

FINANCE, POLICY AND RESOURCES COMMITTEE

ABERDEEN, 3 December 2015. Minute of Meeting of the FINANCE, POLICY AND RESOURCES COMMITTEE. Present:- Councillor Young, Convener; Councillor Thomson, Vice-Convener; and Councillors Allan, Cameron, Carle (as substitute for Councillor Len Ironside CBE), Dickson, Jackie Dunbar, Flynn, Grant (as substitute for Councillor Reynolds), Greig (from article 3 onwards - as substitute for Councillor Yuill), Laing, Malik (as substitute for Councillor Donnelly), Milne, Nicoll, Jennifer Stewart, Taylor and Townson.

The agenda and reports associated with this minute can be found at:-

<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=146&MId=3639&Ver=4>

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

ORDER OF AGENDA

1. The Convener proposed to take item 5.8 (Economic Leadership Board) earlier on the agenda (article 3 of this minute refers).

The Committee resolved:-

to concur with the proposal.

DETERMINATION OF EXEMPT ITEMS OF BUSINESS

2. The Convener proposed that the Committee consider those reports identified on the agenda as being for determination in private, with the press and public excluded.

Councillor Cameron moved as a procedural motion, seconded by Councillor Flynn:-
that the Committee consider item 7.1 (Station House Community Centre) in public.

On a division, there voted:- for the procedural motion (7) - Councillors Cameron, Dickson, Jackie Dunbar, Flynn, Nicoll, Jennifer Stewart and Townson; against the procedural motion (9) - the Convener; the Vice Convener; and Councillors Allan, Carle, Grant, Laing, Malik, Milne and Taylor.

The Committee resolved:-

- (i) to reject the procedural motion; and
- (ii) in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting from item 7.1 of the agenda (article 25 of this minute) onwards so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act: article

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25 (paragraph 9), article 26 (Paragraph 1), article 27 (paragraph 8), article 28 (paragraphs 6, 8 and 10) and article 29 (paragraph 4).

ECONOMIC LEADERSHIP BOARD - CHI/15/326

3. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided information on the new Economic Leadership Board for the north east of Scotland.

The report recommended:-

that the Committee -

appoints the Leader of the Council as the Council's representative on a new Economic Leadership Board for the north east of Scotland.

The Committee resolved:-

to approve the recommendation.

MINUTE OF PREVIOUS MEETING OF 15 SEPTEMBER 2015

4. The Committee had before it the minute of its previous meeting of 15 September, 2015.

With reference to article 29 of the minute, relating to the Aberdeen Winter Festival 2015, Councillor Jennifer Stewart intimated that the Christmas Village on Union Terrace had been welcomed by the residents of Aberdeen.

The Committee resolved:-

to approve the minute as a correct record.

COMMITTEE BUSINESS STATEMENT

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

The Committee resolved:-

- (i) to remove item 1 (Station House Community Centre) , item 3 (Shared Services s.95 Officer), item 8 (Funding Allocations), item 9 (Anti- Poverty Strategy) and Item 12 (City Centre Masterplan – Delivery Team) from the statement;
- (ii) in relation to item 7 (Satrosphere – Bank Guarantee Renewal), note that Asset Management would be progressing this issue and report back to the next meeting of the Property Sub Committee; and

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- (iii) in relation to item 10 (Aberdeen City Centre Masterplan and Delivery Programme), note that work was currently underway on traffic modelling to be reported to Council at its meeting in December 2015. This will inform the programme of enabling works which would be brought forward through the budget process.

CORPORATE GOVERNANCE PERFORMANCE REPORT - CG/15/133

6. The Committee had before it a report by the Interim Director of Corporate Governance which presented an overview of key performance information and ongoing improvement work, across the Corporate Governance Directorate.

The report recommended:-

that the Committee note the content of the performance report.

The Committee resolved:-

- (i) to approve the recommendation; and
- (ii) to note that an update on the Complaints Handling third quarter figures, including what actions are being taken to improve the position be circulated to members of the Committee.

2015/16 FINANCIAL MONITORING - CORPORATE GOVERNANCE - CG/15/141

7. The Committee had before it a report by the Interim Director of Corporate Governance which provided information on (1) the 2015/16 revenue and capital budget's financial performance for the period to 30 October, 2015 and forecast outturn position for 2015/16 for the services within Corporate Governance; and (2) areas of risk and management action.

