

COUNCIL

Town House,
ABERDEEN, 19th May, 2010

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL

S e d e r u n t :

Lord Provost Peter Stephen, Chairperson;
Depute Provost Jacqueline Dunbar; and

COUNCILLORS

GEORGE ADAM
YVONNE ALLAN
MARIE BOULTON
SCOTT CASSIE
RONALD CLARK
NORMAN COLLIE
NEIL COONEY
JOHN CORALL
IRENE CORMACK
WILLIAM CORMIE
BARNEY CROCKETT
KATHARINE DEAN
ALAN DONNELLY
JAMES FARQUHARSON
GORDON GRAHAM
MARTIN GREIG
JAMES HUNTER
LEONARD IRONSIDE
MURIEL JAFFREY
JAMES KIDDIE
JENNIFER LAING

GORDON LESLIE
CALLUM McCAIG
MARK McDONALD
AILEEN MALONE
ANDREW MAY
ALAN MILNE
JAMES NOBLE
GEORGE PENNY
JOHN REYNOLDS
RICHARD ROBERTSON
JENNIFER STEWART
JOHN STEWART
KEVIN STEWART
WENDY STUART
JOHN WEST
KIRSTY WEST
JILLIAN WISELY
WILLIAM YOUNG
and
IAN YUILL

Lord Provost Peter Stephen, in the Chair

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1 DETERMINATION OF EXEMPT BUSINESS

The Council was requested to determine that the item of business entitled 'Single Sensory Service - Report by Director of Social Care and Wellbeing' which contained exempt information as described in Schedule 7(A) of the Local Government (Scotland) Act 1973 be taken in private.

Councillor Ironside moved as a procedural motion, seconded by Councillor Cooney:-
That the Council consider the item of business referred to in public.

On a division, there voted:-

For the procedural motion (13) - Councillors Adam, Allan, Boulton, Cassie, Collie, Cooney, Crockett, Donnelly, Farquharson, Hunter, Ironside, Laing and Young.

Against the procedural motion (28) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Clark, Corall, Cormack, Cormie, Dean, Greig, Jaffrey, Kiddie, Leslie, McCaig, McDonald, Malone, May, Milne, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, John West, Kirsty West, Wisely and Yuill.

Absent from the division (1) - Councillor Graham.

The Council 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 during consideration of the item of business entitled 'Single Sensory Service - Report by Director of Social Care and Wellbeing' (Article 19 of this minute refers) so as to avoid disclosure of exempt information of the class described in paragraph 10 of Schedule 7(A) of the Act.

2 ADMISSION OF BURGESSES

The persons aforementioned were admitted into the presence of the Council and passed as Burgesses of Guild in respect of their respective Acts of Admission in the Guild Burgess Book:-

David Alton, Minister of Religion, Aberdeen

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Norman Dickson Deans, Retired Chartered Engineer, Aberdeen
Karen Farquhar, Chief Executive, Aberdeen
Ian McKenzie Guthrie, Managing Director, Aberdeen
Alan Gray Morrison, Aberdeen
Sandra Stephen, Lady Provost, Aberdeen
Kathryn Thoires, Principal Teacher of Modern Languages, Aberdeen

3 REQUESTS FOR DEPUTATIONS

The Council had before it, in accordance with Standing Order 10(1), the following requests for deputations:-

- (1) I Heart UTG, in relation to the report on Aberdeen City Centre (as detailed at Article 13 of this minute);
- (2) Steve Bothwell, in relation to the report on Aberdeen City Centre;
- (3) Peacock Visual Arts, in relation to the report on Aberdeen City Centre;
- (4) John Askey, in relation to the report on the Single Sensory Service (as detailed at Article 18 of this minute);
- (5) Kathleen Cameron, in relation to the report on the Single Sensory Service;
- (6) Aberdeen City and Shire Economic Forum (ACSEF), in relation to the report on Aberdeen City Centre; and
- (7) David Henderson, in relation to the report on Aberdeen City Centre.

The Council resolved:-

- (i) to accept all of the requests;
- (ii) to hear the deputations pertaining to the report on Aberdeen City Centre immediately prior to the report being considered;
- (iii) to hear the deputations pertaining to the report on the Single Sensory Service as the next item of business; and
- (iv) to suspend Standing Order 10(6) to enable Kathleen Cameron to make her address with the assistance of a sign language interpreter outwith the maximum time period allowed if required.

