

FINANCE AND RESOURCES COMMITTEE

ABERDEEN: Thursday, 28 January 2010 Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor Kevin Stewart, Convener; Councillor Fletcher, Vice Convener; and Councillors Cassie, Corall (substitute for Councillor Dean), Cormie (substitute for Councillor Kiddie), Cormack, Crockett, Dunbar, Farquharson, Graham, Laing, Leslie, McCaig, John West and Yuill.

1 ORDER OF AGENDA AND REQUEST FOR DEPUTATION

The Convener requested that item 12.8 of the agenda (Award of Replacement Contract), which had been submitted as a late item, be considered as a matter of urgency on this day; and advised that there had been a request for a deputation by Zara Strange, Manager of the Citizens' Advice Bureau, regarding item 5.4 of the agenda (Alternative Savings Proposals – Debt Counselling and Welfare Rights). The Convener proposed that the Committee hear the deputation, and consider the relevant report as the first item of business on this day.

The Committee resolved:-

- (i) to agree to consider item 12.8 of the agenda (Award of Replacement Contract) on this day; and
- (ii) to agree to hear the deputation from Zara Strange, Manager, Citizens' Advice Bureau as the first item of business, along with the relevant report.

DECLARATION OF INTEREST

Councillor Crockett declared an interest in the subject matter recorded under the following article by virtue of his position as Board Member of the Citizens' Advice Bureau. Councillor Crockett remained present for the deputation, but left the meeting during the Committee's consideration of the report.

2 ALTERNATIVE SAVINGS PROPOSALS - DEBT COUNSELLING AND WELFARE RIGHTS

With reference to the minute of meeting of Council of 16 December, 2009 (article 13 refers), the Committee had before it a joint report by the Director of Housing and Environment and the Director of Social Care and Wellbeing which presented an alternative set of savings relating to the statutory Debt Assistance Scheme (DAS) for debt counselling and money advice; and presented two options which would involve a

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merger of welfare rights with debt counselling and money advice services in order to achieve economies of scale.

By way of background the report advised that all funding for the provision of debt counselling and money advice within the city was shared between the Council and the Citizens' Advice Bureau (CAB) and that Council funding for debt counselling and money advice services was further split between the Trading Standards' Service debt counselling and money advice team and the CAB. The report explained that the CAB received two different streams of funding from the Council, namely:- (1) approximately £70,000 from the Trading Standards' Service for enhanced money advice; and (2) approximately £263,000 from the Common Good Fund, around 30% or £78,000 of which was for the provision of money advice. In addition to this, the CAB received a further £120,000 from the Fairer Scotland Fund to deliver a community outreach advice service. It was estimated that the money advice element of this stream of funding would account for approximately 60% or £72,000 for 2009/10, however, there was no commitment currently to continue funding in 2010/11 as this would be dependent on the future of the Fairer Scotland Fund. In total, it was estimated that a total of £148,000 per annum of funding was provided to the CAB for money advice, with an additional £72,000 of Fairer Scotland funding for 2010/11, giving an overall total of £220,000. The report noted that no member of the CAB staff (either employed or volunteer) was an approved money adviser, and so had to refer clients who required Debt Arrangement Schemes to the Council's debt team, which contained three approved money advisers.

The report further advised that the Council provided basic and enhanced money advice through a debt team based within the Trading Standards' Service at a total cost of £135,362. The report explained the outputs of both the CAB and the Council with regard to both enquiries and new cases for the years 2007/08 and 2008/09. The report noted that the CAB output was considerably higher than the Council's, but that the overhead costs of the CAB also appeared to be greater. The report highlighted that the Council logged a person with several queries as one visit, but a log was made on each occasion when a person made an enquiry at the CAB. The report further advised that Council advisers would undertake all of the work associated with each case themselves from start to finish, and, as there were three DAS approved members of staff, they could also handle more complex cases which the CAB could not.

The report proposed that the Council retain the £70,000 that it currently provided to the CAB for DAS work, which was in fact being referred back to the Council from the CAB. The report outlined that this saving would be greater than the saving proposed at the previously mentioned meeting of Council (reference ENV18) to disestablish one debt

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counsellor/money adviser post, and would provide a better basis upon which to move forward with the merger of the current debt counselling and money advice team with Social Care and Wellbeing's Welfare Benefits Advice Team which itself would provide further savings.

The report then provided two options on the future of the Debt Counselling and Money Advice Team and the Welfare Benefits Advice Team, namely:- (1) to merge the two teams, and therefore make savings while at the same time creating a flexible and responsive team which would enhance the existing provision of both debt and welfare rights advice; or (2) to disband the Welfare Rights Team (as a separate team), with the remaining staff being absorbed into the general care management service by supporting services at agreed areas of priority. The report concluded that should option (2) be pursued, there was a risk that the expertise of the current team set up would be lost, or at best diluted across the Care Management Service, and assistance may have to be reassigned to other services, which would leave a gap in advice provision at a time of high demand.

In terms of Standing Order 10(2), the Committee heard Zara Strange, Manager of the Aberdeen Citizens' Advice Bureau, who requested the Committee not to withdraw £70,000 of funding, as suggested within the report. Ms Strange advised that the CAB provided a vast range of services, including more than just debt and money advice. Ms Strange took exception to the intimation within the report that money from the Common Good Fund was utilised for money advice, and explained that the Common Good funds were utilised only for management staff, the costs associated with the building, and the employment of an Employment Advice Officer. She reiterated that it was only the £70,000 that the CAB received from the Trading Standards Service that supported the Money Advice Team. Ms Strange made reference to page 221 of the report, and explained that although CAB staff did not have the DAS certificate, they were trained to national standards in money advice. She continued that the CAB accepted the Council now required the specific DAS certificate, and advised that two officers should be fully DAS accredited by the end of March, 2010.

Members asked Ms Strange a number of questions and thanked her for the presentation. Members then asked relevant officers a number of questions, and in particular had clarified that the £70,000 funding that was provided by the Trading Standards' Service to the CAB was specifically for the purpose of debt advice, and not lower level money advice. The Committee intimated its concern that a Service Level Agreement was still not in place between the CAB and the Council. They noted that the CAB and officers of the Council seemed keen to progress this, and suggested this be done as a matter of urgency.

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The report recommended:-

that the Committee

- (a) agrees to retain £70,000 of Scottish Government funding for the Debt Advice Scheme (DAS) (which the CAB receives in addition to the Council's current level of funding), pending the Aberdeen Citizens' Advice Bureau employing a registered DAS Money Advice Officer; and either:-
- (b) approves the proposal to merge the current Welfare Rights and Debt Counselling and Money Advice teams within the Council, in terms of Option 1 as outlined within the report, to make a saving of £82,000 **or**
- (c) approves the proposal to merge the current Welfare Rights and Debt Counselling and Money Advice Teams within the Council, in terms of Option 2 as outlined within the report, to make a saving of £166,000.

In relation to recommendation (a), the Committee queried as to whether this would result in the Council reinstating the £70,000 funding at a point when the CAB had DAS trained staff. Officers confirmed that this would not be the case, and that this issue would be addressed through the Service Level Agreement, and would have to be reported back to Committee for approval at a later date.

The Convener, seconded by the Vice Convener, moved:-

that the Committee (1) approves recommendations (a) and (b) as detailed above, and therefore supports Option 1 as contained within the report; (2) instructs officers to report back on the progress being made with regard to reaching a Service Level Agreement with the CAB; and (3) instructs officers to submit a report to a future meeting detailing all of the funding provided to the CAB by the Council, to allow an overview to be taken.

Councillor Graham, seconded by Councillor Laing, moved as an amendment:-

that this report be referred simpliciter to full Council.

On a division, there voted:- for the motion (11) – the Convener; the Vice Convener; and Councillors Cassie, Corall, Cormack, Cormie, Dunbar, Farquharson, Leslie, McCaig and John West; for the amendment (2) – Councillors Graham and Laing; absent from the division (2) – Councillors Crockett and Yuill.

The Committee resolved:-

to adopt the successful motion.

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3 MINUTE OF PREVIOUS MEETING OF 10 DECEMBER, 2009

The Committee had before it the minute of its previous meeting of 10 December, 2009.

With reference to page 20 of the minute, the Committee noted that the details of the Lands of Torry had been provided to Councillor Laing, and requested that this information be circulated to all elected Members.

The Committee resolved:-

- (i) to request that the details of the Lands of Torry be circulated to all elected Members; and
- (ii) to approve the minute as a correct record.

4 MINUTE OF MEETING OF THE CORPORATE HEALTH AND SAFETY COMMITTEE OF 27 MAY, 2009 - FOR NOTING

The Committee had before it the minute of meeting of the Corporate Health and Safety Committee of 27 May, 2009.

The Committee resolved:-

to note the minute.

5 COMMITTEE BUSINESS STATEMENT

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

The Committee received an update on item 16 of the list (Investigation into the leaking of report on St Nicholas House Site) from the Legal Manager (Court) who advised that the investigating officer had established the distribution associated with both the electronic and paper copies of the report, and that electronic tracking had not revealed the source of the leak. She confirmed that report had been headed as being 'Not For Publication', and each page had been watermarked as 'Restricted'. Ms Mollison continued that it was impossible to ascertain if duplicates of the report had been made from the paper copies that had been distributed. She concluded that interviews could be undertaken with Councillors and staff who had received the agenda papers if the Committee so wished.

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The Committee resolved:-

- (ii) to remove items 4 (Corporate Asset Management Plan); 6 (Pinewood/Hazledene); and 7 (ICT Connectivity for Educational Establishments);
- (ii) to note the update provided by the Legal Manager (Court) in relation to item 16 (Investigation into the leaking of report on St Nicholas House Site), and to instruct that interviews be undertaken in order to escalate this investigation; and
- (iii) to otherwise note the updates as contained within the list.

6 MOTIONS LIST

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

The Committee resolved:-

to note the update as contained within the list.

7 OFFICE OF CHIEF EXECUTIVE - BUDGET PERFORMANCE REPORT - OCE/10/001

1. The Committee had before it a report by the Chief Executive which provided information relating to the current year revenue budget performance to date for the Office of Chief Executive, and highlighted areas of risk and management action being taken in this regard. The report advised that it was intended to report to each cycle of this Committee on the current year revenue performance to date, as part of the framework of managing risks within the Office.

Appended to the report was a table which outlined the current revenue spend against budget as at the end of November, 2009 at a high summary level, which indicated an expected net saving of £56,000 (5.9%) across an overall budget of £946,000.

The report explained that the revenue budget for the Office of the Chief Executive included provision for the Directorate and Support Team, the Civic Support Team (including the Lord Provost's Secretariat, the Civic Administration Unit and the Town Sergeants), the Elections Unit and the Council's external and internal Communication Teams.