The report recommended:-

that the Committee -

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

The Committee resolved:-

to approve the recommendations.

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COUNCIL GENERAL FUND MONITORING 2015/16 - CG/15/144

8. The Committee had before it a report by the Interim Director of Corporate Governance which outlined the current financial position for the Council and the forecast outturn for the financial year 2015/16, highlighting assumptions made, areas of risk identified and management action to mitigate these risks.

The report recommended:-

that the Committee -

- (a) note the financial position contained within the report; and
- (b) note the progress to date of those projects approved in June 2015 and agree that amounts remaining unspent at year end be carried forward to 2016/17.

The Committee resolved:-

to approve the recommendations.

2015/16 COMMON GOOD FUND - MONITORING REPORT UPDATE - CG/15/146

9. The Committee had before it a report by the Interim Director of Corporate Governance which outlined the current year revenue budget performance for the Common Good Fund and provided a forecast position of the cash balances as at 31 March, 2016.

The report recommended:-

that the Committee -

- (a) note the report on the forecast outturn of the Common Good budget;
- (b) note the estimated cash balances as at 31 March, 2016 of £14.5million based on current estimates, which was within the recommended levels indicated by the Head of Finance; and
- (c) note the position regarding earmarked reserves.

The Committee resolved:-

to approve the recommendations.

TREASURY MANAGEMENT POLICY AND STRATEGY - MID YEAR REVIEW - CG/15/130

10. The Committee had before it a report by the Interim Director of Corporate Governance which provided an update on Treasury Management activities undertaken to date in 2015/16.

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The report recommended:-

that the Committee recommend the report to Council for approval of the Treasury Management activities undertaken in 2015/16 as detailed in the report.

The Committee resolved:-

to approve the recommendation.

SMALL FINANCIAL ASSISTANCE GRANTS AND GALA FUNDING 2015/16 - CG/15/140

11. The Committee had before it a report by the Interim Director of Corporate Governance which (1) presented applications for financial assistance which have recently been received allowing elected members to make a decision on providing funding from the financial assistance budget; and (2) advised that future gala funding through the small financial assistance scheme will be presented to the next meeting of the Committee.

The report recommended:-

that the Committee -

- (a) consider the applications received and agree to award grant funding based on the following recommendations:-
 - Castlegate Arts, a production of the musical Cabaret to coincide with Holocaust Memorial Day 2016 – a maximum of £2,500;
 - Chernobyl Children Life Line, a contribution towards the cost of a visit by Chernobyl Children to Aberdeen – a maximum of £2,500;
 - Ferryhill Railway Heritage Trust, a contribution towards the cost of the construction of a footpath linking the Ferryhill Engine Shed and Turntable to the Duthie Park – a maximum of £2,500 subject to the final cost of construction;
 - Bucksburn & District Pipe Band, a request for financial assistance towards their annual concert – a maximum of £2,500;
 - XV International Brigade Aberdeen Commemoration Committee, a donation towards the ongoing running costs of the Committee who will be arranging annual commemoration events and educational activities - £1,000;
 - Somebody Cares, a request for financial assistance towards a Christmas event at AECC to distribute food and presents for poor, vulnerable and marginalised people of Aberdeen – a maximum of £2,500; and
- (b) note that a process for gala funding will be reported on at the next meeting.

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The Committee resolved:-

- (i) to approve the recommendations;
- (ii) to award grant funding of £1,500 to support the development of the Aberdeen Pilot of the Suzunoya project, to create an open house that offers residents with dementia the opportunity to socially interact and enjoy healthy eating, by covering the cost of bringing experts on Suzunoya from Japan to Aberdeen; and
- (iii) to report back to the Committee on the progress of the Suzunoya Project on Dementia.

DRAFT HOUSING REVENUE ACCOUNT BUDGET AND HOUSING CAPITAL BUDGET 2016/17 TO 2020/21 - CG/15/145

12. The Committee had before it a joint report by the Interim Director of Corporate Governance and the Director of Communities Housing and Infrastructure which provided information to allow the setting of the rent level for the financial year 2016/17 as well as provisional rent levels for the financial years 2017/18 to 2020/21.