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DECLARATIONS OF INTERESTS

Councillor Dean declared an interest in the following item of business as a Director of Grampian Society for the Blind. Councillor Dean considered that the nature of her interest required her to leave the meeting and took no part in the Council's deliberations.

Councillor Leslie declared interests in the following item of business as a Council appointed representative for Aberdeen and North East Deaf Society and also as a service user. Councillor Leslie considered that the nature of his interests required him to leave the meeting and took no part in the Council's deliberations.

4 DEPUTATIONS - SINGLE SENSORY SERVICE

(A) In terms of Standing Order 10(2), the Council received a deputation from Mr John Askey, Senior Social Worker at Aberdeen and North East Deaf Society (ANEDS).

Mr Askey explained the range of services provided by ANEDS, which had been established 115 years ago, and that there were 1,827 deaf and hearing impaired people in Aberdeen registered with the organisation. Mr Askey added that there were over 12,000 people in the city with a hearing aid and an estimated 30,000 people who had a form of hearing loss. Mr Askey went on to highlight ANEDS' formalised operational standards, the impact of deafness, social work service provision and value added services offered by ANEDS and future service planning.

Mr Askey called upon the Council to consider the value of having an independent, appropriately funded, autonomous service for deaf people in the city and not as part of a visually impaired society dominant in management structures, philosophy and history. Mr Askey emphasised that blindness and deafness were not similar disabilities and concluded by reiterating that the city needed to continue its support for the dedicated staff it had providing a quality service to its hearing impaired citizens.

Members then asked questions of Mr Askey and thanked him for his contribution.

(B) The Council then received a deputation from Ms Kathleen Cameron, who made her contribution with the aid of a sign language interpreter.

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Ms Cameron explained that she was representing the deaf community as the 'deaf club' was seemingly up for sale. She advised that deaf people had been meeting through ANEDS for 115 years, questioned where they would meet in the future if the Council approved the report and underlined how important it was for deaf people to be able to meet in a communal place to help build confidence and offer assistance and guidance to younger deaf people.

Ms Cameron stated that deaf people should be equal members of society and that their rights needed to be protected and concluded by pleading with the Council to provide a place where deaf people could continue to meet.

The Council thanked Ms Cameron for her contribution.

The Council resolved:-

to note the content of the deputations.

5 ANNOUNCEMENTS

(A) Councillor Allan advised that young darts players from Aberdeen had been very successful at the National Under 18 Darts Singles Championships at Bannockburn the previous weekend:-

Under 18 Boys

Champion - Daryl Greig (Torry)

Runner Up - Liam Duguid (Torry)

Under 18 Girls

Champion - Emily Davidson (Cummings Park)

Runner Up - Louise Duncan (Bridge of Don)

Winmau Qualifier

Sean Ryan (Garthdee)

Councillor Allan added that four young darts players from the city had now qualified to play in the finals of the Winmau World Masters in Hull in October. Councillor Allan congratulated all of the players and paid tribute to Derek Weston, from Torry, who had done a tremendous amount of work in organising and promoting youth darts within the city for a number of years.

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(B) Councillor Leslie referred to the London 2012 Young Leaders Programme, which was sponsored by the Dame Kelly Holmes Legacy Trust and BP as part of the efforts to create a lasting legacy from the London 2012 Olympic Games by giving a group of disadvantaged young people the opportunity to make positive changes to their lives. Aberdeen had originally been allocated eight places but this had increased to twelve as a result of Aberdeenshire not filling all of their places. Councillor Leslie explained that a part-time worker had been employed by Aberdeen Foyer to support the City and Shire participants, wished all involved every success and passed on his thanks to Susan Devlin and her team for their support.

(C) Councillor Hunter advised that a team from the North East of Scotland had won the Scottish Area Team Golf Championship at Kinross on 16th May, which was the first time in 18 years that a team from the North East had won the event. Councillor Hunter congratulated the team on their great achievement.

The Council resolved:-

to concur with the remarks of Councillors Allan, Leslie and Hunter.

6 MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 24 MARCH 2010

The Council had before it the minute of meeting of Aberdeen City Council of 24th March 2010.

