- (b) consider and approve the Council's Borrowing and Investment Strategy for 2014/15 to 2016/17 as detailed at appendix 2, and
- (c) approve the revised Counterparty list as detailed at appendix 3.

The Committee resolved:-

to recommend that Council approve the recommendations.

SMALL FINANCIAL ASSISTANCE APPLICATIONS 2013/14 (CG/14/024)

12. The Committee had before it a report by the Director of Corporate Governance which presented two applications for financial assistance.

The report recommended –

that the Committee -

- (a) agree to award £1000 to Friends of Anchor; and
- (b) agree that no further funding be awarded to Anglo-Japan Collaboration – All Together Better Health Conference however, to approve that the balance of £425 unspent from the previous grant be retained for use towards this year's conference.

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The Committee resolved:-

- (i) to approve recommendation (a);
- (ii) to provide £4425 to the Anglo-Japan Collaboration – All Together Better Health Conference, subject to the project leader Morag McFayden agreeing to provide the Committee with a briefing note on the success or otherwise of the conference and agreeing to attend a future meeting of the Committee if asked by members following consideration of the briefing note; and
- (iii) to request officers to review the criteria for small financial assistance applications and to report back to the Committee in this regard.

COAST - PENSION FUND GUARANTEE

13. With reference to article 16 of the minute of the meeting of the Education, Culture and Sport Committee of 21 November 2013, the Committee had before it a report by the Director of Education, Culture and Sport which sought approval for the Council to act as guarantor in respect of those staff who were due to transfer from Sport Aberdeen to Aberdeen Sports Village (ASV) in April 2014.

The report recommended –

that the Committee agree that the Council act as guarantor in respect of the transferring employees, subject to the Pensions Panel accepting the application from ASV for these employees to remain in the scheme.

The Committee resolved:-

to approve the recommendation.

FIXED LINES AND MOBILE TELEPHONY (CG/14/023)

14. The Committee had before it a report by the Director of Corporate Governance which sought approval to procure fixed lines and mobile telephony services through a government framework agreement.

The report recommended –

that the Committee –

- (a) approve the use of an appropriate framework agreement to procure fixed line and mobile telephony services and the entering into of a contract (or contracts) for a two year period (with the option to extend for two further periods of one year each, meaning that the maximum possible duration was four years), the particular framework agreement to be selected by the Director of Corporate Governance following consultation with the Council's ICT, procurement and legal teams;
- (b) approve the total estimated expenditure of £4,500,000 in respect of the entering into the aforementioned contract or contracts;

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- (c) grant exemption from any of the Council's Standing Orders relating to contracts and procurement from which exemption was required in order to allow the proposed contracts or contracts to be entered into, including Standing Order 11 (Corrupt or Illegal Practices), 13 (Insurances) and 26(3) (Freedom of Information) which required that specific clauses relating to those matters be included in Council contracts.

The Committee resolved:-

to approve the recommendations.

SUPPLY OF WEB HOSTING SERVICES (CG/14/026)

15. The Committee had before it a report by the Director of Corporate Governance which sought approval to issue a tender and award a contract for the supply of website hosting services.

The report recommended –

that the Committee –

- (a) approve the issue of a tender and subsequent award of a four year contract to supply website hosting services using a Crown Commercial Service framework agreement; and
- (b) approve the estimated expenditure for the procurement as detailed in section 3 (Financial Implications) of the report.

The Committee resolved:-

to approve the recommendations.

REQUEST FOR APPROVAL OF EXPENDITURE FOR EXTERNAL SUPPORT RELATING TO THE CITY DEAL FUND (CG/14/020)

16. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which sought approval to go to tender, through a mini competition exercise between those on a national government procurement framework, for external support to assist in the bidding process for the City Deal Fund.

The report recommended –

that the Committee –

- (a) approve the estimated expenditure of up to £250,000, in accordance with Standing Order 1(3) of the Council's Standing Orders relating to Contracts and Procurement; and
- (b) agree to receive a further report, once a successful bidder had been appointed on the project plan which would be followed to process the submission of a bid for City Deal funding.

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The Committee resolved:-

- (i) to approve the estimated expenditure of up to £250,000 to cover the cost of securing external support to prepare a bid to the UK Government to secure a City Deal for Aberdeen and the North East, in accordance with Standing Order 1 (3) of the Council's Standing Orders relating to Contracts and Procurement; and
- (ii) to approve recommendation (b).

REQUEST FOR AUTHORITY TO PROCURE EMPLOYEE BENEFITS (CG/14/004)

17. The Committee had before it a report by the Director of Corporate Governance which sought approval to procure the provision of an employee benefits scheme.

The report recommended –

that the Committee –

- (a) agree that the Corporate Governance Service conduct a procurement exercise in line with Council's Standing Orders, Financial Regulations and EU Legislation for the provision of an employee benefits service for an initial period of three years with the option to extend the contract for a twelve month period and then a further option to extend for a twelve month period and with an estimated expenditure of £5,000,000 (which would be reclaimed through the scheme and would accordingly be cost neutral); and
- (b) agree that the method of procurement be determined by the Head of Human Resources and Organisational Development in consultation with the Head of Procurement and if procurement for the provision of an employee benefits service was to be by way of tender, then such a tender should either be solely conducted by the Council or conducted collaboratively with Aberdeenshire Council.