The report recommended:-

that the Committee consider the draft Housing Revenue Account Budget and refer it to Council on 16 December 2015 to:-

- (a) approve the budget as attached in Appendix 1 of this report;
- (b) approve the weekly unrebated rents for municipal houses, as detailed in Appendix 1 of this report, to take effect from Monday 4 April 2016;
- (c) approve the level of revenue contribution to the Housing Capital budget for 2016/17 as well as a provisional contribution for the subsequent four financial years as detailed in Appendix 1 of this report;
- (d) to continue to increase the level of working balances to 10% to meet future contingencies;
- (e) to agree the continuation of the practice that all capital receipts, from the disposal of Council houses under right to buy, continue to be used to repay debt for 2016/17 and future years where applicable;
- (f) approve the level of miscellaneous rents and service charges, including Heat with Rent as detailed in Appendix 1 of this report;
- (g) set a capital programme for the financial year 2016/17 based on the rent strategy adopted as well as the indicative level of programme for the financial years 2017/18 and 2020/21;
- (h) in order for work to commence on the capital programme approves as estimated expenditure in terms of Standing Order 1(3) (of the Council's Standing Orders relating to Contracts and Procurement) the sums shown against each heading of the Housing Capital Expenditure budget set out in Appendix 1 to this report; and

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- (i) authorises the Director of Communities, Housing and Infrastructure to undertake or instruct appropriate procedures to procure the works referred to in Appendix 1 for the capital programme and award contracts relating thereto.

The Committee resolved:-

to refer the report simpliciter to Council.

AUDIT SCOTLAND REPORT - BORROWING AND TREASURY MANAGEMENT IN COUNCILS - CG/15/148

13. The Committee had before it a report by the Interim Director of Corporate Governance which provided an overview of the report prepared by Audit Scotland and published by the Accounts Commission on Borrowing and Treasury Management in Councils and the suggested actions in response to the recommendations contained in that report.

The report recommended:-

that the Committee -

- (a) note the content of this report; and
- (b) agree the actions detailed in Appendix A of the report in response to the Audit Scotland report.

The Committee resolved:-

to approve the recommendations.

KINSHIP CARE ALLOWANCES

14. The Committee had before a report by the Director of Education and Children's Services which sought agreement to revised allowance paid to kinship carers.

The report recommended:-

that the Committee approve with effect from 1 October 2015 an allowance for all kinship carers equivalent to that paid to foster carers.

The Convener, seconded by the Vice Convener moved:-

that the recommendation be approved and to instruct the Chief Executive to write to the Scottish Government's Cabinet Secretary for Finance, Employment and Sustainable Growth, John Swinney MSP, confirming Aberdeen City Council's decision to implement an allowance for all kinship carers equivalent to that paid to foster carers, and in addition to advise the Cabinet Secretary that the cost to Aberdeen City Council of implementing this directive is £424,870 yet the authority has only received £285,970 from the Scottish Government for

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implementation leaving the Council with a significant shortfall in funding that it must find from its own budgets adding additional cost pressure at a time of great uncertainty for the Council over the grant settlement expected from the Cabinet Secretary due to his significant delay in announcing it.

Councillor Cameron, seconded by Councillor Flynn moved as an amendment:-
that only the recommendation in the report be approved.

On a division, there voted:- for the motion (11) – the Convener, the Vice Convener and Councillors Allan, Carle, Grant, Laing, Malik, Milne, Jennifer Stewart, Taylor and Greig; for the amendment (6) – Councillors Cameron, Dickson, Jackie Dunbar, Flynn, Nicoll and Townson.

The Committee resolved:-
to adopt the motion.

STRATEGIC INFRASTRUCTURE PLAN - CG/15/149

15. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided members with a progress update on the delivery of the Strategic Infrastructure Plan.

The report recommended:-
that the Committee note the content of the report and the progress made.

The Committee resolved:-
to approve the recommendation.

TWINNING AND INTERNATIONAL PARTNERSHIPS - OCE/15/042

16. The Committee had before it a report by the Chief Executive which sought approval of applications for financial assistance from the International Twinning Budget 2015-16 ahead of the Priority Based Budgeting and Common Good Fund Reviews.