The Council resolved:-

to approve the minute.

7 MINUTE OF MEETING OF URGENT BUSINESS COMMITTEE OF 13 APRIL 2010

The Council had before it the minute of meeting of the Urgent Business Committee of 13th April 2010.

The Council resolved:-

to approve the minute.

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8 PAMPHLET OF MINUTES

The Council had before it a pamphlet of standing committee minutes from 16th February to 22nd April 2010.

The Council resolved:-
to note the minutes.

DECLARATIONS OF INTERESTS

Councillors Milne, Reynolds, Jennifer Stewart and Kirsty West declared interests in the following item of business as members of the Board of Aberdeen Exhibition and Conference Centre. None of the members felt it necessary to leave the meeting during the Council's deliberations.

Councillor Collie declared an interest as a Director of Aberdeen Sports Village but did not consider it necessary to leave the meeting.

9 BUSINESS STATEMENT

The Council had before it a statement of Council business which had been prepared by the Head of Legal and Democratic Services.

The Council resolved:-
to note the statement.

10 MINUTE OF MEETING OF SPECIAL LICENSING OBJECTIONS SUB COMMITTEE OF 28 JANUARY 2010

The Council had before it the minute of meeting of the Special Licensing Objections Committee of 28th January 2010.

The Council resolved:-
to approve the minute.

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11 LEADERSHIP BOARD UPDATE

The Council heard an oral report by the Chief Executive providing an update on the actions taken by the Leadership Board to address the findings and recommendations of the Accounts Commission for Scotland on *Aberdeen City Council: Reports by the Controller of Audit on the Audit of Best Value and Community Planning and on the Property Sales Investigation*.

The Chief Executive advised that two meetings of the Leadership Board had taken place since the last Council meeting, the main focus of which had been on city centre development. The Chief Executive added that Antony Clark of Audit Scotland would be working with the Council over the coming weeks on Audit Scotland's new audit and inspection regime, and that the Director of Corporate Governance would report to the Audit and Risk and Corporate Policy and Performance Committees on this issue.

The Council resolved:-

to note the Chief Executive's remarks.

12 PETERHEAD PRISON VISITING COMMITTEE - APPOINTMENT OF REPLACEMENT MEMBER - CG/10/093

The Council had before it a report by the Director of Corporate Governance which highlighted the need to appoint a replacement member on Peterhead Prison Visiting Committee for Mrs Eileen Grassick who was standing down.

The report explained the role of Peterhead Prison Visiting Committee in acting on behalf of the First Minister as independent observers concentrating on the conditions in the prison and, in particular, the treatment of prisoners. The report advised that every member of the Visiting Committee had the right to enter the establishment at any time and to have access to every part of it, and to every prisoner. The report noted that a visiting rota was arranged, with a minimum of two members visiting every fortnight.

The report stated that previous experience suggested that contacting Community Councils and the Civic Forum would not yield many expressions of interest in the vacancy. However, the Clerk to the Aberdeen Prison Visiting Committee had received an unsolicited approach from Ms Heather Morgan, an academic at the University of Aberdeen. The report appended Ms Morgan's curriculum vitae.

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The report recommended:-

that, unless the Council was otherwise minded, Ms Heather Morgan be appointed to Peterhead Prison Visiting Committee, joining Councillor Donnelly and Mr William Stark.

The Council resolved:-

to approve the recommendation.

DECLARATIONS OF INTERESTS

Councillor Yuill declared interests in the following item of business as a member of the Board of Peacock Printmakers Ltd and due to his external involvement with Aberdeen and Grampian Chamber of Commerce. Councillor Yuill considered that the nature of his first interest required him to leave the meeting and took no part in the Council's deliberations thereon.

Councillor Hunter declared interests as a member of the Board of Peacock Printmakers Ltd and as a Council representative on the Peacock Visual Arts Project Board. Councillor Hunter considered that the nature of his first interest required him to leave the meeting and took no part in the Council's deliberations thereon.

Councillor Adam declared interests as a member of the Board of Peacock Printmakers Ltd and as a member of the Board of Aberdeen Performing Arts. Councillor Adam considered that the nature of his first interest required him to leave the meeting and took no part in the Council's deliberations thereon.

