

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 12 November, 2009. - minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor Kevin Stewart, Convener; Councillor Fletcher, Vice Convener; and Councillors Cassie, Cormack, Crockett (from article 16) Dunbar, Farquharson, Graham, Kiddie, Laing, Leslie, McCaig, Reynolds (substitute for Councillor Dean), Jennifer Stewart (substitute for Councillor Yuill until article 16), John Stewart (substitute for Councillor Yuill from article 16), John West and Young (substitute for Councillor Crockett until article 16).

1 INTRODUCTION AND REQUEST FOR DEPUTATION

The Convener advised that items 3 and 4 of the Information Bulletin (Employee Assistance Services – Delegated Powers – Update; and Frederick Street Development Site – Update) would be taken as items on the agenda; that item 9.5 of the agenda (Car Park at Rosehill Drive) had been withdrawn; and that there had been a request for deputation from Ms Christine Burgess on behalf of Old Aberdeen Community Council, Sunnybank Park Steering Group and local residents, who wished to be heard in relation to item 6.2 of the agenda (St Machar Outdoor Centre).

The Committee resolved:-

- (i) to agree to take items 3 and 4 of the Information Bulletin (Employee Assistance Services – Delegated Powers – Update; and Frederick Street Development Site – Update) as the first items of exempt business on this day;
- (ii) to note that item 9.5 on the agenda (Car Park at Rosehill Drive) had been withdrawn; and
- (iii) to agree to hear the deputation from Ms Burgess, and to take item 6.2 as the first item of business on this day, along with the accompanying report.

2 ST MACHAR OUTDOOR CENTRE - DEPUTATION

With reference to article 1 of this minute and in terms of Standing Order 10(2) the Committee heard Ms Christine Burgess as a representative of Old Aberdeen Community Council, Sunnybank Park Steering Group and local residents. Ms Burgess welcomed the recommendations within the report, and continued that if approved, this would provide the community with an opportunity to develop the park. She advised that the community recognised the great challenges it faced, but welcomed this challenge, particularly with regard to the funding and finance that any project would require.

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Ms Burgess accepted that the pavilion would have to be demolished for safety reasons, but requested that the foundations be retained, and the water and electricity supplies capped to allow for future development.

Members asked the Head of Resources Development and Delivery a number of questions and thanked Ms Burgess for her presentation.

3 ST MACHAR OUTDOOR CENTRE - EPI/09/102

Reference was made to article 41 of the minute of the previous meeting of this Committee, at which time there was under consideration (1) a report by the Director of Corporate Governance which advised of unsolicited expressions of interest received following the decision to declare the St. Machar Outdoor Centre on Sunnyside Road, Aberdeen as being surplus to Council requirement; and (2) a verbal report by the Head of Resources Development and Delivery regarding recent fire damage to the pavilion at the St. Machar Centre. The Committee at the said meeting also heard a deputation from the Froghall, Powis and Sunnybank Community Association who sought certain assurances from the Council regarding the future use of the site which it was felt should be retained for a community purpose. The resolutions of the Committee at that meeting included instructions to officers to undertake discussions regarding the possible future use of the Centre by the local community and to report back further to this, and also to the Head of Resources Development and Delivery to carry out a detailed assessment of the options available to the Council as regards the damage to the pavilion. With reference to the previous article of this minute, the Committee now had before it a further report on the matter by the Director of Enterprise, Planning and Infrastructure.

The report before members (1) made reference to the various representations received from individuals, local members and the local community and the ideas being proposed for the future use of the site; (2) referred also to the need for one single committee or organisation to be set up to take these ideas forward and, ultimately if that is what the Council decide, to take on the running of the Centre; and (3) suggested that, in order for the options to be properly investigated, a development scheme agreed and the necessary funding identified, the local community would require a "window of opportunity" in which to determine whether any viable alternative use of the subjects at St. Machar could be made to work, at no revenue cost to the Council. By way of assisting the process of identifying alternative uses of the property, the report made reference to the Council's draft Nature Conservation Strategy 2010-2015, currently out for public consultation and which promoted the benefits of community gardens, wildlife gardens and allotments, etc. The Urban Green Space and Greenspace Network

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zoning of the St. Machar site, in terms of the 2008 Aberdeen Local Plan, was highlighted within the report as supporting such an alternative use as, indeed, was the interest shown by Aberdeen Greenspace Trust Limited in working with the community in this case. The loss of the green space zoning for the site at St. Machar would, it was pointed out, leave many residents in the surrounding area without suitable access to a public green space.

As regards the matter of the damaged pavilion, the Head of Resources Development and Delivery reported that the cost of demolishing the building and levelling the cleared site was estimated to be in the region of £20,000, whereas the cost of repairing the pavilion and reinstating it to its prevandalised condition was estimated to be in the region of £85,000. The Head of Service went on to draw attention to the current status of the damaged building which clearly presented a potential risk to the Council from unauthorised entry and indicated that the only meaningful way of addressing that risk was to demolish the structure and remove the resultant downtakings. The existence of the Category "B" listed Firhill Well on part of the site was referred to in the report in the context of the Council's continuing obligation to maintain and preserve that structure.

The report recommended:-

that the Committee:

- (a) declare its intention of retaining the St. Machar Outdoor Centre under Council control for the next six months and to meet only revenue costs for essential health and safety works to the property;
- (b) indicate to the local community that in the next six months, the Council would look to all those parties who had indicated an interest in having the Centre retained for public use to come together in a single body, to agree a clear development scheme for the use of the various parts of the site;
- (c) indicate that the Council would look to that body to fully investigate the availability of external funding to implement some or all of their development ideas;
- (d) offer the body appropriate assistance of Council officers, if requested;
- (e) remit to the Head of Resources Development and Delivery to open "without prejudice" negotiations with the body, if appropriate, to fix the terms and conditions of a management agreement, lease or other means of tenure of the Centre, for the period after May, 2010 on the basis that no capital or revenue costs will be met by the Council;
- (f) authorise the Head of Resources Development and Delivery to demolish the pavilion;
- (g) note the advice of the Head of Resources Development and Delivery on the listed Category "B" status of the Firhill Well on site; and

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- (h) to instruct the Head of Resources Development and Delivery to report back to the meeting of the Finance and Resources Committee on 6 May, 2010 on the outcome of these remits, with an invitation to that Committee to decide upon the future use of the property.

The Committee resolved:-

- (i) that the recommendations contained within the report be approved; and
 (ii) that, in addition, the Head of Resources Development and Delivery be requested to investigate the possibility of capping the electricity and water services to the St. Machar site and to advise the Sunnybank Park Steering Group of the outcome of that investigation.

4 MINUTE OF PREVIOUS MEETING OF 17 SEPTEMBER 2009

DECLARATIONS OF INTEREST

The Vice Convener declared a pecuniary interest due to the nature of discussion that took place throughout consideration of article 59 of the minute of the previous meeting by reason of his employment by the property development company involved and left the meeting prior to consideration of the matter. Councillors Laing and Young declared non pecuniary interests in the same article by virtue of their position on the Board of Oakbank School. Both Councillors chose to withdraw from the meeting throughout discussion of this article.

Councillors Cassie declared an interest in the same article, by reason of his position as Member of the Board of Robert Gordon's College. Councillor Cassie did not consider that the nature of his interest required that he withdraw from the meeting.

The Committee had before it the minute of its previous meeting of 17 September, 2009.

With reference to article 3, resolution (i) of the minute, the Head of Democratic Services advised the Committee that Health and Safety legislation stated that each local authority must have a Health and Safety Committee, and this would be contravened by the renaming of the former Health and Safety Committee to the Health and Safety Working Group, at the last meeting.

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The Committee resolved:-

- (i) with reference to article 3, to note the advice provided by the Head of Democratic Services, and to therefore agree that the Health and Safety Working Group revert back to its original name of the Health and Safety Committee;
- (ii) with reference to article 35 of the minute (Policy Statement on the Recruitment of Ex Offenders), to agree that Councillor Farquharson liaise with the Head of Human Resources on a minor amendment to the wording of the Policy, and for the Policy to then be emailed to all Members of the Committee; and should any Member be unhappy with the amendments, for the Policy to be resubmitted to this Committee for further approval;
- (iii) with reference to article 59, to amend the wording of the Convener's motion to read 'that any planning implications of delaying the marketing of Council owned housing sites at Pinewood and Hazledene be the subject of a separate report to the Enterprise, Planning and Infrastructure Committee'; and
- (iv) to otherwise approve the minute as a correct record.

5 COMMITTEE BUSINESS STATEMENT

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

The Committee resolved:-

- (i) to remove items 6 (Grove Nursery Site), 16 (54/55 Springbank Terrace), 18 (Corporate Time Recording System), 24 (Employee Assistance Delivery) and 25 (St Machar Outdoor Centre);
- (ii) to request that reports be submitted in January for items 21 (Culter Grounds report), 22 (Croft House Care Home) and 23 (Aberdon Care Home); and
- (iii) to otherwise note the updates contained within the Business Statement.

6 MOTIONS LIST

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

The Committee resolved:-

- (i) to request an update on item 1 (Motion by Councillor Milne - Eric Hendrie Park) at the next meeting; and

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- (ii) to request a report back at the next meeting on item 2 (Motion by Councillor Jennifer Stewart – Garden Areas for Terraced Dwellings in Hazlehead Area).