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The report continued that the costs associated with the Civic Support Team were recouped from the Common Good; and that the 2009/2010 budget for the Elections Unit, included provision for the costs of the European Elections which took place in June, 2009 and the General Election due to take place in the next six months.

The report advised that the budget outturn had been adjusted to reflect the actual spend and estimated reimbursement due for the European Election, and that in addition to this some spend was being made in preparation for the General Election, and the outturn would be adjusted as soon as the date of the poll was confirmed.

The Committee resolved:-

- (i) to note the content of the report; and
- (ii) to request that officers continue to manage the budget actively, and to report back to this Committee on strategies as required for a positive outturn for 2009/10.

8 CAPITAL BUDGET PROGRESS REPORT - CORPORATE GOVERNANCE SERVICE - CG/10/004

With reference to article 6 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 an update on the progress being made with regard to various projects within the Non Housing Capital Programme, previously approved by Council, which were currently aligned to the Corporate Governance Service.

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 total approved project costs (from 2009/10 for rolling projects); (2) previous years' projected spend; (3) the total budget for 2009/10; (4) spend as at 30 November, 2009; (5) commitments for 2009/10; (6) the forecast outturn for 2009/10; (7) future years' budget profiles for 2010/2011, 2011/12 and 2012/13; (8) total forecast costs; and (9) the project forecast variance. Comments on particular projects were included in the narrative.

The Committee resolved:-

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

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9 2009/10 REVENUE BUDGET MONITORING - CORPORATE GOVERNANCE SERVICE - CG/10/003

With reference to article 5 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 current year's revenue budget performance to date for the Corporate Governance Service; included a high level summary of for the year as at the end of November, 2009; and outlined whether or not there would be any cost pressures that were immediately identifiable from the expenditure incurred to date, and management action being taken in this regard.

The report advised that, overall, there had been a net saving of £914,000 (3.5%) across an overall current aligned budget of £26.067 million, which reflected a favourable movement of £458,000 since the last report. The report continued that in broad terms, the net projected saving, comparing outturn to budget, reflected a favourable variance of £1,176,000 on projected staffing savings across the Service.

The report explained that this would be offset by a prudent assessment of recoverable costs and recharges to the Housing Revenue Account and the General Services Capital programme in respect of conveyancing work based on the level of recharges last year, and the downturn in 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 that officers continue to review budget performance and report on Service strategies as required to ensure a balanced budget.

10 ACCORD / SQUIDCARD DEVELOPMENT - CG/10/011

With reference to article 20 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 development of adding the sQuidcard electronic cash purse functionality to the Accord card.

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By way of background the report advised that the long term strategy for the Accord card (National Entitlement Card) was to provide a variety of services to customers, and that one way in which this could be achieved was through the utilisation of an electronic cash purse, providing a convenient way for citizens to pay for small value goods. The National Entitlement Card Programme office had identified a product, sQuidcard, that would deliver this functionality, and met the desired criteria for such a scheme (which included being independent of bank schemes, being socially inclusive, having multi purse capability and an online payment facility available to it). Now that this functionality had been incorporated into the National Entitlement Card, and with the product having been successfully trialled and implemented in Dundee, it was available to any local authority which wished to offer this service.

The report explained that the sQuidcard product enabled citizens to place money on their card and spend those funds at participating outlets, which could include Council premises and other retailers. As monies would be loaded and spent electronically, the need for retailers and Council facilities to take payment by cash would be reduced, thereby, reducing cash handling issues (including costs). The card would require no pin number and transactions would typically be for amounts under £10. The product would be available to all card holders of all ages offering a fast, convenient and secure alternative to cash payments, that would be socially inclusive. Card holders would not require a bank account to utilise the Accord Card, the card would be free, and it would not cause any user financial difficulties, due to its prepaid nature.

The report highlighted that there was also an opportunity to investigate the individual use of the card for other low value local services, for example payment of bus fares, and that this had already been achieved in other local authority areas. It was hoped that by adding an electronic purse to the Accord card for use in the wider community, this would develop the card and increase the usefulness and attractiveness of the card to the citizens of Aberdeen.

The report concluded that a Reciprocal Licence Agreement had been drafted between sQuidcard and the Council and that should this project progress, the next step would be to work with sQuidcard in order to agree an implementation plan for the city which would involve sQuidcard contacting local retailers to promote the product with a view to the retailer accepting payment via sQuid, Council sites being identified where it would be of benefit to take payment via sQuid and the marketing and promotion of the product across the city.

The Committee resolved:-

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- (i) to approve the adoption of the sQuidcard Limited electronic cash purse on the Accord Card; and
- (ii) to approve the expenditure associated with the three year agreement as follows:-
 - the sQuid annual license fee of £5,000 for a three year period, the first year to be met by the National Entitlement Card Programme Office;
 - sQuidcard equipment (single terminal, reader and installation) of £460 per site, with an estimated maximum cost of £7,820 to cover all 14 leisure sites, two cultural sites and a library;
 - the transaction fees of approximately £1,500 over the initial three year period; and
 - £25,000 towards sQuid marketing programmes;
- (iii) to note that the National Entitlement Card Programme Office Board was currently considering extending their funding contribution for the licence fee to cover all three years;
- (iv) to note that it was anticipated that not all leisure sites would be included in the project initially; and
- (v) to note that costs associated with the sQuidcard project would be met from Modernising Government Funds already allocated to the Accord card scheme, therefore there would be no impact on the Accord operational budget.

11 INFOSMART FINANCE - CREDITORS PROCESSING - CG/10/001

The Committee had before it a report by the Director of Corporate Governance which requested approval for the creation of a centralised Finance Processing Team (FPT).

By way of background the report advised that the utilisation of InfoSmart functionality within administrative tasks was integral to the Finance Creditors' work of the Council; would compliment the PECOS and eFinancials systems; and would replace the current paper processes with electronic document and record management for (1) Purchase Order Processing (POP); (2) invoice and credit note processing (whether PECOS, POP or non POP); (3) payment voucher processing; (4) Batch Processing; (5) new and amended creditors processing; (6) internal POP; and (7) internal invoice processing. The report highlighted that this would only occur where the processing of the documents was through eFinancials, the main corporate financial system, and not through one of the interface feeder systems. If an interface feeder system was to transfer to eFinancials, then there was a potential for the FPT to carry out the associated creditors processing, but this would require to be investigated separately as part of any transfer.

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The report continued that in 2008/09, there were 90 staff across the Council directly involved in processing documents (this did not include staff in education establishments), and that the staff contributed between 2% and 100% of their time to undertaking the processing work. It had been calculated that this equated to 40 full time equivalent members of staff across the organisation. There was a concern that members of staff who contributed a lower percentage of their work to document processing may have other priorities in their work which could result in an inconsistent approach to processing being taken throughout the Council. The report also highlighted that no training or refresher training was currently available to members of staff, therefore procedures and processes were generally passed on through word of mouth, and where small teams were involved in document processing, leave and absence tended to impact dramatically on the team's ability to process documents. The report advised that these teams were currently being realigned under the new Service structure.

The report highlighted that in 2008/09, the Council paid 84% of its invoices within the statutory 30 day period, which had resulted in the Council being placed in the third quartile in comparison to the other 31 local authorities in Scotland for the Statutory Performance Indicator for prompt payment of invoices. It was hoped through the introduction of the FPT combined with InfoSmart, the Council could be in the upper quartile for the financial year 2010/11 for this performance indicator. The leading Council in 2008/09, had recorded a percentage of 93.4%, and had adopted a centralised approach to the processing of their invoices through electronic document and records management system, similar to what was proposed in the report.

The report outlined the process for transferring staff to FPT and continued that the posts within FPT had been evaluated under the Council's Job Evaluation process, with the Team Leader post being graded at G12 (£25,608 - £29,245) and the Processing Officer at G9 (£17,662 - £19,875). The report advised that subsequent to the job matching process, a recruitment exercise would take place and appointments would be made for all posts within the FPT which would comprise three Team Leaders and 22 Processing Officers to undertake the functions of the team. The team would be created using a planned and phased approach in line with the rollout of the InfoSmart and Finance Creditors project. The successful applicants would be informed of the date they would transfer to the FPT with their new job description and contract of employment.

The report concluded that the introduction of FPT would give an approximate saving in recurring salary costs of £165,583 (41%) of the total staffing costs of the estimated 40

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full time equivalent who currently undertake the work, assuming that staff numbers would be reduced through voluntary severance and early retirement.

The Committee resolved:-

to support the formation of a centralised Finance Processing Team (FPT), which would be enabled by the adoption of InfoSmart functionality.

DECLARATION OF INTEREST

The Convener declared an interest in the following article due to a discussion that took place during consideration of this motion, by virtue of his part time employment by Brian Adam MSP. The Vice Convener declared an interest in the same article by virtue of his position as Vice Convener of CoSLA. Neither the Convener nor the Vice Convener felt it was necessary to withdraw from the meeting.

12 MOTION BY COUNCILLOR CROCKETT

With reference to article 15 of the minute of meeting of Council of 16 December, 2009, the Committee had before it a motion in the following terms by Councillor Crockett:-

"This Council is appalled at the financial settlement received from the SNP minority Scottish Government; agrees that the people of Aberdeen should be angry that Aberdeen City Council has been left with the same funding deal which had led to huge service cuts; and calls upon Alex Salmond to live up to his promise not to leave the city in the lurch."

The Committee heard Councillor Crockett in support of his motion.

Further to extensive discussion, Councillor Crockett, seconded by Councillor Graham, moved:-

that the terms of the motion be adopted.

The Convener, seconded by Councillor Cormack, moved as an amendment:-

that this Committee (1) believes that the local government funding formula has failed Aberdeen City Council since its inception in 1996; (2) is immensely disappointed at CoSLA's response to the Cabinet Secretary for Finance's review of the formula, which led to very little change; (3) agrees that we write to the Cabinet Secretary for Finance, asking him to look at the floor levels to deliver a

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fairer distribution; and (4) instructs the Leadership Board to raise this matter with the Cabinet Secretary at their forthcoming meeting with him.

On a division, there voted:- for the motion (3) – Councillors Crockett, Graham and Laing; for the amendment (12) – the Convener; the Vice Convener; and Councillors Cassie, Corall, Cormack, Cormie, Dunbar, Farquharson, Leslie, McCaig, John West and Yuill.

The Committee resolved:-

to adopt the successful amendment.

13 ALTENS COMMUNITY CENTRE AND DYCE (CARNEGIE HALL) COMMUNITY CENTRE - REMEDIAL WORKS (ECS/09/080)

The Committee had under consideration, upon a remit from the Education, Culture and Sport Committee meeting of 7 January, 2010 (article 13 of the minute refers), a request for funding in relation to remedial works required in respect of Altens Community Centre and Dyce (Carnegie Hall) Community Centre. The reasons for the request, and the outcome of recent condition surveys on both properties by an external contractor was explained in the report by the Director of Education, Culture and Sport, which also advised on the outcomes of consultations on options for improved support for leased community centre management committees and also provided clarification of their relationship with the Council. A draft of the relevant article from the Education, Culture and Sport meeting, together with a copy of the Director's report had been circulated.