Councillors Jennifer Stewart and Kirsty West declared interests as Council representatives on the Peacock Visual Arts Project Board but did not consider that this required them to leave the meeting.

Councillor John Stewart declared an interest as the Council's representative on ACSEF but did not consider that this interest required him to leave the meeting.

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At this juncture a number of members expressed their disquiet at three members having to leave the meeting as a result of their membership of the Board of an external organisation to which the Council had appointed them, as one of many outside bodies to which it appointed members. The Chief Executive agreed to write to the Standards Commission for Scotland reiterating the Council's concerns regarding this issue and stated that all members would be copied in on the correspondence.

During the course of the debate which followed, Councillor Kevin Stewart declared an interest as Chairperson of NESTRANS but did not consider that the nature of his interest required him to leave the meeting. Councillor Jennifer Stewart declared an interest by virtue of her being on the Council waiting list for an allotment but did not consider that the nature of her interest required her to leave the meeting.

13 ABERDEEN CITY CENTRE - DEVELOPING A VISION FOR THE FUTURE - OCE/10/010

1. (A) In terms of Standing Order 10(2), the Council received a deputation from Mr Fraser Denholm and Ms Katie Guthrie of I Heart UTG.

Mr Denholm drew the Council's attention to the petition to save Union Terrace Gardens and the proposed contemporary arts centre which had been signed by 10,000 people. Mr Denholm acknowledged that Sir Ian Wood's offer of £50million was a generous one, however he believed that the strict parameters of the offer would cause a number of untold costs to both the city and the taxpayer and that the entire city square project being progressed on the back of this investment would be based on a highly dubious economic case. Mr Denholm highlighted a number of deficiencies he believed existed within the technical appraisal and also the public consultation which was carried out. Mr Denholm also raised concerns in regard to the possible use of a Tax Increment Funding (TIF) scheme to raise the remaining balance of £70million for the city square project.

Ms Guthrie acknowledged that Aberdeen city centre needed regenerating however a large number of people believed that this could be achieved in a more strategic manner and without the destruction of Union Terrace Gardens. Ms Guthrie made reference to the public consultation results which showed that 55% of respondents wanted to keep Union Terrace Gardens rather than deck over them. The top three answers of what people wanted to see happen to Union Terrace Gardens, which were (1) to retain it; (2)

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to house a contemporary arts centre; and (3) to house a cultural hub, could be achieved by the Peacock Visual Arts scheme. Ms Guthrie concluded by reading an extract from the City Centre Development Framework, Section 5.3, which, she felt, underlined the splendour of Union Terrace Gardens in its current form.

Members asked questions of Mr Denholm and Ms Guthrie and thanked them for their contribution.

(B) The Council then received a deputation from Mr Steve Bothwell and Mr Bill Simpson.

Mr Bothwell underlined the importance of historic public gardens and green space and preserving natural heritage. Mr Bothwell stated that boutique individual businesses were what gave a city character and personality, not mass retail and certainly not crass development. Mr Bothwell added that Aberdeen had a small city centre and that to present retail connectivity as a solution to the city's future would not only create huge disappointment but would represent a city panicked by debt, devoid of character, history and personality and lacking responsibility, removing any integrity essential to its soul. Mr Bothwell drew comparisons with cultural visitor attractions elsewhere in the UK and called upon the Council to grasp the golden opportunity before them in the form of the Peacock Visual Arts proposal for a contemporary arts centre. Mr Bothwell concluded that a civic square would not be the city's saviour - its culture and heritage would be.

Mr Simpson implored the Council to do what was right and democratic and vote with a clear conscience for the greater good of the city.

The Council thanked Mr Bothwell and Mr Simpson for their contribution.

(C) The Council next received a deputation from Mr Lindsay Gordon and Ms Elly Rothnie of Peacock Visual Arts (PVA).

Mr Gordon made reference to recent press coverage which implied PVA were being offered the Triple Kirks site by Stewart Milne as an alternative to Union Terrace Gardens. Mr Gordon stated that he had been unaware of this latest development until he read about it in the press and there had been no mention of it in recent conversations with the Council's Director of Enterprise, Planning and Infrastructure. Mr Gordon underlined that PVA taking on the Triple Kirks site would be a massive undertaking and that this appeared to be a last ditch attempt to get the Council to approve the city square project.