7 CORPORATE GOVERNANCE PERFORMANCE REPORT

With reference to articles 6 and 7 of the minute of its previous meeting, the Committee had before it a report by the Director of Corporate Governance which presented key performance and management information for the Corporate Governance Service.

The report detailed the Director's overview of progress since the last meeting, which focused on the key operational and performance issues in each section within the Corporate Governance Service; and provided a performance indicator balanced scorecard, which utilised a traffic light mechanism to indicate the status relating to each indicator, which in turn was supported by appendices with 'drill down' information for each indicator within the scorecard.

The report explained that a number of indicators detailed in the 'Performance Management – Report and Target Setting 2009/10' report that was considered at the previous meeting (article 7 refers) were not included within the report and provided reasons for this.

The Committee resolved:-

to note the information contained within the report.

8 TIME RECORDING AND SMARTCARD ENABLED STAFF IDENTITY BADGE - CG/11/093

DECLARATIONS OF INTEREST

The Convener and Councillor Kiddie declared interests due to the nature of discussion that took place throughout consideration of the following article by virtue of their membership of Unison. They did not feel it was necessary to withdraw from the meeting.

With reference to article 2 of the minute of meeting of the Resources Management Committee of 25 November, 2008, the Committee had before it a report by the Director

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of Corporate Governance which provided an update on the possible utilisation of smartcards (1) as staff identity badges; and (2) in conjunction with a time recording system.

By way of background the report advised that the Accord team had previously been instructed by the Resources Management Committee and Accord Scheme Task Group to investigate the potential for using the Accord card for physical entry to buildings and for staff time and attendance recording purposes. The report explained that preparatory work commenced during 2007, and at this stage it was determined (1) that a trial should be undertaken at AECC, Balgownie 1, using a Smartcard enabled staff ID badge; and (2) that an Accord branded card should not be used in any form as a staff ID badge, rather, that a plain white Smartcard be used that would have the same appearance as the current staff ID card but replaced the need for a separate "fob" for physical access to the workplace, and also be used with the staff time recording system. The report continued that due to resource availability, the pilot was never fully progressed at this stage.

The report provided further details on how the card could be utilised (a) as a corporate time and recording system, (b) within the existing time and attendance recording system, and (c) as an access control mechanism.

The Committee resolved:-

- (i) to approve the introduction of the Open Options and Time and Attendance Recording system, and smartcard enabled staff ID badges to the Corporate Governance teams at Crown House on the basis that if this proves to be successful, a business case be provided to Facilities Management for consideration at other sites pending any new corporate time and attendance system being introduced;
- (ii) to approve the upgrading of the Open Options and Time and Attendance Recording system card readers, to allow smartcard enabled staff ID badge to be used by the Payroll, Pensions and Financial Services teams at the AECC;
- (iii) to agree that access control functionality should not be progressed at any other existing site at this time;
- (iv) to instruct the Accord team to continue to work with the Marischal College project team to assess the viability of introducing control functionality (and any other possible uses) to Marischal College via smartcard enabled staff ID badges; and
- (v) to instruct officers to provide six monthly Accord update reports.

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9 2009/20 REVENUE BUDGET MONITORING - CG/011/114

With reference to article 9 of the minute of its previous meeting, the Committee had before it a joint report by the City Chamberlain and the Director of Corporate Governance which provided information on the 2009/10 Corporate Governance Service budget and current year Revenue Budget performance to date; and advised of areas of risk, and management action that should be taken in this regard.

The report advised that in overall terms, there was a net saving of £291,000, or 1.1%, across an overall current aligned budget of £25.774m. The report further continued that in broad terms, the net projected saving comparing outturn budget reflected a favourable variance of £787,000 on projected staffing saving across the Service. The report continued that this was offset by a prudent assessment of recoverable costs and recharges to the Housing Revenue Account and the General Services Capital Programme in respect of conveyance work based on the level of recharges last year, and the downturn activity in the current year for capital receipts.

Appended to the report was the Service report and associated notes.

The Committee resolved:-

- (i) to note the report and the information on management action and risk that was contained therein; and
- (ii) to instruct officers to continue to review budget performance and report on Service strategies as soon as possible and as required to ensure a balanced budget.

10 CAPITAL BUDGET PROGRESS REPORT - CG/11/113

The Committee had before it a joint report by the City Chamberlain and the Director of Corporate Governance which provided an update on the progress being made with regard to the various projects within the Non Housing Capital Programme, previously approved by Council, which were currently aligned to the Corporate Governance Service.

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The report advised that spend to the end of September, 2009 only reflected payments made and processed, and excluded commitments that had been made and would be due to be paid by the year end. Such commitments would be reflected in the forecast position. The budgeted figures included slippage from 2008/09.

Appendix A to the report contained a table that outlined the Non Housing Capital Programme projects aligned to the Corporate Governance Service; and detailed (1) the budget for 2009/10; (2) spend to the end of September, 2009; and (3) a forecast outturn for each project. Comments on particular projects were included in the narrative.

A short discussion took place regarding page 128 of the report (project 708 – eGovernment Stage 4 Implementation and Project 709 – Integrated Document Management) and it was intimated that if there were any blockages within Services, that members should be advised accordingly.

The Committee resolved:-

to note the content of the report in relation to the projects as outlined at appendix A.

11 LOCAL GOVERNMENT EMPLOYEE JOINT CONSULTATIVE COMMITTEE - OCE/09/11

With reference to article 3, resolution (iii) of the minute of its previous meeting, the Committee had before it a report by the Chief Executive which detailed the results of the consultation exercise that had been undertaken with the trades unions as to the future of the Local Government Employee Joint Consultative Committee.

The report advised that this matter had been discussed at the quarterly meeting between the Leadership Board and trades union representatives on 21 September, 2009, where the trades unions had indicated that they were appreciative of the opportunity to discuss matters with the Leadership Board, but felt that the Local Government Employee Joint Consultative Committee should continue in existence, and be available should it be required to meet. The report continued that the trades unions further agreed that there would be no requirement to establish a programme of meetings for the Committee.

The report concluded that the membership of the Committee, appointed at the meeting of Council of 30 May, 2007 (article 18 refers) was as follows:- 2 Liberal Democrats (Councillors Fletcher and Leslie); 2 SNP (Councillors Kiddie and Kevin Stewart); 1 Labour (Councillor Young); and 1 Conservative (Councillor Farquharson).

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The Committee resolved:-

to approve the continuance of the Local Government Joint Consultative Committee; and to note that there would be no change to the membership of the group at this time.

**12 NON HOUSING CAPITAL PROGRAMME 2009/2010 - MONITORING REPORT
- CG/11/120**

With reference to article 17 of the minute of its previous meeting, the Committee had before it a report by the City Chamberlain which provided an update on the progress being made across all services and projects within the Non Housing Capital Programme, as at 30 September, 2009.

Appendix 1 to the report contained a financial statement which outlined the current position as at 30 September, 2009.

The report advised that the revised programme was now £91.879m, prior to an allowance for project variations and slippage which had been estimated to reduce the programme by £27.564m; therefore the total funded programme was currently £64.315m.

The report continued that the total payments made as at 30 September, 2009, were approximately £14.103m, or 22% against the funded programme of £64.315m; which was broadly in line with the pattern of spend in previous years with the trend being for payments to be made principally in the later period of the year. The report noted that whilst this figure was relatively low, it did not reflect other commitments (for example, those made through accepted tenders).

The report explained that factors outwith the control of the Council may result in project delays (for example, delays in contractors beginning work on site which would contribute to slippage in spending profiles). Whilst it was currently projected that the actual outturn would be £87.020m, to ensure that the overall programme remained within the funded level, a further £22.327m of slippage would require to be identified. Based on information from previous years and the low level of spend to date, it was anticipated that this level of slippage was achievable, but would require to be closely monitored by budget holders during the year with details of projected spend being reported to both individual Service committees, and within the overall report to this Committee.

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Appendix 2 to the report contained a financial statement which indicated that a review of the ICT projects would allow £0.434 million of capital funds to be used to either repay debt instalment or fund the future capital expenditure and would leave an unused balance of £0.827m.

Appendix 3 to the report provided information on budget movements and revisions for the Non Housing Capital Budget since initially approved by Committee in May and June 2009.

The Committee resolved:-

- (i) to note the current position on the Non Housing Capital Programme for 2009/2010;
- (ii) to approve the removal of previously approved funding from the Capital Fund in respect of ICT projects for which the sums required to complete individual projects are less than anticipated;
- (iii) to instruct the City Chamberlain to continue to update the Committee, in consultation with the Directors, on the overall position of the Non Housing Capital Programme; and
- (iv) to instruct the City Chamberlain to continue to update each Service Committee, in conjunction with the Director, on the Service's specific capital projects.

13 2009/2010 COMMON GOOD BUDGET - MONITORING REPORT UPDATE - CG/11/118

With reference to article 18 of the minute of its previous meeting, the Committee had before it a report by the City Chamberlain which provided information on the actual income and expenditure for the year to 31 August, 2009, and an outturn for the year, comparing this with the approved budget.