The Committee resolved:-

- (i) that appropriate officers be requested to undertake consultation with the community groups concerned in order to ascertain whether the funding identified is actually required and to report back to the Committee thereon in due course; and
- (ii) in response to a point raised by Councillor Graham, to request appropriate officers to ensure in future that, in those cases where agenda items arise as a result of a remit from another Service Committee, only those papers deemed necessary and relevant to the matter under consideration by the Finance and Resources Committee be circulated.

14 REVENUE BUDGET 2009/10 - MONITORING REPORT UPDATE - CG/10/123

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With reference to article 12 of the minute of its previous 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 on the overall Council projected position, which showed a favourable net position, before exceptional items, of £2.445 million against the budget. This was a favourable movement of £4.920 million on the position last reported.

The report highlighted that the detail behind the favourable movement revealed improving financial projections from within Services, in particular the Social Care and Wellbeing budget, where projections in the last report of almost £6.5 million over budget had been reduced to £2.1 million. This was due to specific and one off savings opportunities that had been identified by the Service and which were intended to have an impact of saving up to £3.1 million in the last quarter of the year.

The report continued that the projections overall would have been more favourable had it not been for the winter conditions in recent weeks, the additional cost of which so far had been calculated at approximately £0.5 million. This was a value that was beyond the budget provision, and it was highlighted that should there be further snow or ice in the remainder of the financial year, the Council would incur extra costs. In addition, there was a clear requirement for road repairs and maintenance to be undertaken in subsequent weeks, as potholes and surface damage were revealed and assessed. Taking this into account, a further provision of £0.5 million had been built into the projections to take account of unknown but anticipated and potential road and winter maintenance costs. These projections were included under the Enterprise, Planning and Infrastructure section in appendix A.

The report advised that despite the improving position, overall, the pressure on the operational budget remained clearly visible, with underlying costs in Social Care, and reductions in income streams relating to planning and building application fees, and sports centre activities. The Service forecast outturns reflected these pressures in the current economic climate, and the report highlighted that short term and one off cost reductions could not address the underlying trends and provide sustainable solutions for the future.

The report further advised that that the projected outturn figures reflected progress on achieving approved budget savings of £27 million, which were incorporated into the budget.

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The report continued that it had been assumed that the corporate contingencies, set aside in the budget would be fully utilised in the year, but the possibility remained that the contingencies would not be required, and therefore the potential for further improvement to the projected outturn figures remained. This figure could amount to over £1 million at the year end depending on the circumstances during the last quarter.

The report further advised that HMRC had unexpectedly settled a further claim relating to leisure activities from 1990-1994, and this had resulted in a further £2.297 million (net) being received by the Council. The total net value, including interest and after the deduction of fees, now received by the Council was £5.997 million. Officers had sought further advice on the limited number of claims still to be assessed but had been advised that it was now unlikely that there would be any high value receipts, although some smaller value claims may be paid in due course.

While this provided a very positive impact on the Council's financial position, the exceptional nature of this meant that the Council could not rely upon this in any other year. The report continued that it therefore remained important that the Council worked continually to address the financial challenges that it faced in service provision and delivery.

As a direct result of the overall impact of these favourable projections, the General Fund balance would benefit to the value of £8.442 million (net revenue budget surplus £2.445 million plus exceptional items £5.997 million).

The report then detailed the management actions being taken across and within services currently, to address the unfavourable operational 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;
- (c) reviewing the use of agency staff;
- (d) minimising discretionary expenditure on supplies and services;
- (e) tightening spend controls across all purchasing decisions;
- (f) the Director for Social Care and Wellbeing would authorise and agree with the Head of Service any admissions for older people, those with learning disabilities and children;
- (g) the Head of Procurement was identifying further opportunities for procurement savings that could be realised in the current year;

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- (h) there would be no recommendations for external placements of children and firm gate keeping arrangements would be maintained;
- (i) travel outside the city would be approved on an exceptional basis only; and
- (j) bringing forward the 2010/11 budget savings proposals to 2009/10 wherever possible.

The report further advised that in November, 2009, the Scottish Government had introduced a scheme for local authorities in Scotland whereby they could seek consent to borrow for one off equal pay costs. In response to this Aberdeen City Council had made an application to the scheme. The application was still being considered, and a response was due in the near future, subject to Ministerial approval and the impact of the outcome of this application would be included in a future report to this Committee.

The report continued that on the basis of a similar scheme that the Council applied to last year, there was currently in place consent to borrow for some specific equal pay costs (cleaners, caterers and carers) in financial year 2009/10. In relation to these costs, the Council had already incurred £4.2 million of expenditure to which borrowing could apply. After taking account of the cost of borrowing this would enable the release of £3.6 million into the General Fund, over and above any of the financial projections contained within report. It was therefore anticipated that the release of £3.6 million could be made available to support the funding of the one off exit costs for the staff reduction exercise.

Appendix B to the report outlined a summary of the consent to borrow currently approved, and the value applied for. The report highlighted the costs that this course of action would be likely to incur, and the fact these were spread over a period of ten years. The report continued that this was not the ideal choice, but provided an alternative tool where financial commitments were significant and all funding options were important. The aim was for the Council to have sufficient resources to enable it to pay for all the costs it was expected to meet from its own reserves and balances; however, to have in place consent to borrow for specific one off costs would provide an opportunity for the Council to assess the alternative courses of action available to it, if these proved necessary.

Further approval from the Scottish Government could offer the option of borrowing to increase the General Fund reserve and balances, and in so doing could provide another opportunity to earmark sums for specific one off costs. The report suggested that in the absence of any additional notification from the Scottish Government, the Committee approve the earmarking from the General Fund reserve and balances of a

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further £4 million to support the workforce reduction exercise, plus the sum already able to be released through consent to borrow arrangements (£3.6 million). This would amount to a total of £7.6 million for staff exit costs. Officers confirmed this included any pension payments that would be associated with this exercise.

The report advised that as applications for voluntary severance and early retirement were approved, this sum would have to be reviewed, and was therefore subject to revision in the future.

The report concluded by summarising the net revenue position of the Council.

The Committee resolved:-

- (i) to note the report and the implications of the projected figures on the general fund balance;
- (ii) to instruct Directors to continue to take cost reduction opportunities during the remainder of the year, in order to move the estimated position back in line with the approved budget; and
- (iii) to approve the earmarking of £7.6 million from the General Fund balance for the costs associated with the staff reduction exercise.

15 NON HOUSING CAPITAL PROGRAMME 2009/10 - MONITORING REPORT - CG/10/021

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 an update on the progress being made across all Services on projects within the Non Housing Capital Programme as at 30 November, 2009.

Appendix 1 to the report contained a financial statement which outlined the current position as at 30 November, 2009, and advised that those projects deemed to be of a "rolling" nature had been excluded from the prior year's spend.

The report advised that the revised programme was now £92.772 million, prior to an allowance for project variations and slippage which had been estimated to reduce the programme by £27.832 million; therefore, the total funded programme was currently £64.940 million.

The report continued that the total payments made as at 30 November, 2009 were approximately £26.642 million or 41% against the funded programme of £64.940 million

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which was broadly in line with the pattern of spend in previous years with the trend for payment to be principally in the later periods 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 towards slippage in spending profiles). It was currently projected that the actual outturn would be £69.304 million, but to ensure that the overall programme remained within the funded level, a further £4.364 million of slippage required 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.

Appended to the report at appendix 2 was a financial statement which detailed projects funded from the capital fund which indicated an unused balance of £0.827 million from the previously agreed £15 million of capital receipts held within the capital fund.

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

The Committee resolved:-

- (i) to note the current position on the Non Housing Capital Programme for 2009/10 and future years;
- (ii) 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
- (iii) to instruct the City Chamberlain to continue to update each Service Committee, in conjunction with the Director, on the their specific capital projects.

16 ALTERNATIVE SAVINGS PROPOSALS - HOUSING AND ENVIRONMENT

With reference to article 13 of the minute of meeting of Council of 16 December, 2009 and article 4 of the minute of its previous meeting, the Committee had before it a report by the Director of Housing and Environment which outlined four sets of savings proposals for the Committee to consider, namely:- (1) sheltered placement staff (which

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would replace the previous proposal ENV31); (2) income generation proposals for pets' corner (which would replace the previous proposal ENV22); (3) a reduction in the use of water across the Council; and (4) options to address the revenue cost pressures created by the removal of the Private Sector Housing Grant (PSHG) ring fence on 1 April, 2010.

With regard to the sheltered placement scheme savings proposals, the report advised that there were six members of staff working within Environment establishments on a full time basis under the "Work Step" (or Sheltered Placement) scheme, and the Department of Work and Pensions provided to the Council, an annual grant of £4,800 for each person, providing a total of £28,800. The report explained that the Social Care and Wellbeing Service paid the staff costs in full, then recharged the Environment Service 65% of the total, whilst retaining the £28,800 grant. The Environment Service had a budget allocation within the Sheltered Placement cost centre D21002 to pay this internal recharge, however, during the current financial year, agency code budget D20102 12411 had been cut to £8,635 as part of the Service's contribution to the purchase of the corporate purchasing system, PECOS. The report further advised that the Work Step scheme was to conclude at the end of October, 2010, after which the Council would be expected to bear the full costs of employment of the persons involved. Officers felt there was a strong case for retaining the staff within the Council, despite the fact that the scheme presented a significant net cost pressure of £62,565.

The report reminded members that the Grounds Maintenance Service was carrying a number of vacancies, and has also embarked on further major efficiency savings using the lessons learned during the 2009 tendering process for the grounds maintenance of sports grounds and playing fields. It was proposed that some of these vacancies could be used towards achieving the proposed savings for 2010/11 and beyond, but it would also be possible to transfer the sheltered placement staff into six of these vacancies. The Environment Service would therefore work to a budget which would absorb the cost pressure by filling six vacancies. Part of this cost pressure for the financial year 2010/11 could be offset by having the grant for 2010/11 also transferred to the Environment budget. The report outlined that the staff would then have to be considered on an equal footing with the rest of the overall workforce in the work to achieve the savings proposed in the budget paper ENV26 – the market testing of grounds maintenance services, which would have to be achieved with six less vacancies than there would have been should this proposal not have been considered.

With regard to the Pets' Corner savings proposals, the report advised by way of background that this was a popular attraction and was held in high regard by the public, both as a leisure and an educational facility, and that since the recent upgrading with £30,000 of capital money in the last financial year, 44,111 people had visited Pets'

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Corner since 1 April, 2009, with the result that £45,645 income had been recorded by the end of the period. The report further advised that the total projected spend on the budget for 2009/10 was £97,000, therefore the largest gap, even assuming there was no further income, would be £52,000. There would be some further income, but that could be expected to reduce during winter and early spring. A modest projection of £65,000 was believed to be realistic.