The report recommended:-
that the Committee -

- (a) approve a contribution of £1,000 towards the attendance of organisers of Mini-Regensburg at the Aberdeen Learning Festival, 15-18 February 2016;
- (b) approve a contribution of £3,400 towards an exchange by four education staff to Clermont-Ferrand to explore new partnerships with primary schools, 15-18 February 2016;

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- (c) approve a contribution of £2,000 towards a visit by organisers and ambassadors of the Aberdeen Golden Games to Regensburg to promote the event and encourage participation of international delegates at the 2016 games, 1-4 March 2016; and
- (d) approve a contribution of £3,000 towards the participation of musicians from Stavanger at the Aberdeen Jazz Festival, March 2016.

The Committee resolved:-

to approve the recommendations.

DISCRETIONARY HOUSING PAYMENTS - CG/15/134

17. The Committee had before it a report by the Interim Director of Corporate Governance sought approval of a Discretionary Housing Payments Policy for 2016/17 and the Discretionary Housing Payment Award Strategy for 2016/17.

The report recommended:-

that the Committee approve the Discretionary Housing Payments Policy and the Discretionary Housing Payment Award Strategy.

The Committee resolved:-

to approve the recommendation.

INTRODUCTION OF A COUNCIL COMMUNICATIONS POLICY - OCE/15/046

18. The Committee had before it a report by the Chief Executive which proposed the introduction of a Communications Policy for Aberdeen City Council which was intended primarily as an operational guide for Council staff when communicating Council services and policies.

The report recommended:-

that the Committee -

- (a) approve the implementation of the attached Aberdeen City Council Communications Policy (including Appendices A – E of the report thereto) with immediate effect; and
- (b) instruct officers to report to the Finance, Policy and Resources Committee on an annual basis on the operation and ad-hoc updating of the Communications Policy.

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) to thank officers for the work undertaken in producing the policy.

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SCOTTISH LANDFILL COMMUNITIES FUND - CHI/15/262

19. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which outlined the Council's contribution under the Scottish Landfill Communities Fund (LCF) scheme to the SITA Trust.

The report recommended:-

that the Committee -

- (a) approve the direction of future tax credits to the SITA Trust;
- (b) note the excellent work done by Aberdeen Greenspace and Aberdeen Forward in directing the tax credits for the benefit of Aberdeen under the previous UK system; and
- (c) note the arrangements to ensure effective management of the existing LCF grants.

The Committee resolved:-

to approve the recommendations.

INVESTMENT IN STREET LIGHTING LED LANTERN REPLACEMENT - CHI/15/306

20. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which outlined the proposal of the PACE project to change from the current street lighting lanterns to LED lanterns in order to reduce the annual energy consumption and costs.

The report recommended:-

that the Committee -

- (a) approve the policy to move the current Street Lighting lanterns to LEDs;
- (b) approve the indicative capital spend profile for the change in lanterns contained within the report, the associated revenue budget savings which could be achieved, and refer them to the budget process; and
- (c) instruct officers to continue to review the market for any new innovative systems which may be developed for street lighting during the proposed replacement programme.

The Committee resolved:-

to approve the recommendations.

PROJECTS, PARTNERSHIPS AND FUNDING - UPDATE - CHI/15/303

21. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on the Council's external funding initiatives

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and outlined to members the detail of the financial benefits to the council of participating in external funding projects.

The report recommended:-

that the Committee -

- (a) agree in principle the Council's involvement in:
 - Employability Pipeline Funding (as lead partner)
 - Hydrogen Transport Economy for the North-Sea Region 2 (Hytrec 2)
 - Aberdeen Centre for Energy Excellence (ACEE)
 - Cities, Vitality and Sustainability (CIVITAS)
 - The Smart City; and
- (b) note that due diligence would be undertaken in relation to financial, legal and all other implications on each project with the results of this diligence being reported to Committee ahead of any decision being taken to proceed.

The Committee resolved:-

to approve the recommendations.

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 item be considered as a matter of urgency to enable the item to be considered in a timely manner.

ANTI-POVERTY STRATEGY - CHI/15/320

22. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which outlined options around the development of an up-to-date Anti-Poverty Strategy and Action Plan.

The report recommended:-

that the Committee note the report.

The Committee resolved:-

- (i) to note the report and to provide update reports at each cycle of this Committee; and
- (ii) to instruct officers to investigate the benefits of Aberdeen City Council joining the community of Sustainable Food Cities, becoming Scotland's third sustainable food city, assessing whether such a move will support /tackle obesity, ill-health,

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waste, climate change and food poverty within the city and include this within their next report to Committee on 16 February 2016.