Appended to the report were (1) details of the approved budget for the Common Good for 2009/10, which showed that the estimated outturn for the year to 31 March, 2010 was net expenditure of £314,630, compared to a budget of £392,515, which was a favourable movement of £77,885 from the budget compared to the current outturn; and (2) supporting details in relation to analysis of miscellaneous and general income and expenditure (appendix 2), donations, grants, contributions etc. (appendix 3) and other projects (appendix 4).

The report concluded that this gave a projected cash balance as at 31 March, 2010 of £5.233m and explained that the Council had previously adopted an underlying principle

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that these balances should be no less than £4.544m, after adjusting for the Greenfern development site as at 31 March, 2010, utilising the consumer price index (CPI) as a basis for calculating indicative cash balances.

The Committee resolved:-

- (i) to note the position as at 30 September, 2009 and the estimated outturn for the Common Good;
- (ii) to thank the Board of Oil and Gas UK for their contribution of £5,000 towards the cost of the memorial service for Flight 84N; and
- (iii) to note the estimated cash balances of the Common Good as at 31 March, 2010 of £5.233m based on the current forecast.

14 REVENUE BUDGET 2009/10 MONITORING - CG/11/121

DECLARATIONS OF INTEREST

The Vice Convener and Councillor John West both declared interests due to the nature of discussion that took place throughout consideration of the following article by virtue of their appointment as members of the Board of Directors for Sport Aberdeen. They did not feel it was necessary to withdraw from the meeting.

The Committee had before it a report by the City Chamberlain which detailed the projected outturn and current financial position for the Council for the financial year 2009/10, and advised on areas of risk and management action that had been highlighted by the Directors.

Appendix A to the report provided a summary of the overall Council projected position, as well as supporting schedules in relation to the variances that were currently identifiable for each Service. This indicated that in overall terms the net position was c£300,000, after taking account of savings in corporate budgets and exceptional one of items to a total value of c£10m that would mitigate operational budget cost pressures projected to exceed budget by £10.227m.

The report advised that the pressure on the budgets was clearly visible from the figures, specifically (1) in the cost of providing and commissioning Social Care; (2) in the

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reduction in the amount of income being received for planning and building application fees; and (3) in the reduction in income being received by sport centres.

The report further advised that in relation to the corporate budget, there were one off opportunities to recover the position, these being a favourable impact on the financial position, capital financing costs; and a review of VAT claims; and explained the circumstances of these. The report continued that although this provided a positive impact from the net position, it was important to remember that savings on one budget heading of this scale were infrequent, one off savings and therefore it remained important that the Council worked continually to address the financial challenges that it faced in service provision and delivery.

The report concluded by detailing the management actions being undertaken across and within Services currently to address the unfavourable operation of budget positions and outlined these as follows:- (a) vacancy management (the filling of all vacant posts was being scrutinised and authorised by the Corporate Management Team); (b) reviewing and limiting payments for overtime and agency staff; (c) minimising and tightening spend on discretionary supplies and services; (d) the Director of Social Care and Wellbeing would authorise and agree with the Head of Service any admissions for older people, learning disability and children; and (e) a review of forward commitments and secured placement by Social Care and Wellbeing was being undertaken.

The Committee resolved:-

- (i) to note the content of the report, and the implications of the projected figures on the general fund balance; and
- (ii) to instruct Directors to continue to take cost opportunity reductions during the remainder of the year in order to move the estimated position back in line with the approved budget, and to continue to report progress through the service budget monitoring reports to Committee.

15 ADDITIONAL SUPPORT - CG/09/138

The Committee had before it a joint report by the City Chamberlain and the Director of Corporate Governance which requested approval for the use of additional financial resources on a temporary and fixed term basis to support and progress work with Services.

The report advised that there were three specific areas where it was proposed to utilise additional support on a fixed term and temporary basis to address the current capacity,

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skills and workload of the present accountancy staffing as follows:- (1) Social Care and Wellbeing (a small external team to provide finance support), (2) Education, Culture and Sport (one full time equivalent on an interim basis to support the management of the team), and (3) Service Liaison (one full time equivalent fixed term post to manage a restructure of accounting services).

The report continued that that the additional support would, in the current period of change, provide assistance to and complement the current limited resources; and would further (a) provide support to services in respect of planning and management reporting functions; (b) provide professional judgement and input on financial matters of planning, cost control and management reporting; (c) provide advice to Services on ways of improving business performance, helping Services make informed business decisions, and to routinely report on progress; (d) assist in the monitoring of the spending, and effectiveness financial control; (e) evaluate existing financial information systems, and implement suggested and agreed improvements; (f) provide professional judgement and input in order to improve the system surrounding all aspects of budgets, forecasts and business planning; (g) work with Finance and Services to ensure timely and reliable management information reports on a weekly, monthly and quarterly basis were available; and (h) assist in the development and operation of budgetary controls to ensure that principles of good practice are applied.

The report further sought approval to advertise and recruit on a permanent basis, the budgeted accountancy support to the Corporate Accountant of one full time equivalent accountant; this established post was currently vacant with support presently provided through an agency. The report concluded that the proposals outlined required to be actioned as a matter of urgency, and were key and important to the delivery of the current demands and assessments, both internally and externally, and financial management and accounting requirements.

The Committee resolved:-

- (i) to approve the request as detailed in this report for additional support;
- (ii) to agree the procurement of this support using the Framework Agreement, in consultation with the Procurement Team;
- (iii) to agree to the application of Standing Order 69(3)(i) in relation to resolution (ii) above; and
- (iv) to agree to the advertisement and recruitment of the current vacancy of one full time equivalent accountant, on a permanent basis for the Corporate Accountancy Team.

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16 SERVICES - SAVINGS PROGRESS 2009/10 - CG/09/139**DECLARATIONS OF INTEREST**

The Convener declared an interest due to the nature of discussion that took place during consideration of the following article by virtue of his membership of Unison. He did not feel it was necessary to withdraw from the meeting.

The Committee had before it a report by the City Chamberlain which provided an update on the progress being made in achieving the approved savings and income generation for 2009/10.

Appendix A to the report provided updates that had been taken from the 'Covalent' system used by the budget holders and project leads to report on progress being made in this regard.

The report advised that the updates indicated that a high proportion of the savings reported had been delivered or were on target to be delivered at this time, and that there were some areas where work was continuing to ensure that savings were delivered in full. The report continued that a number of significant savings would be more difficult to quantify, and a degree of caution was required around some forecasts due to the changing level of need which some Services may face.

The report concluded that each Director would have to identify any such situations, and find alternatives to reduce expenditure in other areas, in order to deliver an overall balanced budget.

The Committee intimated its disappointment that the relevant Heads of Service were not in attendance to speak to the report and that the Covalent report was not up to date and contained conflicting information. Further to a short recess, the Committee questioned relevant officers on details of the report.

The Committee resolved:-

- (i) to instruct the Director of Corporate Governance to communicate to CMT the Committee's disappointment at the lack of representation from Services and to

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- instruct Directors to ensure that their Services are represented at future meetings;
- (ii) to request that all budget reports relating to the Social Care and Wellbeing Service be submitted to the Service Committee at the next cycle;
 - (iii) in respect of report reference 179 (increase HMO registration fees) to request that members be advised if there has been a reduction in the number of people coming forward to register as social landlords;
 - (iv) to note the updates as detailed at appendix A of the report, which had been provided by Services;
 - (v) to reinforce the need for all Services to identify, wherever necessary, alternative courses of action to close any gap that may exist in delivering services on budget in 2009/10; and
 - (vi) to request that the attached appendix be updated and provided to the Budget Monitoring Board meeting of 27 November 2009.

17 APPLICATIONS FOR FINANCIAL ASSISTANCE 2009/10 - CG/11/112

The Committee had before it a report by the City Chamberlain which presented an application for financial assistance from Aberdeen Trades Union Council. The report advised that there was an uncommitted budget remaining of £9,779 for ad hoc grants in 2009/10 and that approval of this request could be met from within the uncommitted budget remaining.

The Committee intimated its disappointment that the Trades Union Council had again not followed the due process for applying for financial assistance (article 12 of the minute of meeting of the Resources Management Committee of 5 May, 2009 refers).

The Committee resolved:-

to award Aberdeen Trades Union Council £500 towards the stage and sound system, and £500 towards a pipe band, and to request that receipts are provided to the relevant officers in this regard.

18 BALGOWNIE ONE TELEPHONE SWITCH REPLACEMENT - CG/11/068

The Committee had before it a report by the Director of Corporate Governance which (1) advised that the current BT maintenance contract for telephony and network services at AECC – Balgownie 1, would cease in 2010; (2) presented the options for

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either an upgrade or replacement of the existing system; and (3) requested a direction in terms of Standing Orders, to allow the purchase to be made direct to NEC-Phillips.

By way of background the report advised that the current telephony network arrangements at the AECC were a BT-Nortel switch, with a managed BT support service. The report continued that during 2008, there had been a major incident effecting voice and data services at the AECC which had eventually been resolved to a stage where the services were operational. BT had advised that unless the switch was upgraded, then there would be no guarantee that the fault which caused the incident would not reoccur. The cost of the full upgrade of the existing system, including handset replacement would be £73,600. The report further advised that Nortel had filed for bankruptcy, Chapter 11 protection as of January 2009, which added to the risk that BT would possibly not be able to support the switch over time.