The report proposed that income generation be increased by £33,600 through various methods such as sponsorship of individual animals, donation boxes, fundraising and savings in food purchasing by reviewing existing tenders.

Details of the proposals and the various charging options were provided in appendices to the report.

With regard to the water budget savings, the report advised that the Council's Energy Manager had identified potential savings in the Council's water budgets of £50,700 a year, without detriment to the operation of the Council. Background papers were provided in this regard on pages 9 – 16 of the additional circulation.

With regard to the saving proposals to meet the cost pressures within the Private Sector Housing Grant (PSHG) service, the report advised that the Scottish Government had removed the ring fence protection around the PSHG funding, and that this was now within the General Fund. Officers had recently been advised that the Scottish Government were going to provide this as 40% revenue and 60% capital funding, which would enable the Council to fund the previous PSHG revenue funded services. The 40:60 split was only for a three year period, so accordingly officers were now beginning work to redesign service provision to take account of this proposal.

The report concluded that if the recommendation associated with the PSHG was not approved, then the revenue costs of the PSHG could only be met by the permanent cessation of funding for some or all of the following:- (1) Care and Repair (which provides advice and assistance regarding repairs and improvements to the homes of older and/or disabled homeowners); (2) the Home Energy Conservation Association (HECA) (which enables leverage funding of up to £1m for energy efficiency solutions in the private housing sector); (3) Aberdeen Affordable Warmth (which provides advice and assistance and affordable loans to tackle fuel poverty); (4) SCARF (Save Cash and reduce Fuel) (which offers free advice and assistance regarding energy efficiency to homeowners across the City); (5) Torry Project (Property Management); (6) Research/Consultation; (7) Development Of Property Gazetteer; and (8) Maintenance Orders and Work Notices.

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The Committee resolved:-

- (i) to approve the proposal to move the five persons currently employed by the Social Care and Wellbeing Service, and working within the Environment Service, to mainstream employment within the Environment Service, while still achieving the savings outlined in the previous savings proposal (budget line ENV31 in the minute of meeting of Council of 16 December, 2009 refers);
- (ii) to approve the proposals to generate income of £34,000 by Pets' Corner, replacing the previous savings proposal ENV22; and achieving an extra £4,000 of savings;
- (iii) to approve the reduction in the Housing and Environment Service water budget by £50,700, thereby contributing to corporate efforts to reduce water consumption; and
- (iv) to approve proposals to utilise the proposed revenue funding from the PSHG to fund the following:- Aberdeen Care & Repair; Aberdeen Affordable Warmth; SCARF; HECA; Torry Project (postpone funding for 2010/11 and 2011/12, and reintroduce funding into the revenue budget in 2012/13); and Research/Consultation (reduce funding from £30,000 to £10,000 for 2010/11); and
- (v) to thank all frontline staff for their input with regard to the savings suggested within the report, and to suggest that they be nominated for a Corporate Recognition Award in this regard.

17 TENDERING FOR ACC SERVICES - SCW/10/009

The Committee had before it a report by the Director of Social Care and Wellbeing which presented information on the proposal to explore the potential for tendering some of the Council's current inhouse services, thereby making savings from the Social Care and Wellbeing budget.

By way of background the report advised that the Council currently ran and supported services for older people, adults with disabilities and children inhouse. The report suggested that the private and voluntary sector could provide significantly lower unit costs for these services due to the reduced overheads, the different terms and conditions for staffing and the ability to bring in funding from other areas.

The report further suggested that a service specification be drawn up for each of the Council provided services, which would include the consideration of how to present the capital issues around buildings, and may include the requirement to reprovise. The

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report advised that officers would like to explore the possibility of exchange of lands to provide new builds which would improve the quality of accommodation for service users.

The report concluded that any decision taken to outsource these services would only be made after satisfying strict criteria and proposed that officers carry out an exercise of this nature with one of the Council units to provide a market test in order to determine whether this was an approach that could be reasonably used in future.

The Committee resolved:-

- (i) to note the content of the report; and
- (ii) to instruct the Director of Social Care and Wellbeing to bring forward a report detailing an individual unit that would have the potential for retendering in the way described throughout the report.

DECLARATION OF INTEREST

Councillor Yuill declared a non pecuniary interest in the following item of business by virtue of his Council appointed membership of the Board of Management of Peacock Printmakers Ltd. Councillor Yuill did not feel it was necessary to withdraw from the meeting.

18 PEACOCK VISUAL ARTS FUNDRAISING TEAM - NORTHERN LIGHTS PROJECT - ECS/10/01

With reference to article 24 of the minute of meeting of Council of 17 December, 2008, the Committee had before it a report by the Director of Education, Culture and Sport which provided an update on the work being undertaken by the fundraising team engaged by Peacock Visual Arts as part of the Northern Light development proposed for Union Terrace Gardens, and requested financial support in order to sustain activity until the end of May, 2010. The report explained that this was required due to the extension of the public consultation on City Square, the newly renamed project for Union Terrace and the Denburn Valley.

By way of background the report advised that at the previously mentioned meeting of Council, Members approved the release of £166,642 of the capped £3 million capital funding commitment from the Council to Peacock Visual Arts Limited for the Northern

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Light contemporary arts centre project at Union Terrace Gardens. This limited draw down, matched by similar commitments from Peacock Visual Arts cofunders, Scottish Enterprise and the Scottish Arts Council, had enabled Peacock Visual Arts to continue with the advanced stage of the project, pending the outcome of the public consultation on the City Square proposals. The Scottish Arts Council had agreed to sustain their original offer of £4.3 million, again pending the outcome of the public consultation. The report explained that since the launch of the public consultation on the proposed City Square, the independent campaign group 'IheartUTG' had been lobbying to save the gardens. The report highlighted that this organisation was totally independent of Peacock Visual Arts, with their own fundraising activity and agenda.

The report continued that the Peacock Visual Arts team had worked for two and a half years to raise political, media, cultural, corporate and individual support and required minimum campaign team activity to be sustained to maintain this momentum, having halved the team in the past year.

The report outlined that the campaign activity proposal, as set out within a report to the former Policy and Strategy Committee of 9 June, 2009 (article 16 of the minute refers) had resulted in fundraising and sponsorship deals, media coverage and significant engagement with stakeholders and the public.

The report concluded that there had been significant expenditure to date to support the work of the fundraising team and that valuable work had been undertaken in order to maintain the profile of the Northern Light contemporary arts development in a period of considerable uncertainty for Peacock Visual Arts. The report concluded that a decision not to continue the funding for the team until the results of the City Square public consultation were known, would significantly impact on the future of the organisation.

The Committee resolved:-

- (i) to note the progress of the fundraising team in the realms of public and stakeholder engagement as detailed within the report;
- (ii) to continue to support the work of the fundraising team financially at a monthly cost of £3,040, in order to sustain and develop the Peacock Visual Arts Northern Light work to date, pending the outcome of the City Square public consultation which had been launched on 11 January, 2010;
- (iii) to continue this funding to the end of May, 2010; and
- (iv) to reiterate the importance of this money only being utilised for the purposes intended, and to request that officers write to Peacock Visual Arts to reinforce this point.

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19 APPLICATIONS FOR EQUALITY OF OPPORTUNITY GRANTS SCHEME 2009/10 - CG/10/018

With reference to article 20 of the minute of its meeting of 12 November, 2009 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 the recommendations be approved, the revised balance for the remainder of the year would be £9,124 in the Minority Grants Budget and £2,061 in the Grants Budget.

The Committee resolved:-
to award funding as follows:-

Group Name	Summary of Application	Decision
Aberdeen Chinese Community (Association)	Towards the costs of Chinese New Year celebrations	to award £2,350
Grampian Senior Citizens' Forum	Towards the cost of organising outings (primarily transport costs)	to award £1,000
Positive Mixture	Towards the cost of educational and networking activities	to award £1,000

DECLARATION OF INTEREST

Councillor Leslie declared an interest in the subject matter of the following article by virtue of his position as Chairperson of ShopMobility. Councillor Leslie withdrew from the meeting during discussion of this item.

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20 SHOPMOBILITY AND ABERDEEN ACTION ON DISABILITY - FINANCIAL SUPPORT - SINGLE EQUALITY SCHEME - CG/10/006

The Committee had before it a report by the Director of Corporate Governance which requested (1) financial support to relocate ShopMobility from Flourmill Lane to alternative premises in the Skyline Restaurant in the Bon Accord Centre; (2) authority to reconfigure the Council's financial support to ShopMobility in order to assist with their running expenses; and (3) authority to reconfigure the Council's financial support to Aberdeen Action on Disability in order to assist with their running expenses.

The report advised that the Social Care and Wellbeing Service had indicated that both organisations (ShopMobility and Aberdeen Action on Disability) performed a vital role for people with disabilities in Aberdeen, however, neither organisation contributed to the Social Care and Wellbeing priorities, and officers had indicated that no further grant funding would be available beyond this financial year.

By way of background the report advised that ShopMobility Aberdeen had been established in 1992 and aimed to empower and liberate people with mobility difficulties, and promote greater social inclusion by providing the tools required to overcome physical barriers, improve mobility and create greater access to the city and community life. Due to the nature of its business, ShopMobility's clients required a base central to the city's main shopping centres. It was currently located in part of the underground car park on Flourmill Lane, which belonged to the Council but was due to be redeveloped in 2011. This base, which was located away from the main car park for the Bon Accord Centre, was not suitable, and lacked sufficient space for storage and maintenance. Its location made it more difficult for shoppers or visitors with reduced mobility to get a wheelchair or electric scooter. ShopMobility received financial support from the Community Planning and Regeneration budget for the rental of these premises. The report explained that ShopMobility had a low profile despite the fact that many other stakeholders benefited from its operations.

The report advised that as a consequence of the pending move of staff from St Nicholas House to Marischal College, and the future demolition of St Nicholas House, ShopMobility would have to move to an alternative location and although there would be an option to move to the Marischal College development, no plans had been included in the development to date, and this would involve additional expenditure. This option would also put ShopMobility even further away from the Bon Accord and St Nicholas shopping centres and put its users at an even greater disadvantage.