MASTER DATA MANAGEMENT - CG/15/128

23. The Committee had before it a report by the Interim Director of Corporate Governance which sought approval for a joint procurement exercise with Aberdeenshire Council to purchase a Master Data Management solution.

The report recommended:-

that the Committee -

- (a) approve a joint Aberdeen City/Aberdeenshire Council Master Data Management programme with the remit of establishing detailed business requirements and the provision of a solution that will deliver value for customers,
- (b) approve the estimated expenditure contained at section 3 in the report; and
- (c) approve the use of capital funding set aside for IT projects and developments of £450,000 for Aberdeen City Council and allocation of matched Aberdeenshire funding supported by a clear spending plan.

The Committee resolved:-

to approve the recommendations.

CORPORATE PARENTING - EMPLOYABILITY SUPPORT TO CARE EXPERIENCED YOUNG PEOPLE - ECS/15/059

24. The Committee had before it a report by the Director of Education and Children's Services which sought approval to waive the need for a competitive procurement for Corporate Parenting - Employability Support to Care Experienced Young People.

The report recommended:-

that the Committee -

- (a) note the information contained within this report;
- (b) approve the invoking of SO 1(6)(a) and thereby waive the need for a competitive procurement on the grounds that the exemption is justified by special circumstances as detailed in this report;
- (c) approve the Action for Children proposal for a period of 3 years; and
- (d) approve the expenditure of £150,000 over 3 years as detailed within the memo attached to the report.

The Committee resolved:-

to approve the recommendations.

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STATION HOUSE COMMUNITY CENTRE - EPI/15/318

25. The Committee had before it a report by the Director of Communities Housing and Infrastructure which provided an update in relation to the long term occupation of Station House Community Centre by the charitable organisation Station House Media Unit (SHMU).

The report recommended:-

that the Committee –

- (a) approve the principle that the property is suitable for a community asset transfer and note that SHMU qualify as a Community Transfer Body;
- (b) instruct the Head of Land and Property Assets to report to the Property Sub Committee on 24 May 2016 with the details of the proposed transfer; and
- (c) note the position in relation to the Scottish Government Regeneration Capital Grant Fund application.

The Committee resolved:-

to approve the recommendations.

SHARED SERVICES - S.95 OFFICER UPDATE - CG/15/135

26. The Committee had before it a report by the Interim Director of Corporate Governance which provided information on the trial shared service arrangement with Shetland Islands Council for the delivery of the remit of the Section 95 Officer.

The report recommended:-

that the Committee agree that the arrangement continues until the end of the financial year 2015/16, after which time, both Councils will determine their respective positions on the matter.

The Committee resolved:-

to approve the recommendation.

APPROVAL TO TENDER - SYSTEMIC PRACTICE TRAINING - ECS/15/056

27. The Committee had before it a report by the Director of Education and Children's Services which sought approval of the Committee to conduct a procurement process for the provision of Systemic Practice training for Children's Social Work employees.

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The report recommended:-

that the Committee -

- (a) approve that Education and Children's Services in conjunction with Commercial and Procurement Services, conduct a competitive procurement for the provision of Systemic Practice training in line with Council Standing Orders, Financial Regulations and EU legislation;
- (b) approve the award of the contract(s) for a duration of one year with the option to extend by a further one year period, following a fully compliant procurement process, to the bidder(s) who submitted the most economically advantageous tender(s) in accordance with the award criteria stated in the Invitation to Tender; and
- (c) approve the estimated expenditure detailed in the report.

The Committee resolved:-

to approve the recommendations.

EXEMPTION FROM STANDING ORDER FOR HR/PAYROLL SYSTEM - CG/15/136

28. The Committee had before it a report by the Interim Director of Corporate Governance which advised of the exemption from standing orders on contracts and procurement in relation to the HR/Payroll System.

The report recommended:-

that the Committee note the exemption of this contract from Standing Orders.

The Committee resolved:-

to approve the recommendation.

PENSION FUND GUARANTEE REQUEST - CG/15/143

29. The Committee were advised by the Convener that this report had been withdrawn.

- COUNCILLOR WILLIE YOUNG, Convener