The report explained that the Council currently used NEC-Phillips telephone switches at other sites, and that there were sufficient in house skills in the development and maintenance of telephony to support an extension of the NEC-Phillips infrastructure, and that the cost of this replacement switch, including handset replacement would be £90,500.

The report outlined the benefits of replacing the BT switch with the NEC-Phillips and advised that alternative telephone switch replacements could be looked at, but would not be considered as best value to the Council as there would be additional costs for training, support and maintenance of any different supplier's equipment.

The Committee resolved:-

- (i) to note the options reviewed, and accept officers' recommendations to proceed with the purchase of an NEC-Phillips 8500 switch and associated services for AECC – Balgownie One; and
- (ii) to approve in terms of Standing Order 69(3)(i) that the switch and associated services be purchased from NEC-Phillips, as this would provide best value to the Council.

19 APPLICATION FOR FUNDING FROM THE YOUTH ACTIVITIES SMALL GRANTS FUND 09/10 - ECS/09/051

The Committee had before it a report by the Director of Education, Culture and Sport which set out the recommendations by the Youth Activities Grant Funding Group for the

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fourth round of funding for the financial year 2009/10, which had a closing date of 18 September, 2009.

By way of background the report advised that the Council had approved the Youth Activities Budget of £50,000 for the year 2009/10 at the Council budget meeting of 12 February, 2009. The report further advised that 17 new applications had been received this round and that these had been considered along with two previously deferred applications; and that 14 recommendations for funding had been made this round by the Youth Activities Grant Funding Group. The report continued that the total sum recommended for approval within this round was £13,679 and that if the recommendations outlined were approved there would be an uncommitted budget of £4,461 remaining.

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

The Committee resolved:-

- (i) to ratify the recommendations of the funding group and to approve funding to the following organisations:-

Group Name	Summary of Application	Decision
Torry Academy Newspaper (TAN)	To fund the cost of a school newspaper.	to award £500.
Bon Accord Ladies	To fund the cost of starting a ladies football team, to give gay females ages 15 and over a chance to play football.	to award £900.
Woodlands Dance Group	To fund the cost of hiring a specialist dance coach to teach creative dance to severely disabled children at Woodlands School.	to award £264.
Friends of CSI	To fund the cost of thirty two people to attend disco kid, king and queen disco freestyle championships at Blackpool Tower, the highest level competition of the year.	to award £1,500.
Granite City School of Darts	To fund the cost of transportation, accommodation, meals and competition	to award £1,500 on the condition of

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Group Name	Summary of Application	Decision
	entry fees for the group to compete with other youth teams from Cumbria and Tyne and Wear and other one day events held in Scotland.	satisfactory breakdown of costs is provided to the Funding Group.
Castlegate Theatre Seniors	To enable young people to train and learn new technical skills through the running and organisation of an annual production which they will then perform in September.	to award £1,500.
Wayward Theatre Company	To fund the set up costs for the group to stage a production of the musical "Footloose" at Aberdeen Arts Centre in October 2010.	to award £900.
Scottish Huntingdon's Association	To enable children and young people in Aberdeen living with families affected by Huntingdon's disease to take part in an activity day, and to meet other children and young people in the same situation.	to award £250 for the three people who live in Aberdeen.
Street Motion, Bridge of Don "Starbored" to the Isles	To fund the cost of young people to attend a course and take part in activities on a trip to Orkney.	to award £1,200.
Voice of Reason	To enable the work of the group in teaching social work students, attending and presenting at conferences and developing a mentoring scheme for young people in care to continue.	to award £715.
St Machar Academy Rock Challenge	To enable young people to take part in the Rock Challenge, producing an eight minute presentation promoting anti drink and drugs to children taking part.	to award £900.
MICAS Base – Dyce	To enable a group of young people with Asperger's Syndrome to attend a residential weekend with outdoor activities.	to award £1,500.
Fersands and Fountain -	To fund the cost of ingredients for 40 cooking sessions for young people to	to award £1,500.

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Group Name	Summary of Application	Decision
Cooking Class	learn cooking skills as well as healthy eating.	
Danestone Table Tennis Club	To fund the cost of table tennis tables, bats and balls so that more young people could get involved and take part in competitions.	to award £550.

and

- (ii) to instruct the Head of Community Planning and Regeneration to arrange for the funds to be distributed accordingly.

20 APPLICATIONS FOR THE EQUALITY OF OPPORTUNITY GRANTS SCHEME 2009-10 - H&E09/072

The Committee had before it a report by the Director of Corporate Governance which requested approval for funding requests from the Equality of Opportunity Grants Budget 2009/10.

The report advised that the awards recommended for approval could be met from the Equality of Opportunity Grants Budget scheme for 2009/10 which included the minority grants budget of £19,500 and the crèche budget of £3,000. The report continued that should be the recommendations be approved, the revised balance for the remainder of the year would be £12, 974.70.

The report provided further details and a financial breakdown of the requests and the Committee were advised that the Good Egg Theatre Company had withdrawn their application for funding.

The Committee resolved:-

to approve funding to the following organisations:-

Group Name	Summary of Application	Decision
Aberdeen Chinese School	Towards the cost of organising community celebrations for both the Chinese moon festival and the Chinese new year.	to award £1,930.
Aberdeen Women's	Towards the cost of organising events to commemorate both International Day Against Violence Against Women	to award £992.

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Group Name	Summary of Application	Decision
Alliance	(25 November, 2009) and International Women's Day (8 March, 2010)	
Deafblind Scotland	To provide guiding support to deafblind people in Aberdeen to facilitate their attendance at the meeting of the Scottish Advisory Group on deafblindness in the Glasgow area.	to award £500.
Aberdeen Inter-Faith	Towards the cost of organising events, primarily as part of the celebration around Scotland Inter-Faith week.	to award £500.

21 INFORMATION COMMUNICATION TECHNOLOGY (ICT) FOR 3R'S UPDATE - CG/11/084

With reference to article 13 of the minute of its previous meeting, the Committee had before it a report by the Director of Corporate Governance which provided an update on the suppliers chosen to provide the range of ICT equipment necessary for the new academies at Bucksburn and Cults.

The report advised that the successful suppliers were as follows:-

- Standard PC (all in one design) – Hewlett Packard (Procurement Scotland);
- High specification PC – Research Machines;
- Laptop PCs – Toshiba/Research Machines;
- Interactive whiteboards and projectors – Adventi;
- Communications switches – Insight;
- Netbooks – Toshiba (Procurement Scotland); and
- Digital signage – Aberdeen AV.

The Committee resolved:-

to note the suppliers chosen to provide the necessary ICT equipment for the new academies at Bucksburn and Cults.

22 COMMUNITY PLANNING PARTNERSHIP FAIRER SCOTLAND FUND - CG/11/100

DECLARATIONS OF INTEREST

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The Vice Convener declared an interest in the subject matter of the following article by virtue of his membership of the Fairer Scotland Fund Board. Councillor John Stewart and Councillor Graham declared interests due to their membership of the Aberdeen City Alliance. None of the Councillors felt it was necessary to withdraw from the meeting.

The Committee had before it a report by the Director of Corporate Governance which provided options for the future provision, disbursement and management of the Fairer Scotland Fund in the 2010/11 budget.

By way of background the report advised that the Fairer Scotland Fund was a relatively new fund created by the Scottish Government aimed at tackling poverty and deprivation. The report further advised that for the first two years of the fund, it had been ring fenced within the Council's budget for community planning partnership in order to support partners to work together to tackle areas based on individual poverty and to help more people access and sustain employment opportunities. The report continued that as of 2010/11, the Fairer Scotland allocation would no longer be ring fenced and the Aberdeen City Alliance (TACA) allocation of £2.843 million would be paid to the Council as part of its block allocation paid via Revenue Support Grant.

The report explained that TACA had considered a report on the future management and disbursement of the Scottish Government's new Fairer Scotland Fund at its meeting of 13 March, 2008 (article 5 of the minute refers), and that as part of taking forward decisions regarding the use of the Fairer Scotland Fund, TACA had agreed to establish a Fairer Scotland Fund Board, which would be chaired by Mrs Lavina Massie (Chairperson of TACA). The report continued that as part of the initial six month transitional period, the Fairer Scotland Fund Board commissioned an independent evaluation regarding all previous Scottish Government programmes being replaced by the new Fairer Scotland Fund Board (Community Regeneration Fund, Working for Families, Community Voices, More Choices More Chances), to determine how these contributed or otherwise to the Fairer Scotland Fund objectives. Following the outcome from this evaluation, the Fairer Scotland Fund Board had agreed a programme of work for 2009/10 targeted on need, and aimed at achieving the accelerated impact for the city's most deprived data zones.

The reports highlighted that the Board had agreed that the priority themes for the investment of the fund would be as follows:- (1) income and financial inclusion; (2) employment and training; (3) health; (4) education; and (5) community safety; and that

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these would be reviewed annually in light of the future Scottish Index of Multiple Deprivation publications.

Appended to the report were (a) a table outlining the fairer Scotland fund priorities, outcomes and indicators for 2009/10; (b) a paper detailing options for the future development of the Fairer Scotland Fund; (c) details of the three options for the potential development of the Fairer Scotland Fund; and (d) a paper identifying the range of projects operating at a neighbourhood level that were currently funded and contributed towards the Fairer Scotland Fund objectives.