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The report continued that there was now an opportunity to use part of the redundant Skyline restaurant area, which was situated above the indoor bowling rink in the Bon Accord Centre, to create a ShopMobility unit as this unit had recently been declared surplus to the Council's requirements and there had been no declared Council use for the premises to date. The report explained that if ShopMobility were to move to the Bon Accord Centre (in place of moving to Marischal College), this would avoid the need to construct a facility within Marischal College for ShopMobility, thus avoiding costs to include provision for ShopMobility, and increasing the number of car parking spaces that would be available for Council use. There were excellent lift facilities in the Bon Accord Centre that would provide ideal level access for ShopMobility customers from the Skyline area to the shopping mall below. The Bon Accord Centre had also indicated their willingness to allocate additional disabled parking spaces in the car park next to the restaurant, which would permit a managed access to ShopMobility and would also utilise a neglected area of the Bon Accord Centre.

The report advised that ShopMobility had requested that Space Solutions conduct a feasibility survey and advise them, on a no cost basis, how to make the best use of the space in the restaurant. Space Solutions had also provided them with an outline of costs that could be anticipated to carry out the work to convert the space in the Skyline restaurant to an operational facility suitable for ShopMobility's use. Initial indicative costs were £61,343.72 (including VAT), plus an element for relocation costs and unforeseen expenditure. ShopMobility had indicated that they would be able to relocate their operation with an offer of help in kind. Therefore, it was proposed that allowing up to £65,000 would be sufficient to cover the cost of all the alterations and the move in its entirety. The report advised that ShopMobility currently employed one full time member of staff and had volunteer staff support of 112 hours per week, then outlined the financial support that ShopMobility received. The financial estimates for 2009/10 projected a total expenditure of £83,359; of this, income of £69,340 was expected (comprising £63,715 in grants, including the Council's £3,096 in donations and £2,529 from other fundraising and sales). The balance was carried over from 2008 and amounted to an additional £35,264. Under this proposal, the Council would incur an additional non recurring cost of up to £65,000 in this financial year, and in future years the recurring revenue support of £22,000 would be reconfigured to the Disability Strategy Budget under the Single Equality Scheme.

The report reminded members that the Council paid a service charge to the Bon Accord Centre for use of the Skyline restaurant area, one half of which was paid for by the Bon Accord Indoor Bowling Club, with the remainder being covered by a budget held by the Culture and Leisure Service. The report proposed that this budget be transferred to Community Planning and Regeneration, to cover the service charge. ShopMobility's

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contribution could be secured from the current provision of £32,000 already available from within the budget held by Community Planning and Regeneration. As the proposed users of the Skyline Restaurant were non Council, then the occupation of the property required to be legally sanctioned by a formal sub lease, with the Council as tenant of the property. In terms of the Council's tenancy of the Skyline Restaurant, a Committee decision to approve the principle of sub leasing the property to ShopMobility would require the Council to seek the formal consent of the Scottish Retail Partnership, as Landlord, to such a sub lease. It was suggested that officers take this issue up with the Scottish Retail Partnership in February and advise a future meeting on the outcome.

The report advised that the bowling club currently paid a nominal sub rent of £1 per annum (if requested) and suggested that a similar sub rent could be adopted for ShopMobility; and explained that if the Council took a decision to lease any of their properties at a rent demonstrably below market rental value, Scottish Government consent was required in terms of Section 74 of the Local Government (Scotland) Act, 1973. Officers in Resources Development and Delivery had advised that it may be considered in this situation that £1 per annum was a true reflection of market value.

With regard to the Aberdeen Action on Disability, the report advised that this organisation had been established in 1992 and worked with and for disabled people to help them live independently and overcome discrimination, in particular with regards to equality of opportunity and unrestricted access to services in order to ensure that people with disabilities were able to participate in the community. The report provided a background on Aberdeen Action on Disability's projects and outlined the financial support it had received from other organisations.

The report explained that the financial budget for 2009/10 projected total expenditure of £30,300 with income being estimated at £26,000 (comprising £20,000 grant from Social Care and Wellbeing, down from £23,000 previously, £3,000 from NHS Grampian and £3,000 from other donations and fundraising). Under this proposal, the future recurring revenue commitment from the Council of £23,000 would be reconfigured to the Disability Strategy Budget under the Single Equality Scheme.

Appended to the report was a completed Equality and Human Rights Impact Assessment in relation to the proposed reconfiguration of financial support for ShopMobility and Aberdeen Action on Disability.

The Committee resolved:-

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- (i) to approve the relocation of ShopMobility to the Skyline Restaurant, and to meet the costs of the alterations, up to £65,000 as a one off cost from the Disability Strategy Action Plan budget;
- (ii) to approve the reconfiguration of existing financial support contribution of £22,000 per annum to ShopMobility from the Social Care and Wellbeing budget to the Disability Strategy Action Plan budget;
- (iii) to approve the reconfiguration of existing financial support contribution of £23,000 per annum to Aberdeen Action on Disability from the Social Care and Wellbeing budget to the Disability Strategy Action Plan budget;
- (iv) to approve, in principle, the grant of a sub lease of the Skyline Restaurant to ShopMobility;

- (v) to instruct the Head of Resources Development and Delivery to provisionally negotiate terms and conditions of a sub lease that match (and where necessary are complementary with) the sub lease already granted to the Bon Accord 2000 Indoor Bowling Club; and
- (vi) to instruct the City Solicitor to formally conclude such a sub lease, on terms and conditions as are necessary to protect the Council's interests.

DECLARATION OF INTEREST

Councillor Yuill declared a pecuniary interest in the subject matter of the following article due to his employment. Councillor Crockett also declared an interest by virtue of his position as Chairperson of Glencraft, which was in receivership. Both Councillors withdrew from the meeting during discussion of this article.

21 GLENCRAFT - OCE/10/004

The Committee had before it a report by the Chief Executive which provided an update on the work ongoing to re-establish the Glencraft business, and requested authorisation for negotiations to be opened immediately to lease the property at Wellington Road (formerly occupied by Glencraft) to the new social enterprise, rent free for a period of up to one year.

By way of background the report advised that following the closure of the Glencraft factory in November, 2009, the Chief Executive had convened a working group comprising representatives of the Scottish Government, Scottish Enterprise, Aberdeen

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City Council, voluntary sector organisations, trades unions and representatives of the former employees of Glencraft. The aim of the group was to ensure that all necessary arrangements were made for the former employees of Glencraft, and to explore opportunities for the establishment of a new social enterprise to continue the Glencraft business. Working closely with Jobcentre Plus, the community, trades unions, local churches and charities, support was quickly put in place for the former employees and latterly the group focussed on the possibilities for a new social enterprise to be established.

The report advised that on 5 January, 2010 the First Minister announced that work was underway with Robert Keiller and Duncan Skinner of PSN Limited, to re-establish the Glencraft business and since that date, the Scottish Government and Scottish Enterprise colleagues had been discussing the content of the business plan produced by Mr Keiller and Mr Skinner and assessing the requirements it had set out for public sector funding and support.

One such requirement within the business plan was the request that in order to assist in re-establishing the Glencraft business, that the Council make the property on Wellington Road formerly occupied by Glencraft available to the new social enterprise rent free for up to one year.

The Committee resolved:-

- (i) to authorise the Head of Resources Development and Delivery, in liaison with the City Solicitor and City Chamberlain, to enter into immediate negotiations to lease the property at Wellington Road formerly occupied by Glencraft, to the social enterprise being formed to re-establish the Glencraft business, and to instruct a report back to the earliest possible committee on the terms and conditions of the lease; and
- (ii) to agree that on the basis that the negotiated lease would provide the property to the new social enterprise rent free for a period of up to one year, that the resulting significant loss of £225,000 income from the Enterprise, Planning and Infrastructure draft revenue budget for 2010/11 be made up from contingencies.

At this juncture the Chairperson left the meeting and the Vice Convener assumed the Chair.

22 EMPLOYEES DEVELOPMENT ACTIVITIES UPDATE

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With reference to article 36 of the minute of meeting of the former Resources Management Committee of 5 February, 2009, the Committee had before it a report by the Director of Corporate Governance, which summarised the employee development activities which had been organised corporately over the last year; outlined proposed development priorities and projected plans for 2010/11; and provided an estimate of the costs associated with these plans.

Appended to the report was an outline of the development that had already been undertaken along with the planned development for the future. By way of background the report advised that the development plans were prepared in the context of the findings of the Best Value, HMle and SWIA reports and focused on (1) the need to increase leadership capability and capacity at all levels; (2) the need for increased accountability; and (3) the need to improve levels of motivation, morale and engagement.

Appendix B to the report highlighted the changes made to the way development was provided in 2009/10 and changes that were planned regarding the provision for 2010/11. The priority themes in this respect were outlined as being (a) an increase in the use of eLearning; (b) a review and expansion of the methods of delivery; (c) an increase in the use of joint working; (d) a greater focus on the evaluation and return on investment; and (e) the exploration of options regarding income generation.

Appendix C detailed the statistics for attendance at Corporate Employee Development Programmes from October, 2008 to November, 2009 and also provided examples of the feedback from employees that had been received.

Appendix D to the report advised of the incurred and projected expenditure for key projects related to employee development and highlighted the project's budget was £80,000 less for the year 2010/11.

The Committee resolved:-

- (i) to note the development to date;
- (ii) to approve the proposed priorities and projected plans; and
- (iii) to note that the implementation of the plans was subject to confirmation of the availability of budget at the Council Budget meeting in February, 2010.

23 GROVE LODGE - CG/10/025

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The Committee had under consideration a report by the Director of Corporate Governance which contained a request that the property at Grove Lodge be declared surplus to requirements.

The report indicated that the property had in the past provided accommodation for the Employee Counselling Service, which had since been out sourced.

The Committee resolved:-

that Grove Lodge be declared surplus to Council requirements and it be remitted to the Head of Resources Development and Delivery to advise other Council Services of the availability of the property, and to report any interest expressed therein to a future meeting.

At this point, the Convener rejoined the meeting and resumed the Chair.

24 RETAIL ROCKS! ABERDEEN PROPERTY ACQUISITIONS - EPI/10/025

The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which requested authority to enter into negotiations for property acquisitions in relation to the project known as Retail Rocks! Aberdeen, a highly innovative Scottish Government backed concept which aimed to regenerate town centres by focusing on the creation of successful, local retail businesses, with the help of monies from a Town Centre Regeneration Fund.

The report before members (1) explained that Retail Rocks Limited (a private company limited by guarantee) owned the concept which was designed to revitalise town centres and communities by encouraging, enabling and supporting sustainable retail entrepreneurship; (2) advised that it was proposed to bring vacant retail units in Torry back into use involving acquisition (either through purchase or lease); (3) indicated that the retail led regeneration project would provide initial support to aspiring entrepreneurs who wished to start up a retail business in Torry; and (4) confirmed that the initial support would take the form of a rent free retail unit for one year plus mentoring support to be provided by major high street retailers. The report continued that Retail Rocks was a competition based programme which would engage with the local community by inviting applicants with a retail business idea to compete for the opportunity to receive the proposed support package.