The Committee resolved:-

to approve the recommendations.

EMPTY PROPERTIES - COUNCIL TAX (CG/14/011)

18. With reference to 13 of the minute of the Housing and Environment Committee of 24 January 2012, the Committee had before it a report by the Director of Corporate Governance which advised of changes to Council tax legislation relating to unoccupied properties and sought approval of the changes to Council Tax discount in accordance with the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013.

The report recommended –

that the Committee approve the changes to Council Tax Discount in accordance with the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 from April 2014 to reduce the discount awarded to 10% after six months and increase the

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Council Tax charge by 100% on properties that have been empty for more than twelvemonths.

The Committee resolved:-

to approve the recommendation.

In accordance with the decision recorded under article 2 of this minute, the following items were considered with the press and public excluded.

DECLARATIONS OF INTEREST

Councillor Cameron declared an interest in the following item of business by virtue of his appointment by the Council as a Director of Aberdeen Sports Village. Councillor Cameron considered that the nature of his interest required him to leave the meeting and took no part in the deliberations thereon.

Councillor Dickson declared an interest as a Council appointed Board member of Sport Aberdeen but chose to remain in the meeting as Sport Aberdeen was a body being a company established wholly or mainly for the purpose of providing services to the local authority, and which had entered into a contractual arrangement with the local authority for the supply of goods and/or services to the local authority, as set out in paragraph 5.18(2)(d)(i) and (ii) of the Councillors' Code of Conduct.

UPDATE ON TRANSFER OF OWNERSHIP OF THOMAS BLAKE GLOVER HOUSE (ESPI/14/0146)

19. With reference to article 33 of the minute of its meeting of 5 December 2013, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update on progress with the proposal to transfer ownership of the property known as Glover House from the Grampian Japan Trust to the Council.

The report recommended –

that the Committee –

- (a) note the contents of the report;
- (b) instruct relevant officers to present to its next meeting a further update on costs and progress associated with the proposal to use part of the building as office accommodation for Enterprise, Planning and Infrastructure officers and retain appropriate rooms on the ground floor to display some of the Thomas Blake Glover collection as well as provide space for workshops for visiting parties;

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- (c) instruct officers to ensure that the Head of Legal and Democratic Services was satisfied that the proposed use of the property conformed to any contractual terms which the Trust sought to impose;
- (d) instruct officers to ensure that the Head of Finance was satisfied that any risk to the Council could be mitigated and that the Council neither inherited any debts nor financial liabilities of the Grampian Japan Trust; and that the financial implications for the Council could be met and sufficient budget was in place to cover the costs of any legal fees which were to be incurred and any fees relating to the repair and maintenance of the building as well as identifying a future budget beyond 2013/2014 from the appropriate Council budgets to cover the costs of on-going maintenance and upkeep of the building in the event of the transfer of ownership being completed; and
- (e) approve the commissioning of a study to develop and deliver an Aberdeen - Japan strategy to further develop trade, tourism and academic links at a cost not to exceed £25,000.

The Committee resolved:-

- (i) to approve recommendations (a) to (d);
- (ii) approve the commissioning of a wide-scoping study by external specialists to develop and deliver an Aberdeen – Japan strategy to further develop trade, tourism, academic and sporting links at a cost not to exceed £25,000 with a report back to its next meeting; and
- (iii) instruct officers as a matter of urgency to engage with the Grampian Japan Trust to ensure that remedial works to Thomas Blake Glover House were carried out at the earliest opportunity including if necessary making a financial contribution up to £20,000 to carry out the essential works.

At this point, the Convener resumed the Chair.

SATROSPHERE - BANK GUARANTEE AND STRATEGIC PARTNERSHIP AGREEMENT (ECS/14/007)

20. With reference to article 30 of the minute of its meeting of 4 October 2012, the Committee had before it a report by the Director of Education, Culture and Sport which sought approval to enter into a new bank guarantee arrangement with the Bank of Scotland in support of Satrosphere's financial position and the formalising of a Strategic Partnership Agreement.

The report recommended – that the Committee –

- (a) approve a new bank guarantee arrangement with the Bank of Scotland, in support of Satrosphere's financial overdraft and card guarantee facility, at the reduced level detailed in the report from 1 April 2014 to 31 March 2015; and

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- (b) approve the general principles of the draft Strategic Partnership Agreement as discussed in the report and instruct officers to conclude such an Agreement with Satrosphere on the Council's behalf.

The Committee resolved:-

to approve the recommendations.

PREMISES AT 132 WELLINGTON ROAD (EPI/14/211)

21. With reference to article 31 of the minute of the meeting of Council of 18 December 2013, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update on ongoing discussions with Glencraft Aberdeen Limited concerning the company's occupation of the premises at 132 Wellington Road and with the Council's new landlord.