The report recommended:-

that the Committee –

- (a) considers the level of funding allocation from the identified £2.843 million in the 2010/11 Revenue Support Grant to TACA's Fairer Scotland Fund Board as part of the budget setting process;
- (b) delegate authority to the Director of Corporate Governance to ensure the fair and effective governance of the disbursement of the funds allocated to TACA's Fairer Scotland Fund Board, and to act as the Council's advisor to the Board;
- (c) instruct the Director of Corporate Governance to provide twice yearly updates to TACA and the Corporate Policy and Performance Committee on the outcomes achieved through the investment of the Fairer Scotland Fund in February and October, and
- (d) instruct that a report be brought back in February regarding the arrangements for the Fairer Scotland Fund staff team.

The Committee resolved:-

- (i) to note that TACA were awaiting an update on thematic spend, and to request a report be brought back further to this; and
- (ii) to otherwise approve the recommendations.

23 REVIEW OF PENSION MEMBER CONTRIBUTION RATE

With reference to article 24 of the minute of meeting of the Resources Management Committee of 10 March 2009, the Committee had before it a report by the Director of Corporate Governance which sought approval to revise the implementation date of the discretion element contained in the Local Government Pension Scheme Regulations to reassess and where necessary, change an employees pension contribution rate during the financial year.

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By way of background the report advised that at the said meeting of the resources Management Committee, it had been agreed that the pension contribution rate be reviewed and adjusted where there was a permanent and material contractual change which represented an increase or decrease in pensionable pay of over £4,000 per annum (prior to deductions); and that the employee concerned would be notified of the change in rate when the new contractual offer was made. The adjusted rate would then be applied from the date of the promotion or regrading. At this meeting, the Committee further approved that the implementation of the discretion would be no later than 1 October, 2009.

The report before the Committee on this day advised that there had been a reassessment of the implementation date of 1 October 2009 due to the ongoing workload associated with the Equal Pay and Modernisation implementation and in particular the changes involved in moving employees from weekly to monthly pay. As a result the report requested that a new date of 1 April 2010 for implementation be agreed with no backdating. This coincided with the date for the annual review of employee contribution rates.

The Committee resolved:-

to approve the revised implementation date of 1 April 2010 as the next date at which the Council will exercise the discretion contained in the pension regulations to reassess and adjust an employee's pension contribution rate where there has been a significant change in pay during the current financial year; and to note that this will also be the effective date for the next annual review of employee contribution rates.

24 HEALTH AND SAFETY ANNUAL REPORT

The Committee had before it a report by the Director of Corporate Governance which summarised the Health and Safety matters over the past year.

The report provided a synopsis of the statistical Health and Safety information for the period 1 April through to 31 March 2009 and outlined that during that period (1) there had been 74 employee reportable accidents which had risen by five (from 21 to 30) with slips, trips and falls accounting for 41% of the total number of such accidents; (2) manual handling accidents had decreased from 19 to 17; (3) "struck by object" incidents had increased from seven to ten; (4) 27 third party accidents were recorded due to sports injuries and slips/falls on Council premises, which was a 30% decrease compared to the previous year; (5) no burn accidents had been reported; (6) there had been no new cases of Hand Arm Vibration Syndrome (HAVS) reported; (7) there had been 11 'dangerous gas occurrences' reported and that this was being monitored by the Gas Safety Group.

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The report advised that in June 2000, the Health and Safety Executive had launched the 'Revitalising Health and Safety' strategy statement which set three national targets for improving health and safety performance by 2010, namely:- to reduce the incident rate of fatalities and major injuries by 10%; to reduce the incident rate of cases of work related ill health by 20%; and to reduce the number of working days lost per worker from work related injury and ill health by 30%; and detailed the Council's progress in this regard.

The report highlighted that the proactive approach of the health and safety team had been rewarded with a Gold Award by the Royal Society for the Prevention of Accidents (RoSPA) for 2008/09.

The report continued to provide updates on (a) the status of various health and safety policies and guidance documents; (b) the health and safety matrix; (c) compliance monitoring; (d) occupational health; (e) the employee counselling service; (f) the Employee Good Health Group; (g) Health and Safety training; and (h) managing attendance; and provided a synopsis of key projects that the team would undertake throughout 2009/10.

The Committee resolved:-

- (i) to note the content of the report; and
- (ii) to approve the publication of the report on the Council's website.

25 MANAGING DISCIPLINE POLICY

The Committee had before it a report by the Director of Corporate Governance which proposed a revised Managing Discipline Policy and indicated that a review of the current Policy was necessary following a repeal of the statutory dispute resolution procedures.

The report advised that the main features of the Policy were (1) core principles which would apply to all staff (excluding teachers and the Chief Executive where separate procedures apply); and (2) three critical steps (including the right of appeal) in the process. The Policy outlined how a manager should deal with the management of discipline. The report concluded that the most significant change to the Policy concerned 'the life of warnings'.

Appended to the report was the revised Policy and Procedure.

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The Committee resolved:-

- (i) to agree that Councillor Farquharson liaise with the Head of Human Resources to work on examples to be included as an appendix to the Policy; and
- (ii) to otherwise approve the Policy as stated.

26 TIED HOUSING - OCE/09/009

Reference was made to article 5 of the minute of meeting of the Audit and Risk Committee on 8 September, 2009, at which time there was under consideration a follow up report by the External Auditor containing an update on progress made by the Council in addressing concerns raised by the Controller of Audit as part of an investigation on property sales, in particular that part of the report relating to tied properties. The resolution of the Audit and Risk Committee included an instruction to each Director that they report to their Service Committee on the number of tied houses still in existence, where they were located and including a statement explaining the justification for each tied house. The same resolution also provided that this Committee be requested to take a corporate overview by producing a corporate register for reporting back to the Audit and Risk Committee thereafter.

The Committee had before it a report from the Chief Executive which advised that within the Office of the Chief Executive there were no tied houses.

The Committee resolved:-

that the terms of the report be noted.

27 EMPLOYEE ASSISTANCE SERVICES - DELEGATED POWERS - UPDATE - CG/11/094

EXEMPT INFORMATION

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 during consideration of the following items of business so as to avoid disclosure of exempt information of the class described in the following paragraphs of Schedule 7(A) to the Act:- article 27 (paragraph 8) article 28 (paragraph 6), article 29 (paragraph 6), article 30 (paragraph 4), article 31 (paragraph 4), article 32 (paragraph 8), article 33

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(paragraph 6 & 9), article 34 (paragraph 6 & 9), article 35 (paragraph 6 & 9), article 36 (paragraph 6 & 9), article 37 (paragraph 6 & 9), article 38 (paragraph 6 & 9), article 39 (paragraph 6 & 9), article 40 (paragraph 6 & 9), article 41 (paragraph 6 & 9), article 42 (paragraph 6 & 9), article 43 (paragraph 6 & 9) and article 44 (paragraph 6 & 9).

With reference to article 1 of this minute, and article 36 of the minute of its previous meeting, the Committee had before it a report by the Director of Corporate Governance which advised of the decision taken under delegated powers by the City Chamberlain, the City Solicitor, the Head of Procurement and the Head of Human Resources (and in consultation with the Convener of this Committee), to contract with the preferred bidder to provide an Employee Assistance Counselling Service.

The Committee resolved:-

to note the decision taken under delegated powers, to contract with Employee Advisory Resource Limited to provide an Employee Assistance Service.

28 FREDERICK STREET DEVELOPMENT SITE - EPI/09/087

With reference to article 1 of this minute and article 48 of the minute of meeting of the Resources Management Committee of 5 May, 2009, the Committee had before it a report by the Head of Resources Development and Delivery which provided an update on progress of the sale of the Frederick Street Development Site to NHS Grampian; and the process of relocating the remaining Council services at 54 – 64 Frederick Street.

The Committee resolved:-

to note the content of the report.

29 EDUCATION, CULTURE AND SPORT (STATUS OF VACANT PROPERTIES) - ECS/09/024

The Committee had under consideration, upon a remit from the Education, Culture and Sport Committee (article 21 of the minute of meeting of 8 October, 2009), certain recommendations within a report prepared for that meeting by the Director of Education, Culture and Sport relating to the status of specific vacant properties. A copy

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of the relevant article of the minute was before the members as was a copy of the report.

The decisions of the Education, Culture and Sport Committee to declare surplus to service requirements, the buildings at Hilton Nursery School, Victoria Road School, St. Peter's Nursery School and the Bothy and Hut at the Broadhill Depot, were accompanied by a request that the Asset Policy Manager of the Resources Management Service remove these properties from the Education, Culture and Sport account and dispose of the sites, a matter requiring the agreement of this Committee. Similarly the decision by the Education, Culture and Sport Committee to support a recommendation that estimated costs be obtained for the demolition of Greenfern School, was before this Committee for approval.

The Committee resolved:-

- (i) that the recommendation to remove the vacant properties identified from the Education, Culture and Sport account, and to dispose of them, be approved; and
- (ii) that the recommendation to obtain estimated costs for the demolition of Greenfern School also be approved.

30 LOANS OUTSTANDING - CG/11/123**DECLARATIONS OF INTEREST**

Councillor Laing declared a non pecuniary interest by virtue of her position on the Board of Oakbank School and left the meeting prior to consideration of the report before the Committee.