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As regards property acquisitions, the report emphasised (a) that the project's success relied on a critical number of new businesses being set up; (b) that up to nine properties were being targeted, a mix of Council owned and privately owned retail units; (c) that this meant that a number of existing retail units (five units were envisaged) needed to be acquired or leased by the Council so that all potential units could be made available in due course to the project; and (d) that in order to comply with the conditions of the grant, all nine units had to be either owned or legally secured (by missives) by 31 March, 2010. In view of the tight timescales within which the conditions of the grant that were required, the report advised that Retail Rocks Limited were identifying the private shop units and entering into negotiations with the owners; that the Council's Asset Policy Manager and their external property adviser would subsequently satisfy themselves that any proposed purchase complied with Best Value and all statutory regulations/legislation; that the Council's standard Property Protocol would be adhered to; and that the cost involved would be funded from the Retail Property Acquisition budget.

Having highlighted the need for delegated authority in respect of the property transactions in order to meet the deadlines involved, the report also indicated that a Project Steering Group would be established to oversee implementation and to report on progress. This Group would be chaired by the Council's Chief Executive and would include one elected Member, the Council's Project Director for Economic and Business Development, the Council's Project Manager and the Council's Regeneration Manager for the Torry area of the city. Also to be represented on the Group were Retail Rocks Limited and the Federation of Small Businesses.

The Committee heard the Economic and Business Development Project Director, who advised that he had been in discussions with the Scottish Government who had intimated that they would accept this project as legally committed when it had been approved by two Standing Committees of Council. It was therefore suggested that this report be referred to the Enterprise, Planning and Infrastructure Committee in this regard.

The report recommended:-

- (a) that the Committee authorise the use of up to four empty retail units in Torry owned by the Council as "in kind" match funding to the Town Centre Regeneration Fund;
- (b) that the Head of Resources Development and Delivery be authorised to undertake immediate negotiations for the acquisition (through lease and/or purchase) of up to five additional privately owned properties for the project to be known as Retail Rocks! Aberdeen;

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- (c) that the Director of Enterprise, Planning and Infrastructure be authorised, in consultation with the City Solicitor, the City Chamberlain and the Convener of the Finance and Resources Committee to exercise delegated authority to acquire appropriate suitable property for the project, reporting back on the actions taken to future meetings of this Committee;
- (d) to authorise the Director of Enterprise, Planning and Infrastructure, in consultation with the City Solicitor, the City Chamberlain and the Convener of the Finance and Resources Committee to exercise delegated authority to negotiate on any potential Joint Venture Partnership;
- (e) that it be agreed that the City Solicitor report to a subsequent Committee meeting on the proposed legal structure of Retail Rocks! Aberdeen and also on a mechanism for making appropriate properties available to Retail Rocks Limited; and
- (f) that an elected Member be nominated to sit on the Project Steering Group of Retail Rocks! Aberdeen.

The Committee resolved:-

- (i) that the report recommendations be approved and appropriate officers authorised accordingly, in particular the City Solicitor be authorised to enter into all necessary arrangements with Retail Rocks Limited to facilitate the project in terms which protect the Council's interests;
- (ii) that the Convener of the Enterprise, Planning and Infrastructure Committee be appointed to sit on the Project Steering Group of Retail Rocks! Aberdeen; and
- (iii) that the report be referred to the Enterprise, Planning and Infrastructure Committee as per the Economic and Business Development Project Director's suggestion.

25 CAPITAL PLANNING - NON HOUSING - EPI/09/127

Reference was made to article 32 of the minute of meeting of the former Resources Management Committee of 16 June, 2009, at which time there was under consideration a report by the Corporate Director for Resources Management, being the latest in a series of reports concerned with the implementation of a Corporate Property Asset Management Plan in recognition of the strategic importance to the Council of utilising its property efficiently in the delivery of services. The resolution of the Committee at that time was to approve the Plan as prepared and to instruct the Corporate Asset Group to implement and develop the various aspects with reports on progress being submitted to

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Committee on a regular basis, in particular that a report be made on progress in completing the Capital Prioritisation Process and Procedures. The Committee now had before it a report by the Director for Enterprise, Planning and Infrastructure which had annexed the draft of a Guidance Manual which set out an approach to improve capital planning which would ensure that the system of approving the Capital Programme is robust and fair and is seen to be such across all Council Services.

The report before members referred to the approval by Council of a Property Asset Management Plan (PAMP) and also made reference to the weaknesses identified within the PAMP with regard to how the Council manages Capital Planning, in particular:- (1) the absence of a formal capital prioritisation process; (2) the need to fully adopt the principles of whole life costing as a matter of routine; (3) the current lack of a formally adopted process of option appraisal for projects; and (4) the need for training and processes to be introduced to ensure that inhouse project management is effective and the likelihood of programme slippage and cost over run is reduced. As regards the proposed Capital Prioritisation Process and Procedures Manual attached to the report as appendix 1, the report author confirmed that the intention was to regularise all future bids for capital funding, to include improvements in the monitoring of capital projects and in the post evaluation of completed projects. The report highlighted in particular the future responsibilities proposed for the Corporate Asset Group in the new process and also the areas of work for which staff within the Enterprise, Planning and Infrastructure Service would take specific responsibility.

Having identified one of the main changes to be introduced as a clear options appraisal process which will include whole life costing, the report confirmed that for larger projects the appraisal would be based on the Green Book which is HM Treasury's Option Appraisal for all Capital Projects. It was further indicated that whole life costing would ensure that the long term revenue costs were evaluated; and that a specific requirement of the process would be that the role of the Project Manager from a Service would be identified, as a result of which there would be clarity about how that individual interacts with personnel within Enterprise, Planning and Infrastructure who have responsibility for the overall management of the Capital Programme. The report contained the detail of the suggested timetable under the new process, for all Capital Programme Projects.

The Committee resolved:-

to approve the amended Capital Prioritisation Process and instruct the Director of Enterprise, Planning and Infrastructure to commence its implementation for 2011/12, and to instruct that regular reports be submitted back to this Committee.

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26 STATUS OF SURPLUS EDUCATION AND OTHER PROPERTIES - EPI/10/017

Reference was made to article 29 of the minute of meeting of this Committee of 12 November, 2009, at which time there was under consideration by way of a remit from the Education, Culture and Sport Committee, a report by the Director of Education, Culture and Sport regarding specific vacant properties which it had been decided be declared surplus to Service requirements and disposed of. The resolution of this Committee at the said meeting was to agree with the decisions taken by the Education, Culture and Sport Committee that the properties at Hilton Nursery School, Victoria Road School, St. Peter's Nursery School and the Broadhill Depot, be declared surplus and disposed of; and to also approve the recommendation that the vacant Greenfern School be demolished and that tenders for the work involved be obtained. The Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure which contained an update on the status of a number of former Education, Culture and Sport properties now declared surplus and also updates regarding other surplus properties.

The report advised with regard to the former Victoria Road Primary School, St. Peter's Nursery School, the former Weaver's Shed in Mackie Place, the former Hazlehead Gate Lodge, the former Broadhill Depot, the former Skyline Restaurant in the Bon Accord Centre and the former Woodlands Special School, all of which were once under the control of the Education, Culture and Sport Service and in respect of which either an interest has been expressed by another Council Service (Victoria Road School, Broadhill Depot); further investigations of a legal nature were required (Weaver's Shed, Mackie Place); due to the location, more detailed work was required on a number of issues (Hazlehead Gate Lodge); a separate paper had been presented in relation to a possible future use (Skyline Restaurant – article 20 of this minute refers); or negotiations were required on the Council's behalf (Woodlands Special School). In all cases it was confirmed that further reports on the outcomes would be brought forward. Also covered by the report was (1) the former public toilet building at High Street, Old Aberdeen, declared surplus by Neighbourhood Services (Central) and in the absence of any interest by another Council Service, would now be sold; (2) the Aberdon and Croft Care Homes, reports in respect of which were before this Committee in September, 2009; and (3) the Victoria House building in West North Street, under consideration by the former Resources Management Committee in May, 2009. In all three cases the report indicated that work on the option appraisals was currently ongoing and that reports to the Housing and Environment Committee and this Committee were likely in February/March, 2010. The former depot at Ruthrieston Road, which was also

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previously considered by this Committee in September, 2009 and was now to be advertised for sale on the open market, was also referred to within the report.

The Committee resolved:-

- (i) to note the position with regard to the former Victoria Road Primary School, the former Weaver's Shed, the former Hazlehead Gate Lodge, the former Broadhill Depot, the former Skyline Restaurant, the former Aberdon and Croft Care Homes, and the former Victoria House;
- (ii) to authorise the Head of Resources Development and Delivery to market the former St. Peter's Nursery, the former public toilets in High Street, Old Aberdeen and the former depot at Ruthrieston Road, and to submit a further report to the appropriate meeting of this Committee in due course detailing the results of the marketing; and
- (iii) to authorise the Head of Resources Development and Delivery to enter into negotiations with the landlord of the site of the former Woodlands Special School, with a view to agreeing an appropriate exit strategy for the Council and to report back to this in due course on the outcome.

27 FAIRER SCOTLAND FUND THEMATIC PROGRAMMES AND STAFFING UPDATE - CG/09/178

With reference to article 22 of the minute of meeting of this Committee of 12 November, 2009 the Committee had before it a report by the Director of Corporate Governance which provided an update on progress with the thematic programmes of employability, financial inclusion, health and literacies agreed by the Fairer Scotland Fund Board, and currently a receiving Fairer Scotland Fund grant.

Appendix A to the report provided information on the thematic programmes for the first six months (April to October, 2009).

By way of background the report advised that the Fairer Scotland Fund was a relatively new fund created by the Scottish Government in December, 2008, aimed at tackling poverty and deprivation across Scotland. From April, 2008 the Fairer Scotland Fund effectively replaced five previous national programmes that had operated in the city including the Community Regeneration Fund and the Working for Families Fund.

With the introduction of the Fairer Scotland Fund and the effective merger of previous programmes, the Fairer Scotland Fund was currently operating on the basis of three full time equivalents (two posts coordinating and managing the specific programmes and

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one Development Officer post dedicated to providing support for community engagement). A business case was to be considered at a later point in the meeting in this regard.

The Committee resolved:-

to note the progress on the thematic programmes of activity being funded by the Fairer Scotland Fund.

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 28 (paragraphs 8 and 12), article 29 (paragraph 8), article 30 (paragraphs 8 and 11), article 31 (paragraph 1), article 32 (paragraph 1), article 33 (paragraphs 8 and 9), article 34 (paragraph 6), article 35 (paragraph 9), article 36 (paragraph 9), article 37 (paragraph 9), article 38 (paragraphs 6 and 7), article 39 (paragraphs 8 and 12) and article 40 (paragraphs 8 and 9).