The report recommended –

that the Committee –

- (a) approve the provisionally agreed terms and conditions of sub-lease of the property to Glencraft, i.e. a lease for 20 years, allowing for a relocation break option, at a rent as specified in the report on full repairing and insuring terms, subject to schedule of condition;
- (b) instruct the Head of Asset Management and Operation to continue "without commitment" discussions with the head landlord on Glencraft's potential relocation, the renunciation of the Council's lease of the property and the disposal of the Council's interest to the head landlord at its market value of £1 million; and
- (c) remit to the Head of Legal and Democratic Services to formally conclude the legal agreements described in (a) and (b) above on terms and conditions as were necessary to protect the Council's interests.

SOCIAL CARE AND WELLBEING MANAGEMENT STRUCTURE INVESTIGATION (CG/14/027)

22. With reference to article 32 of the minute of its meeting of 5 December 2013, the Committee had before it a report by the Director of Corporate Governance which advised members regarding (1) the delay in the provision of the original report; (2) the information in the original report; and (3) how future investigations would be undertaken.

The report recommended –

that the Committee note the report.

The Committee resolved:-

to approve the recommendations.

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PROCUREMENT TRANSFORMATION PROGRAMME (CG/14/016)

23. The Committee had before it a report by the Director of Corporate Governance which outlined and sought approval of a broad change programme which was proposed to enhance the coverage, governance and value of the Central Procurement Unit (CPU).

The report recommended –
that the Committee –

- (a) approve the implementation of the attached Procurement Transformation Plan (Appendix 1);
- (b) approve the implementation of the refreshed Aberdeen City Council Procurement Strategy (Appendix 2);
- (c) approve the commissioning of a Programme Manager from Scotland Excel, to lead the Procurement Transformation workstream, on a fixed term basis (three days a week) for up to one year; and
- (d) agree that the Central Procurement Unit be renamed Commercial and Procurement Services.

The Committee resolved:-
to approve the recommendations.

PROPOSED REALIGNMENT OF THE ACCOUNTS PAYABLE TEAM TO THE CENTRAL PROCUREMENT UNIT (CG/14/018)

24. The Committee had before it a business case by the Director of Corporate Governance which sought approval to realign the Accounts Payable and Insurance Teams from Finance to the Central Procurement Unit.

The Committee resolved:-
to approve the business case as outlined in the report.

PROPOSED REALIGNMENT OF THE PROGRAMME MANAGEMENT OFFICE TO THE CENTRAL PROCUREMENT UNIT (CG/14/019)

25. The Committee had before it a business case by the Director of Corporate Governance which sought approval of the realignment of the Programme Management Office from Customer Services and Performance to the Central Procurement Unit.

The Committee resolved:-
to approve the business case as outlined in the report.

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CENTRAL PROCUREMENT UNIT (CPU) RESTRUCTURE

26. The Committee had before it a business case by the Director of Corporate Governance which sought approval to implement a revised staffing structure for the Central Procurement Unit, a service which was shared equally with Aberdeenshire Council,

The business case recommended –
that the Committee –

- (a) approve the additional resources and change to structure as outlined in table one and appendix one of the report; and
- (b) agree to delegate approval of the final remuneration of the posts once finalised by the Head of Human Resources and Organisational Development to the Director of Corporate Governance, in consultation with the Convener and Vice Convener of the Committee.

The Committee resolved:-
to approve the recommendations.

**ENTERPRISE, PLANNING AND INFRASTRUCTURE DIRECTORATE
RESTRUCTURING (EPI/13/206)**

27. The Committee had before it a report which presented the proposed restructuring at senior manager level within the Enterprise, Planning and Infrastructure Directorate for approval and proposed that the Service be retitled City Development.

The report recommended –
that the Committee –

- (a) approve the proposals to establish the new structure for senior managers within Enterprise, Planning and Infrastructure as detailed in paragraphs 5.5 to 5.9 of the report and summarised in the attached business case section and in the organogram provided at Appendix 1;
- (b) approve the disestablishment of vacant posts within Enterprise, Planning and Infrastructure as detailed at paragraph 5.10 of the report and summarised in the attached business case section 1;
- (c) acknowledge the arrangements to use the Council's Job Matching process to fill the posts outlined in the proposals and where vacancies remain to use the appropriate selection process and the redeployment and redundancy process as required;
- (d) acknowledge that, in keeping with the decision arrived at the meeting of the Urgent Business Committee of 2 December 2013, responsibility for the appointment to the posts of City Development Programme Manager and City-Wide Strategist lay with the Director of Enterprise, Planning and Infrastructure; and

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- (e) agree to rename the Enterprise, Planning and Infrastructure Service, City Development and to review the title of the constituent parts of the Service over the coming months in consultation with staff.

The Committee resolved:-

to approve the recommendations.

COUNCILLOR WILLIE YOUNG, Convener.

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