The Vice Convener and Councillors Cassie and Reynolds declared interests in the subject matter referred to in the following article as the Council's appointed representatives to the Board of Aberdeen Exhibition and Conference Centre. They did not consider that the nature of the interests required them to leave the meeting during consideration of the matters before them.

LOANS OUTSTANDING - CG/11/123

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The Committee had before it a report by the City Chamberlain which advised of the current loans and bank overdraft guarantees provided by the Council.

Appendix 1 to the report provided a list of loans and guarantees in relation to bank overdraft guarantees provided by the Council to a range of organisations. Repayment dates and current measures being undertaken to recover any sums outstanding were also outlined within the appendix.

The Committee resolved:-

- (i) to note the list of loans and bank overdraft guarantees detailed within the report, and the actions being taken to pursue any outstanding sums due;
- (ii) to request that the City Chamberlain circulate to Members the specific details regarding the terms and conditions attached to the individual loans;
- (iii) to request a report back on a specific loan referred to during discussion of this item; and
- (iv) to request that the Enterprise, Planning and Infrastructure Committee receive an early report on the Development Company, and the impact which will have on the AECC.

31 SMALL BUSINESS LOANS - MONITORING REPORT TO 30 SEPTEMBER 2009 - CG/11/101

With reference to article 39 of the minute of meeting of the Resources Management Committee of 16 June, 2009, the Committee had before it a report by the City Chamberlain which provided monitoring information on outstanding small business loans provided by the Council. The report outlined the current status of outstanding loans and where appropriate, advised on actions being taken to pursue arrears.

Of the current 19 loan payments, the position was summarised as follows:- payments were being made for seven loans; eleven loans currently existed where no regular payments were being made; and one loan had a deferred payment arrangement.

Appendix 1 to the report provided details of the individual loans outstanding, broken down by category, and highlighted changes that had occurred since the last monitoring report.

The Committee resolved:-

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to note the current list of outstanding loans and that efforts were being made to pursue these where there were no agreed repayment arrangements in place.

32 TRADING SERVICES MONITORING 2009/10 - CG/11/119

With reference to article 45 of the minute of its previous meeting, the Committee had before it a report by the City Chamberlain which provided details of the current positions and forecast outturns for the financial year 2009/10 for trading activities, both significant and non significant.

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

The report recommended:-

that the Committee:-

- (a) considers and notes that the forecast outturn to 31 March 2010 shows an updated projection of an overall surplus for the significant trading activities in the order of £7.827 million, and compares favourably with the budgeted surplus of £7.564 million;
- (b) notes that the provisional full year results indicate that the financial objective for each significant trading activity, apart from Grounds Maintenance, will be achieved, before allowing for the effects of pensions adjustments required under the provisions of Financial Reporting Standard Number 17 (FRS17), the value of which are unknown at this time;
- (c) considers and notes that, whilst there is no statutory requirement for non significant trading activities to meet the Best Value financial objective, an overall deficit of £1.071 million is currently forecast for the year within these activities, which forecast is currently in line with budget expectations and is before taking into account any adjustment for FRS17 pension;
- (d) notes that the Council trading operations are currently undertaken by three Services and that the relevant service committee will receive detailed information on the ongoing financial position of each of the Service's trading operations; and
- (e) notes that this Committee will continue to receive an overall report.

The Committee resolved:-

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- (i) with reference to page 309 of the report, to request that officers advise Councillor Graham as to how the Service is dealing with the reduction in income from onstreet parking;
- (ii) to request that officers review the Council's practice in dealing with Trading Services and to report back on this at an early date; and
- (iii) to otherwise approve the recommendations.

33 FERRYHILL PROPERTIES (17 AFFLECK PLACE; 11 FONTHILL TERRACE; 58 POLMUIR ROAD; 54/55 SPRINGBANK TERRACE) MARKETING RESULTS - EPI/09/083

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised with regard to the results of the marketing of certain properties located within the Ferryhill area of the city which had previously been declared surplus to Council requirements. The properties in question were identified as 17 Affleck Place; 11 Fonthill Terrace; 58 Polmuir Road; and 54/55 Springbank Terrace. The report sought approval for the recommendations in respect of each individual property.

The report before members (1) contained a brief description of each of the properties and an indication of the current market value thereof, as advised by the Council's external property consultants; (2) outlined the marketing process adopted in each case; and (3) indicated, within the appendices to the report, the basic detail of the offers received. An assessment of the best offers received and the City Solicitor's comments were also provided within the report.

The report recommended:-

- (a) that the highest offer received for 17 Affleck Place (DDCL Properties), 58 Polmuir Road (Primodomus Ltd) and 54/55 Springbank Terrace (Cater Corporation Ltd), be accepted;
- (b) that in respect of the subjects at 54/55 Springbank Terrace and should it transpire that the conditional requirement for planning consent to be obtained for the proposed conversion not be obtainable or involve a lengthy period of time to obtain, the second highest offer submitted by Mr. and Mrs. Roderick Morrison be accepted;
- (c) that the City Solicitor be instructed to conclude missives for the sale of these properties, incorporating various qualifications as are necessary to protect the Council's interests; and

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- (d) that the only offer received for 11 Fonthill Terrace be rejected and the property remarketed with a report to be submitted to the appropriate meeting of the Committee in due course, detailing the outcome of the remarketing.

The Committee resolved:-

that the recommendations contained within the report be approved and appropriate officers authorised accordingly.

34 GREAT SOUTHERN ROAD/HOLBURN STREET (DISUSED PUBLIC TOILET AND ADVERTISING SITE) - EPI/09/082

DECLARATIONS OF INTEREST

Councillors Dunbar declared an interest in the subject matter of the following article by virtue of being a Tesco share holder. She did not feel it was necessary to withdraw from the meeting

Reference was made to article 28 of the minute of meeting of the Resources Management Committee of 30 September, 2008, at which time there was under consideration a report by the Head of Resources Development and Delivery regarding a possible excambion involving land in Council ownership at the Great Southern Road/Holburn Street junction (disused toilet and advertising site) and land in private ownership at Victoria Street, Dyce. The resolution of the Committee at that meeting was to decline the offer for a land excambion and to authorise the Head of Resources Development and Delivery to provisionally negotiate the sale of the site with the owner of the neighbouring property on the Hardgate and to report further with the outcome. The Committee now had before it the report requested.

The report before members (1) outlined the basis of the negotiation between the parties and the outcome thereof; (2) contained the views of the Council's external property advisers on the terms of the offer received and on other options available which had the potential to enhance the value of the Council's interest; and (3) advised that the other party involved had been unwilling to consider the alternative proposals identified.

The report recommended:-

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- (a) that the Committee decline the offer received from the neighbouring proprietor regarding Council owned land at Great Southern Road/Holburn Street; and
- (b) that the Head of Resources Development and Delivery be authorised to consider other options for the disposal of the site including, if appropriate, further negotiation with the current neighbour with a report back to the Committee at an appropriate time.

Further to receiving advice from the City Solicitor, the Convener moved, seconded by Councillor McCaig:-

that the report recommendations be adopted.

Councillor Cassie moved as an amendment, seconded by Councillor Crockett:-

that the offer received from the neighbouring proprietor be accepted as representing best value for the Council in the circumstances.

On a division, there voted:- for the motion (12) – the Convener; the Vice Convener; and Councillors Cormack, Crockett, Dunbar, Farquharson, Graham, Kiddie, Laing, Leslie, McCaig and John West; for the amendment (1) – Councillor Cassie; declined to vote (1) – Councillor Reynolds; absent from the division (1) – Councillor John Stewart.

The Committee resolved:-

that the report recommendations be adopted and the Head of Resources Development and Delivery authorised accordingly.

35 ST NICHOLAS HOUSE - OPTIONS - EPI/09/084

Reference was made to article 23 of the minute of meeting of Council of 13 December, 2006, at which time it was agreed, following consideration of a report by the Head of Resources Development and Delivery which had been remitted by the Resources Management Committee, to authorise appropriate officers to enter into “without prejudice” negotiations with the owners of the Bon Accord Centre, the St. Nicholas Centre and the John Lewis Store, on the potential sale or lease to them of the site of St. Nicholas House and to report further on the outcome of such negotiations. The Committee now had before it a report on the matter prepared by the Director of Enterprise, Planning and Infrastructure.

The report before members (1) made reference to the masterplanning exercise carried out by the Council in collaboration with the Scottish Retail Property Limited Partnership

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(SRPLP) as owners of the Bon Accord Centre, the St. Nicholas Centre and the John Lewis Store, which culminated, following wide public consultation, in the adoption in September 2006 of the Bon Accord Quarter Aberdeen Supplementary Planning Guidance; (2) reminded members that one of the purposes of the masterplanning exercise was to identify a framework within which, following the demolition of St. Nicholas House, the area of the city centre surrounding the Bon Accord Centre, the St. Nicholas Centre, Provost Skene's House and Marischal College, would be redeveloped in such a way as would enhance the settings of Provost Skene's House and Marischal College; and (3) confirmed that as the redevelopment of Marischal College proceeds, with completion scheduled for May 2011, it was very relevant for the Council to consider a strategy for the marketing and disposal of the St. Nicholas House site.