28 GLASHIEBURN FLOOD PREVENTION SCHEME

The Committee had under consideration, upon a remit from the meeting of the Enterprise, Planning and Infrastructure Committee of 12 January, 2010 (article 20 of the minute refers), the report by the Director of Enterprise, Planning and Infrastructure relating to the Glashieburn Flood Prevention Scheme, in respect of which additional capital funding appeared to be required, in order to render the scheme fit for purpose. The decision of the Committee at the meeting of 12 January acknowledged the significant failings that existed with the scheme as constructed, the fact that Council engineers had since identified a possible solution and, on the matter of possible compensation or damages, that discussions were ongoing between the Council and the company responsible for the scheme's design. The Committee now had before it both the original report which was before the Enterprise, Planning and Infrastructure Committee and an updated version, also prepared by the Director of Enterprise, Planning and Infrastructure.

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The updated report outlined recent developments relating to the matter of the failure of the recently constructed flood prevention scheme at Glashieburn to protect nearby properties, which included current assessments of both the legal and financial position of the Council and the best way for the problem to be addressed.

The Committee resolved:-

- (i) that the monies remaining in the 2009/10 budget for this project (£140,000) be carried forward to this year's Non Housing Capital Budget, in addition to which provision of a further £35,000 from the 2010/11 budget be made available in order to progress the works in the event that an acceptable settlement from the contractors is not agreed within the timescales necessary to progress with construction; and
- (ii) to instruct officers to continue discussions with the contractor in order to determine liabilities and minimise the cost for the Council in providing the requisite scheme.

29 COUNCIL HOUSE GARDEN MAINTENANCE SCHEME - H&E/09/055

The Committee had under consideration, upon a remit from the meeting of the Housing and Environment Committee of 11 January, 2010 (article 26 of the minute refers), the matter of the Council House Garden Maintenance Scheme which was the subject of a report to that Committee by the Director of Housing and Environment.

The Committee had before it a copy of the Director's report and a copy of the draft article containing the decision of the Housing and Environment Committee to approve the continued provision by the Council's environmental team of a Garden Maintenance Service through 2010, subject to the approval by the Council of a budget for that purpose within the Housing Revenue Account. Part of the decision in respect of this matter by the Housing and Environment Committee was to request Finance and Resources Committee approval for a 5% increase in the garden maintenance charge, which would raise the figure from £60 per annum to £63 per annum.

The Committee resolved:-

to approve the increase in the garden maintenance charge as determined by the Housing and Environment Committee.

30 DATA CENTRE PROVISION - CG/10/017

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With reference to article 32 of the minute of its previous meeting, the Committee had before it a report by the Director of Corporate Governance which sought approval to proceed to tender for (1) a Managed Data Centre; and (2) delivery of a Virtual Desktop Environment (VDE).

By way of background the report advised that the draft ICT Technical Strategy had identified virtualisation, automation and consolidation as the key values regarding the future technical direction of the Council; and that both the Managed Data Centre and the introduction of a VDE would complement this approach. The report reminded members that central to the move to Marischal College was the reduction of workspaces, and the implementation of the 'hot desk' approach. As a result of this, ICT application and data delivery required to be smarter, and new ways of working required to be introduced.

In relation to the Data Centre, the report suggested that the Council adopt a Managed Data Centre model. In this, an external organisation would be responsible for ensuring that the appropriate technology, together with efficient and effective processes was deployed. This organisation would have access to the appropriate resources to meet the needs and demands of the Council regardless of the volume of work, or the extent of the specialist skills and knowledge required. The report advised that this approach would (a) allow the Council to reduce the cost of delivering ICT services in the medium and long term; (b) provide productivity benefits; (c) improve the service delivery; and (d) offer limited bottom line savings.

In relation to the VDE, the report explained that in the 'hot desk' environment that would be adopted in Marischal College, a VDE would ensure the most efficient use of space by allowing the same person to use a different desktop device every day, by providing access to all applications and settings at the point of logging on to the computer. With this technology, the desktop would be accessed at a central location where all the processing was carried out. The report highlighted that this approach would (1) increase user productivity as a result of more stable PC or laptop environment and a faster logon time; (2) improve security of the PC and laptop environment; (3) increase flexibility as to where staff can work from; (4) require significantly less processing power, and therefore reduce the carbon footprint of the Council; and (5) result in computers only having to be replaced when they were beyond economic repair, rather than due to performance reasons. The report indicated that other organisation who had implemented VDE, had witnessed a significant reduction in the resources and costs required to support the desktop environment.

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Further to a question from the Committee, officers explained that a further benefit to the VDE was the way in which printing could be managed. When a member of staff or Councillor wanted to print a paper, rather than the instruction being sent to one specific printer, it would go to a generic list, and then could be printed from any printer by entering a pin number. Officers advised that this method would not only make it much more convenient to print, but would also increase security and confidentiality.

Further to a question from the Committee regarding the cost of implementing VDE, the Head of Service Design and Development confirmed that there would be no additional hardware required, and that the only additional costs associated with this project, would be at the point of rolling out full remote facilities.

Appended to the report were the business cases in respect of the Managed Data Centre and the Virtual Desktop Environment.

The report recommended:-

that the Committee

- (a) instructs officers to proceed to a formal tender for a Managed Data Centre facility; and
- (b) instructs officers to go out to tender for the delivery of a Virtual Desktop Environment.

Further to discussion, the Convener, seconded by Councillor Dunbar, moved:-
that the Committee approves the recommendations.

Councillor Graham, seconded by Councillor Laing, moved as an amendment:-

that, as the risk of providing a Managed Data Centre includes (a) data security and Government compliance concerns; (b) a lack of control over upgrades and roll backs; (c) demarcation issues between the Council and the vendor; (d) concerns over the Council's ability to move over to another provider at the end of the contract period; (e) a difficulty in being able to move back to an inhouse service if desired at a later date; and (f) the cost of analysis for the Managed Data Centre having an error margin of plus or minus 30% for the annual service fee, the Council proceeds to provide a Council owned facility, as agreed by the former Continuous Improvement Committee of 9 December, 2008 (article 18 of the minute refers).

On a division, there voted:- for the motion (10) – the Convener; the Vice Convener; and Councillors Corall, Cormack, Cormie, Dunbar, Leslie, McCaig, John West and Yuill;

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for the amendment (3) – Councillors Crockett, Graham and Laing; declined to vote (1) – Councillor Farquharson; absent from the division (1) – Councillor Cassie.

The Committee resolved:-

to adopt the successful motion.

31 FAIRER SCOTLAND FUND SUPPORT TEAM - EXTENSION OF CONTRACTS

With reference to article 27 of this minute, the Committee had before it a business case prepared by the Head of Community Planning and Regeneration, which requested approval to extend the contracts for existing staff within the Fairer Scotland Fund Support Team.

The business case sought approval for (1) the extension of two Programme Coordinator posts and one Development Officer post; and (2) the change in job title to two positions as follows:- former titles of Working for Families Coordinator/Community Regeneration Fund Coordinator and Community Regeneration Fund Development Officer, revised to Fairer Scotland Fund Programme Coordinator and Fairer Scotland Fund Development Officer. The business case outlined that the cumulative cost associated with the changes would be £97,646 and it was highlighted that if the Council agreed to provide the identified £2,843 million from the Revenue Support Grant for 2010/11 to the Fairer Scotland Fund Board then the costs for these changes would be drawn from the allocation.

The Committee resolved:-

to approve the business case.

32 DEMOCRATIC SERVICES RESTRUCTURING

The Committee had before it a report by the Director of Corporate Governance, which sought approval to disestablish one post of Committee Manager and one post of Secretary to the Head of Democratic Services; establish a post of Senior Democratic Services Manager; and transfer staff into the Members' Support team.

The report presented the proposed structure for the Service, and explained that this would require a number of changes, namely:- (a) the deletion of one full time equivalent (FTE) Committee Manager post which had been vacant since March, 2009; (b) the deletion of one FTE post of Secretary to Head of Service which had been vacant since

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July, 2009; (c) the establishment of a post of Senior Democratic Services Manager (to be graded within the Equal Pay & Modernisation scale); and (d) the transfer of two FTE posts from Services of the Council previously responsible for handling members' enquiries, as directed by CMT.

Appended to the report was an outline of the current and proposed structures for Democratic Services. The revised structure at appendix B reflected some further changes to the team, as follows:- (1) a post previously filled at Senior Committee Officer level had been filled at Committee Officer level since March, 2009; and (2) a post previously filled at Committee Officer level had been filled at Committee Assistant level since March, 2009 (as a fixed term post due to end on 31 March), 2010. The appendix also presented the proposed reporting arrangements for the team.

The report outlined that the cumulative costs associated with the proposed changes would be a saving of £68,275 until 1 April, 2010 and a £13,476 saving for the revenue budget for 2010/11. The report continued that the conversion of the Committee Services Officer post to a Committee Assistant post had been accepted as part of the 2010/11 budget savings and therefore was not included in the savings for future years. It was also highlighted that the salaries for staff transferring to the Members' Support team would be transferred from the relevant Services and would be built into the Service budget for 2010/11.

The Committee resolved:-

- (i) to establish a post of Senior Democratic Services Manager at a grade to be evaluated within the Equal Pay & Modernisation scale;
- (ii) to disestablish a post of Committee Manager and a post of Secretary to the Head of Democratic Services;
- (iii) to transfer of a maximum of two full time equivalent posts from other Council Services; and to note that the exact Service concerned was still to be confirmed;
- (iv) that a post previously filled at Senior Committee Officer level, be established as a Committee Officer;
- (v) that a post previously filled at the level of Committee Officer, be filled at the level of Committee Assistant; and
- (vi) to note the new reporting arrangements within the team.

33 DYCE PRIMARY SCHOOL - REPLACEMENT WINDOWS (EPI/10/043)

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which related to the Non Housing Capital Plan budget heading of

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Replacement and Renewal, the purpose of which was to address prioritised repairs on a city wide corporate basis within the Council's operational property portfolio and, in this case, advised on the tenders received in respect of replacement windows at Dyce Primary School, being works identified by colleagues within the former Neighbourhood Services as priority works.

The report confirmed (1) that the works had been exposed to competitive tender and all submissions received had been evaluated on a quality price basis, ie best value basis; (2) that in terms of the Council's Standing Orders, any tender proposed for acceptance which is not the lowest tender received, required to be the subject of Committee approval; and (3) that in the case under consideration, the contractor achieving the highest score did not submit the lowest price. Annexed to the report as appendix 1, was the table containing the individual tendering contractors' scores.

The Committee resolved:-

- (i) to note the background for the reporting of the tender in respect of the replacement of the windows at Dyce Primary School;
- (ii) to award the contract to Camstruction Limited, as the highest scoring tenderer; and
- (iii) to note the offer of the Head of Resources Development and Delivery to meet with members (either individually or in groups) in order to provide them a briefing on the Quality/Price scoring method.