On the matter of the interest expressed by the SRPLP in the St. Nicholas House site and the decision taken by the Council at its meeting in December, 2006, the report advised of the engagement of a firm of chartered surveyors and development consultants to undertake the without prejudice negotiations and also of the decision since taken by the consortium to withdraw that expression of interest. The impact of the decision taken by the consortium on the future development of the St. Nicholas House site was outlined within the report which also contained the advice of the development consultants engaged as regards the Council's options for the marketing and redevelopment of the site.

The conclusion arrived at by Council officers was that it was right that the Finance and Resources Committee proceed to set the criteria on how St. Nicholas House or the cleared site should be marketed and redeveloped, in the knowledge that different redevelopment criteria might have radically different results for the look of the city centre for many years ahead and for the capital receipt the Council would be likely to receive.

The report recommended:-

- (a) that the Committee note the outcome of the "without prejudice" provisional negotiation process for the sale of the site of St. Nicholas House to the Scottish Retail Property Limited Partnership;
- (b) that the Committee approve an instruction to the Head of Resources Development and Delivery to advertise St. Nicholas House for sale, with an appropriate date of entry following the building being fully vacated by the City Council in 2011 (and incorporating the qualifications as described in the report before members);
- (c) that the Committee agree that, as a means of determining the "broad brush" cost of the options, officers obtain a present day estimate of the cost of demolishing

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- St. Nicholas House using “green” demolition methods and the cost of using conventional demolition methods by appointing an appropriate team of professional advisors;
- (d) that appropriate officers be authorised to appoint a structural engineer to advise on demolition methods following a technical feasibility study, including the investigation of any difficulties in the process (such as the presence of asbestos); and
- (e) that the Head of Resources Development and Delivery be authorised to appoint an appropriate team of professional advisors to advise on and market St. Nicholas House on the open market, to comply with recommendation (b) above.

At this point in the meeting the Convener alluded to the fact that the terms of the Director’s report, which was clearly marked as containing exempt information had been reported widely in the local media and requested that the City Solicitor as the Council’s Monitoring Officer be asked to investigate the leak and to report thereon in due course.

The Convener further moved, seconded by Councillor Reynolds:-
that the report recommendations be approved.

Councillor Crockett moved as an amendment, seconded by Councillor Laing:-
that the Committee, in addition to approving the report recommendations, (1) congratulates Councillors Allan, Collie, Graham, Ironside, Jaffrey, Kiddie, the late James Lamond, June Lamond, Sandra Macdonald, May, Milne, Rattray, Shirron, Kevin Stewart, Urquhart and Webster for their foresightedness in seeking to approve selling St. Nicholas House on the open market at the Council meeting in December, 2006; (2) expresses disappointment that the warnings about the potential loss or negative value of St. Nicholas House site went unheeded; and (3) instructs the Chief Executive or her representative to carry out a full investigation into the accuracy of the information provided in the option appraisals and the good faith of the members acting upon it; and for such an investigation to be circulated to the external auditors.

On a division between the motion and the amendment, there voted:- for the motion (10) – the Convener; the Vice Convener; and Councillors Cassie, Cormack, Dunbar, Kiddie, Leslie, McCaig, Reynolds and John West; for the amendment (4) – Councillors Crockett, Farquharson, Graham and Laing; absent from the division (1) – Councillor John Stewart.

The Committee resolved:-

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- (i) that the report recommendations be adopted and appropriate officers authorised accordingly; and
- (ii) that as requested by the Convener, the City Solicitor as Monitoring Officer be instructed to investigate and report as regards the leaking of the confidential report material.

36 WESTBURN PARK PROPERTY ISSUES - EPI/09/092

Reference was made to article 55 of the minute of meeting of the Resources Management Committee of 10 March, 2009, at which time there was under consideration a report by the Corporate Director for Resources Management which sought to address the potential combined future disposal of all Council owned properties situated within the Westburn Park. The resolution of the Committee was to note the terms of the report and remit to the Head of Resources Development and Delivery to liaise with all interested parties and the Convener of Resources Management Committee, with a view to identifying a corporate solution to the matter and to report again to the Committee. The Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure which contained background information on all Council owned properties located within the Westburn Park (Park House (120 Westburn Road), the Choices building (116 Westburn Road), Westburn House, the Westburn Lounge and the Westburn Tennis Centre); addressed the individual property issues arising; and made recommendations in relation to the future use of each property.

The report went over the various decisions taken in respect of all the properties identified and outlined the current status of Park House, in respect of which the Social Care and Wellbeing Service of the Council had indicated that they may have a use for the property although further consideration of the matter was required. In relation to the subjects at 116 Westburn Road, the report indicated that the Social Care and Wellbeing Service had again identified a possible future use which would result in a revenue saving to the Council; had indicated that the property would not now be declared surplus; and had confirmed that a report thereon would be prepared for consideration by appropriate Committees. On Westburn House, which has been boarded up for a number of years, the report suggested that a full marketing exercise be undertaken with a view to identifying parties with a business idea or economically viable end use for the property. The agreement in principle on the part of the Education, Culture and Sport

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Committee to the transfer of the Westburn Lounge, the Westburn Tennis Centre and the sports pitches at Westburn, to Sport Aberdeen was also referred to in the report. The general comments of officers regarding possible ways forward, were also contained within the report.

The report recommended:-

- (a) that authorisation be given for officers to remarket Westburn House on a leasehold basis as a stand alone redevelopment opportunity; and
- (b) that the subjects at 120 Westburn Road (Park House) which has already been declared surplus to Council requirements, be presented to the market as a stand alone development opportunity.

The Committee resolved:-

- (i) that the recommendations contained within the Director's report be approved; and
- (ii) that the Social Care and Wellbeing Service, who have indicated an interest in retaining 116 Westburn Road, be requested to report that interest to the Service Committee and the Finance and Resources Committee, not later than the cycle of meetings commencing on 5 January, 2010.

37 SCIENCE AND ENERGY PARK, ELLON ROAD/SCIENCE AND TECHNOLOGY PARK, BALGOWNIE ROAD - EPI/09/094

Reference was made to article 61 of the minute of meeting of the Resources Management Committee of 10 March, 2009, at which time there was under consideration an approach by Scottish Enterprise who were seeking the Council's consent as landlords under the ground leases of the Science and Energy Park at Ellon Road, Bridge of Don and the Science and Technology Park at Balgownie Road, Bridge of Don, to the assignation of the tenants' interests under those ground leases to an unnamed third party, with a view to facilitating new investment in the technology based environment of the two Parks. The resolution of the Committee at the time was to agree in principle to the assignation from Scottish Enterprise to an unidentified joint venture partner on the understanding that the assignation would not take effect until such time as the identity of the other party has been made known to and approved by the Council as landlord. The Committee now had before it a further report on the matter by the Director of Enterprise, Planning and Infrastructure.

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The report before members (1) contained the identity of the Joint Venture Partner to whom the two leases were to be assigned; (2) contained further detail of how the business was to be structured; and (3) identified the nature of the information normally sought by the Council in similar situations.

The report recommended:-

- (a) that the Committee approve the request to assign the ground lease to Aberdeen Science Parks Limited Partnership; and
- (b) that it be remitted to the City Solicitor to issue the formal Letter of Consent to the Assignment on terms and conditions as are necessary to protect the City Council's interest.

The Committee resolved:-

that the recommendations contained within the report be approved.

38 LAND AT PITMEDDEN ROAD, DYCE (16 ACRES) - EPI/09/099

Reference was made to article 47 of the minute of meeting of the Resources Management Committee of 7 February, 2006, and the decision taken at that time to approve the provisionally agreed terms and conditions for a lease of the 16.0 acre site at Pitmedden Road, Dyce to the Trustees of Dyce Sports and Leisure Development Trust. The Committee now had before it a further report on the matter by the Director of Enterprise, Planning and Infrastructure.

The report before members (1) briefly outlined the terms of the lease entered into between the parties; (2) contained an update on the work done by the Trustees to progress the development of the ground at Dyce; and (3) highlighted certain issues which had now been identified and which it was intended would be reflected within a comprehensive Business Plan to be prepared and which would determine the sports and leisure uses to be provided at Dyce, and what revenue streams would be available. The purpose of the report was to seek a change to the lease terms and to the development timetable specified within that lease, in order to take account of the changed circumstances.

The report recommended:-

- (a) that the Committee agree that the lease be extended to a period of 99 years to improve the attractiveness of the development scheme to external funding bodies; and

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- (b) that the lease is further amended to allow the City Council to terminate the agreement after December, 2012 should insufficient funding be raised or the development not be started by that date.

The Committee resolved:-

that the report recommendations be approved.

39 BEACH ESPLANADE SITE - EPI/09/103

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of the failure by a tenant under a ground lease of a Council owned site at the Beach Esplanade, to meet their obligations under that lease.

The report described the exact nature of the problem that had arisen and also described the possible ramifications of the situation for both parties to the lease. An indication was given within the report of the extent of the deficit involved and of the action available to the Council as landlord.

The report recommended:-

that the Committee instruct the City Solicitor to take appropriate legal action to formally irritate the ground lease in question.

The Committee resolved:-

- (i) that the recommendation contained within the report be approved; and
- (ii) that members of the Committee be apprised of the lease provisions (if any) which enable the Council to levy interest on unpaid/late payments of ground rents.

40 NON HOUSING CAPITAL PROJECT - EVALUATION OF CONTRACTORS' PERFORMANCE - EPI/09/098

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of the outcome of an evaluation by officers of the performance of two contractors in undertaking construction projects for the Council within the Non Housing property portfolio. The report indicated that the decision taken to carry out the evaluations followed the expression of concerns by elected members, Council officers and members of the public.

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The report (1) identified the two contractors, the subject of the complaints; (2) identified also, within appendices to the report, the particular contracts undertaken by each over a period of years; and (3) identified in addition the particular contracts where problems had arisen. The report advised of the on going evaluation process employed by the Council as part of the project management procedures within Resources Development and Delivery, and drew attention to the standard reporting and evaluation documentation used. Having advised of the outcome of the evaluations carried out, the report made reference to the responses received from both companies and concluded by suggesting that both contractors be retained for potential inclusion in future tender lists subject to restriction on the number of contracts undertaken at any one time. It was also suggested that should they be successful in securing future contract works, a report back on their performance be provided for the Committee.

The report recommended:-

that the Committee:-

- (a) notes the background to the report and the resultant project scores for each contractor;
- (b) approves the continued inclusion of both contractors referred to within the report in future tender lists for Non Housing projects subject to the conditions specified within the report in each case; and
- (c) instructs the Head of Resources Development and Delivery to report back in one year on the level of performance of these two contractors on Non Housing projects.

The Committee resolved:-

that subject to the report back to Committee referred under recommendation (d) above, being required in three months time (ie. two meeting cycles) as well as in one year; and also subject to the Services involved taking legal advice from the City Solicitor's office on how this action can be achieved, the report recommendations be approved.

41 APPOINTMENT OF PROFESSIONAL ENGINEERING SERVICES CONTRACTORS - EPI/09/076

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised with regard to the tenders received, following advertisement, for the provision of professional engineering services on a quality/price basis and sought approval for the appointment of the preferred bidder in each discipline.

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The report before members indicated that whereas the Council's Capital and Revenue budgets for works to both Housing and Non Housing properties were expended and managed in the main by directly employed construction professionals within staffing levels set to reflect the normal level of workload for design staff, staff shortages and variations in overall workload made it necessary to retain, on a drawdown basis, the services of engineering contractors in both Civil/Structural and Mechanical/Electrical disciplines. The report continued to advise that although the services required were provided through contracts awarded in 2007 and 2005 respectively, in order to demonstrate the criteria associated with best value and service provision, these two services had recently been exposed to competitive retender.

The report described the action taken and referred members to the appendices attached to the report for the results of the tender process; and outlined the basis upon which the tender documentation was prepared.

The Committee resolved:-

- (i) to note the background to the tender process;
- (ii) to award the contract for Civil/Structural Engineering Services to Mott MacDonald Limited, Aberdeen; and
- (iii) to award the contract for Mechanical/Electrical Engineering Services to Cameron Chisholm Dawson Partnership, Aberdeen.

42 GROUND AT LOIRSTON LOCH - EPI/09/095

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure relative to ground owned by the Council at Loirston Loch, Aberdeen, which had previously been identified for possible inclusion within the new Aberdeen City Local Development Plan, as a potential development site.

The report (1) reminded members of the decision taken by the Resources Management Committee at its meeting on 10 March, 2009 (article 28 refers) to authorise the Head of Resources Development and Delivery to make representations in respect of a number of Council owned sites, for their inclusion within the Main Issues Report of the Plan process as a development option; (2) made reference to the Council decision in May 2009, to identify the Loirston Loch area as the preferred site for the Arena Community Stadium Development and as an attractive area for residential development; (3) advised that the Council owned site which extended to some 43 hectares or thereby

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and included Bobby Calder Park was one of two submissions for the area of the City around Loirston Loch which had been included within the Main Issues Report; (4) advised with regard to the other submission, including the ownership details and the nature of the development being proposed; and (5) identified the possible benefits for both parties if the land at Loirston was looked at comprehensively by the two owners as part of some joint venture project or under a pooled land proposal. The report concluded by drawing attention, through the comments of one of the local members, to the fact that the Main Issues Report of the new Local Development Plan was currently out for public consultation.

The report recommended:-

that the Head of Resources Development and Delivery and other appropriate officials (including the City Solicitor and City Chamberlain), be authorised to enter into discussions with Hermiston Securities concerning the creation of an appropriate development agreement for the long term development of the Loirston Loch area and that this matter be reported back to a future Committee meeting.

The Convener moved, seconded by the Vice Convener:-
that the report recommendation be adopted.

Councillor Graham moved as an amendment, seconded by Councillor Laing:-
that the report recommendation be not approved; that a public consultation exercise be undertaken before any decision is taken; and for officers to report back further to the public consultation exercise setting out options for the way forward.

On a division between the motion and the amendment, there voted:- for the motion (10) – the Convener; the Vice Convener; and Councillors Cassie, Cormack, Dunbar, Kiddie, Leslie, McCaig, Reynolds and John West; for the amendment (3) – Councillors Crockett, Graham and Laing; declined to vote (1) – Councillor Farquharson; absent from the division (1) – Councillor John Stewart.

The Committee resolved:-

to approve the report recommendation in accordance with the successful motion.

43 EXTERNAL PROPERTY VALUATION CONSULTANTS - EPI/09/103

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure regarding the current arrangements for the provision by external

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consultants of Property Valuation Services and which sought approval to extend the current contract in order to allow time to consider the future delivery of the service and, if appropriate, a retendering exercise.

The report (1) advised that with the agreement of the Resources Management Committee at its meeting of 9 October, 2007 (article 24 refers) and following a robust tendering process, Ryden LLP were appointed by the Council to provide an external professional valuation resource for the period from 1 December, 2007 to 20 November, 2009; (2) explained that the contract currently in place was the first time that these professional services had been delivered in that way and that the initial two years have enabled the Head of Resources Development and Delivery to assess the arrangement with a view to making recommendations on future provision; and (3) suggested that in order to allow time for a proper assessment and, if appropriate, to retender for future delivery of the service, a 12 month extension to the existing contract would be required. The report contained an indication of the level of fees paid to the consultants since the contract began under the headings of Asset Valuation 2008; Asset Valuation 2009; Property Advice and Services (Revenue); and Property Advice and Services (Capital). Reference was also made of the method by which the performance of the external consultant was measured and how Ryden LLP scored in that exercise. As regards a review of the services to be provided by the external consultants, the report outlined suggested changes to the new contracts which would create a more concentrated basis for these which would hopefully result in cost savings or improved processes in the provision of other external works.

The Committee resolved:-

- (i) to approve the extension of the Property Valuation Services contract with Ryden LLP for a twelve month period from 1 December, 2009 until 30 November, 2010; and
- (ii) to authorise the Head of Resources Development and Delivery to undertake tender exercises, in consultation with the Head of Procurement and the City Solicitor, for the appointment of one or more external consultants to provide various property services to the Council as detailed within the report.

44 ST. NICHOLAS CHURCHYARD (MITHER KIRK PROJECT) - EPI/09/100

The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which highlighted a requirement for areas within the St. Nicholas Churchyard to be given over temporarily to the Open Space Trust as organisers of the "Mither Kirk" Project.

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The report (1) indicated that the project had reached the stage where external scaffolding had to be erected to facilitate the repair of the roof, windows and stonework and also where radical renovation work was required to the interior of the building; (2) advised that the project organisers would not arrange for the works to be carried out without making provision for site compounds for contractors; (3) had attached a site plan showing those areas of the churchyard which it was proposed be utilised for that purpose; and (4) estimated that although the current phase of the works was scheduled to take twelve months, further phases which were dependent upon the project organisers securing the necessary funding, could take anything up to three years to implement.

What was made clear within the report was (a) that the occupation of the identified sites by the contractors would block off both pedestrian routes from Correction Wynd although other pedestrian routes would be unaffected; (b) that the Open Space Trust would fence off the sites to be used and take on all responsibility for the compound areas; (c) that the sites would be fully reinstated by the Trust at the end of the lease arrangement; and (d) that, as part of the works programme, the contractors would be obliged to load and unload goods and equipment from Correction Wynd and to utilise the existing pedestrian routes through the churchyard when moving such goods and equipment from one part of the site to another. In view of the Council's financial support for the Mither Kirk Project, the report author indicated that the request for the use of ground be considered "non commercial" and that appropriate officers be directed to negotiate provisional terms and conditions of lease on that basis and on the understanding that consent in terms of Section 74 of the Local Government (Scotland) Act 1973 did not require to be obtained for such an arrangement.

The report recommended:-

- (a) that the Committee approve the lease of the identified parts of St. Nicholas Churchyard to the Open Space Trust, for a period of up to three years from January, 2010;
- (b) that it be remitted to the Head of Resources Development and Delivery to provisionally negotiate appropriate terms and conditions of lease; and
- (c) that it be remitted to the City Solicitor to formally conclude such a lease, incorporating all terms and conditions that are necessary to protect the Council's interests.

The Committee resolved:-

that the report recommendations be approved.

- **COUNCILLOR KEVIN STEWART, Convener.**

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