34 ICT CONNECTIVITY FOR EDUCATIONAL ESTABLISHMENTS - CG/10/015

Reference was made to earlier decisions with regard to the need to upgrade the Information Communication Technology (ICT) systems which currently serve the Council's educational establishments, in particular the connectivity for services to children and young people (article 32 of the minute of meeting of the former Resources Management Committee of 5 February, 2009; article 13 of the minute of meeting of this Committee of 17 September, 2009; and article 18 of the minute of meeting of the Education, Culture and Sport Committee of 8 October, 2009), and as a result of which consultants were appointed and agreement was reached to the effect that point-to-multipoint wireless connectivity was the preferred technology going forward and that a formal procurement exercise on that basis should be commenced. The Committee now had under consideration the report by the Director of Corporate Governance which advised regarding the formal procurement exercise undertaken.

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The report contained information on the procurement exercise which, following consultation with the Central Procurement Unit and external advisers, had involved the use of a Catalyst framework agreement; confirmed that the bids received offered the Council unique options in terms of the technologies proposed and the project approach; and outlined the detailed evaluation process undertaken and the preferred bidder identified as a result.

The report recommended:-

- (a) that the Committee approves contracting with the preferred bidder for the design and implementation of a point-to-multipoint wireless solution for educational sites in the city; and
- (b) that the Committee also gives permission to occupy the roofs of the multi storey blocks listed within appendix 1 or any alternative block identified through full site survey as offering more efficient city coverage for the preferred bidder, to erect and operate necessary wireless equipment subject to satisfying any owner consent requirements identified by the City Solicitor.

The Committee resolved:-

to approve the recommendations contained within the report, subject to the proviso that tenants in the blocks affected be fully consulted.

35 CULTS ACADEMY - GRAMPIAN POLICE - EPI/10/015

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of the interest expressed by Grampian Police in leasing a small, self contained portion of the new Cults Academy building for use as a branch office serving the local area.

The report (1) reminded Members that during the planning phase for the 3Rs development of a new Cults Academy, Grampian Police had intimated an interest in leasing an area of the building and as a result of which the police requirements had been designed into the scheme; (2) indicated that the relevant phase of the building programme was due to be completed very soon; and (3) suggested that the time was now right to consider how the Police presence would be addressed financially. The report outlined the basis of an approach to the matter which involved a long lease (say 30 years) in return for which Grampian Police would meet, by way of a recharge, a proportion of the development and running costs of the Academy calculated with reference to the proportion of floor space occupied. The report also indicated that since

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Grampian Police and NHS Grampian had expressed interests in occupying similar self contained areas of other new schools being provided under the 3Rs Project, members may wish to consider giving officers authority to negotiate and to legally conclude leases in all of these cases subject to the agreement of the Director of Education, Culture and Sport with the principle of such an arrangement.

The report recommended:-

- (a) that the Committee approve in principle the lease to Grampian Police for 30 years, of an identified, self contained portion of the Cults Academy school building;
- (b) that it be remitted to the Head of Resources Development and Delivery to provisionally negotiate appropriate terms and conditions of lease;
- (c) that it be remitted to the City Solicitor to formally conclude a lease on the basis of the terms and conditions agreed and such other conditions as are necessary to protect the Council's interests; and
- (d) that subject to the prior consent of the Director of Education, Culture and Sport in each case, it also be remitted (1) to the Head of Resources Development and Delivery to negotiate with all other public sector partner organisations, the terms and conditions of leases for similar self contained portions of other 3Rs school buildings; and (2) to the City Solicitor to also conclude such leases in accordance with the terms of recommendation (c) hereof.

The Committee resolved:-

that the recommendations contained within the report be approved.

36 BEACH ESPLANADE SHOP/CAFÉ UNITS - LEASE EXTENSIONS - EPI/10/016

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which outlined the case for extensions to the leases of four shop/café units on the Beach Esplanade, following a request from one of the tenants who was seeking to carry out extensive refurbishment works.

The report (1) provided certain background information relating to the lease by the Council of each of the four units at numbers 1-2, 3-4, 5-6 and 7-8 Beach Esplanade, all of which are currently due to terminate at the same time; (2) highlighted the reason why a uniform approach to the leasing arrangements for the units was considered to be in the Council's best interests and should be maintained; (3) outlined the basis upon which Council officers were in agreement that lease extensions could be granted; and

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(4) indicated that written confirmation from all four tenants to the way forward being suggested by the Council as Landlord, had been received.

The Committee resolved:-

- (i) to approve lease extensions in respect of the four shop/café units at 1-2, 3-4, 5-6 and 7-8 Beach Esplanade, Aberdeen, on the terms and conditions outlined within the report; and
- (ii) to instruct the City Solicitor to formally conclude the Minutes of Agreement for such lease extensions subject to such conditions as are considered necessary to protect the Council's interests.

37 WESTBURN PARK - EPI/10/018

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of an approach from an independent charitable organisation seeking to relocate from their current premises to a site close to Aberdeen Royal Infirmary and who had identified Council owned sites at Westburn Park as possibly being suitable for their purpose.

The report made reference to the Committee's recent consideration of a report relating to certain Council owned properties located within the Westburn Park (article 36 of the minute of meeting of 12 November, 2009) and as a result of which some of those properties were to be marketed as development opportunities; identified one site on Westburn Road as being of particular interest to the charity; and sought Committee approval for discussions on the matter.

The Committee resolved:-

- (i) to authorise the Head of Resources Development and Delivery to enter into discussions with the charitable organisation referred to, on the suitability of the site identified for its purpose (including the practicality of enlarging the site) and, if appropriate, to enter into formal negotiations for the disposal of that site;
- (ii) to instruct that appropriate officials continue to liaise with the charitable organisation to identify, if required, other suitable sites;
- (iii) to instruct that the Head of Resources Development and Delivery report back to Committee in due course on the outcomes of (a) and/or (b) above; and
- (iv) to request that maps be appended to reports of this nature as a matter of course.

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38 SOUTH COLLEGE STREET IMPROVEMENTS - LAND EXCAMBION AT RIVERSIDE BUSINESS CENTRE/POYNERNOOK ROAD - EPI/10/019

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which sought approval for an excambion involving an area of ground at Poynerook Road and an area of ground at the nearby Riverside Business Park, in order to facilitate planned road improvements in the area. The report also advised the Committee of a related matter involving the receipt of an unsolicited offer to purchase a currently vacant Council owned property at Poynerook Road.

The report (1) made reference to decisions taken by the former Resources Management Committee at its meeting of 10 March, 2009 (article 56 of the minute refers), in particular the decisions taken to approve the outright purchase of a site within the South College Street corridor along with a servitude right over another site at the same location and owned by the same company with whom the proposed excambion in terms of this report would be concluded; (2) advised regarding the direction the negotiations authorised in terms of the March, 2009 decision had taken with the other party involved and which included an expression of interest in the Poynerook Road site which the Council occupy under a ground lease from Aberdeen Harbour Board; (3) contained detailed descriptions of the two areas of ground involved; and (4) contained also the valuations for both subjects as provided by the Council's external consultants. Having assessed the Council's options in the context of the road improvement works and in a wider sense and having also assessed the situation in light of the unsolicited offer received for the Council's interest in the Poynerook Road site, the conclusion arrived at within the report was that, in all the circumstances, the land excambion option should be pursued.

The Committee resolved:-

- (i) to authorise the City Solicitor and Head of Resources Development and Delivery to proceed with the acquisition of land from Miller Cromdale Riverside Business Park Limited and the assignation of the ground lease in the Poynerook Road property, to Miller Cromdale Limited, both conditional upon the consent of the Council's landlord (Aberdeen Harbour Board) to the assignation of the ground lease;
- (ii) to authorise appropriate officers, if required, to seek the consent of the Scottish Government in terms of section 74 of the Local Government (Scotland) Act 1973, to exchange the property interests at demonstrably less than market value; and

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- (iii) to reject the unsolicited offer to purchase the Council's interest in the site at Poynerook Road.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973 that the following report be considered as a matter of urgency in order for the works identified within the report to be undertaken at an early date.

39 RIVERBANK PRIMARY SCHOOL - RE-ROOFING WORK - EPI/10/047

The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which related to the Non Housing Capital Plan budget heading of Replacement and Renewal, the purpose of which was to address prioritised repairs on a city wide corporate basis within the Council's operational property portfolio and, in this case, advised on the tenders received in respect of re-roofing work required for Riverbank Primary School, being works identified by colleagues within the former Neighbourhood Services, as priority works.

The report confirmed (1) that the works had been exposed to competitive tender and all submission received had been evaluated on a quality price basis, i.e. best value basis; (2) that in terms of Council Standing Orders any tender proposed for acceptance which is not the lowest tender received, required to be the subject of Committee approval; and (3) that in the case under consideration, the contractor achieving the highest score did not submit the lowest price. Appended to the report was a table containing the individual tendering contractors' scores.

The Committee resolved:-

- (i) to note the background for the reporting of the tender in respect of re-roofing work at Riverbank Primary School; and
- (ii) to award the contract to Muirfield (Contracts) Limited as the highest scoring tenderer.

DECLARATIONS OF INTEREST

Councillors Fletcher (non pecuniary), Laing (non pecuniary) and Yuill (pecuniary) declared interests in the subject matter of the following article.

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All of the members in question left the meeting and took no part in the Committee's consideration of the report.

40 PINWOOD/HAZLEDENE, COUNTESSWELLS ROAD - UPDATE EPI/10/026

Reference was made to article 59 of the minute of meeting of this Committee of 17 September, 2009, at which time the latest in a series of reports on the future use and disposal of the sites at Countesswells Road, Aberdeen, referred to as Pinwood/Hazledene and in respect of which the Council has a proprietary interest, was considered. The resolution of the Committee at that time was to note the continued impasse in the discussions between the Council and Carlton Rock, a development company acting on behalf of the Council tenant of part of the land involved; to approve a proposal for communication direct with the Council tenant involved, outlining a way forward should their agreement with Carlton Rock expire prior to the end of the tenancy agreement with the Council in 2020; and to instruct the Head of Resources Development and Delivery to report back to Committee on progress early in 2010. 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) advised of action taken by officers since the matter was last considered by Committee and of the nature of any responses received; (2) provided an assessment of the situation that now prevailed; and (3) confirmed that whilst the advice of Council staff and external advisers needed to be revisited, current market conditions did not indicate that the Council should be moving to expose the sites just yet. The opinion of officers was that future options and risks should be reviewed and reported on to Committee in May, 2010.

The Committee resolved:-

- (i) that the significance of the information contained within the report be noted; and
- (ii) that the Head of Resources Development and Delivery in conjunction with the Council's external advisors, be instructed to review the future options and risks for the Council in dealing with this matter, in light of the information now available and to report back to Committee in May 2010.

- KEVIN STEWART, Convener.