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Ms Rothnie emphasised that PVA desperately needed to relocate as they had outgrown their current premises, the location was prohibitive in terms of footfall and the lease was due to expire in two years. Ms Rothnie highlighted the economic benefits of PVA being located within Union Terrace Gardens and suggested that there would be a return on the Council's £3million investment within the first year of operation. Ms Rothnie reminded members that PVA had planning permission for the contemporary arts centre and 75% of the required funding was already in place. Ms Rothnie underlined that the report's recommendations had dire consequences for PVA; the £4.3million funding from the Scottish Arts Council was not transferrable to another project and another funding deadline was imminent in the form of an application for £1million from the Scottish Investment Fund.

Ms Rothnie explained that PVA had approached ACSEF and the Council in an attempt to relax the strict parameters of Sir Ian Wood's proposal, and reach a compromise, however they had been informed that the parameters had to remain in place. Ms Rothnie acknowledged that the PVA business plan was incomplete, however it had been agreed that all work would be put on hold until the Council had dealt with Sir Ian Wood's proposal. Ms Rothnie added that she had been assured that ACSEF would give their full support to the PVA proposal if the city square project was rejected.

Members asked questions of Mr Gordon and Ms Rothnie and thanked them for their contribution.

(D) The Council next received a deputation from Mr Tom Smith and Mr Colin Crosbie of ACSEF.

Mr Smith acknowledged that the people of Aberdeen wanted gardens, which had been overwhelmingly apparent from the consultation exercise, and stated that it had always been the project's intention that a minimum of half of the proposed area would be gardens - 2.5 acres, which matched the existing garden space. Mr Smith also acknowledged that ACSEF had got the early visuals of the concept wrong which had caused a great deal of confusion and concern. Mr Smith added that the proposed gardens would become an integral part of the city, connecting the main retail centres and providing easy access to the existing cultural quarter from Union Street at surface level and in the level below to the bus and railway station through to Union Square.

In addressing arts and cultural issues, Mr Smith emphasised that the proposal had at all times included a contemporary arts facility, however PVA had opted to reserve their

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position until after the conclusion of the public consultation exercise and since then no further progress had been achieved which had led to a very polarised debate.

Mr Smith went on to summarise the work that had been carried out in respect of costs and funding which, he felt, had been a very robust process. The work undertaken by Price Waterhouse Coopers demonstrated that the scale of the project could sustain a TIF scheme and borrowing of £70million towards the project. The Scottish Government had confirmed that a transformational project of this scale would be eligible for TIF. Mr Smith explained that £55million had already been pledged, from Sir Ian Wood and another benefactor, which left a further £15million to be raised from the private sector, a target he was extremely confident would be met.

Mr Smith emphasised that the city needed to diversify its economy, which called for bold actions to be taken, and urged the Council to make a bold decision which would be the catalyst to the regeneration of the city centre. Mr Smith concluded that the debate was not just about the ACSEF vision - it was about the Council's commitment to the future generation who would live in, work in, visit and enjoy Aberdeen as a great city.

Members asked questions of Mr Smith and Mr Crosbie and thanked them for their contribution.

(E) The Council next received a deputation from Mr David Henderson.

Mr Henderson explained that he was a member of the public who had taken a significant interest in the subject both as an independent person but also in his role as a member of the Civic Forum and consequently The Aberdeen City Alliance and many of its Challenge Forums. Mr Henderson highlighted that Sir Ian Wood had promised that if the public did not want the city square project to proceed he would walk away, however he had reneged on his word despite the result of the consultation exercise and many public bodies, such as the Civic Forum, overwhelmingly rejecting it.

Mr Henderson intimated that ACSEF's consultation exercise was one of the most misleading consultations he had ever experienced, a fact ACSEF appeared to acknowledge following their admission that it had been flawed. Mr Henderson drew attention to anomalies with a number of questions within the consultation; explained that he had gone through a large number of the responses which were available; and concluded that many responses which appeared to be against the city square proposal may have been recorded as having been in favour of it due to those anomalies which, he speculated, meant that those against the proposal could have been nearer 60% rather than 55%.

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Mr Henderson concluded that the people had spoken and had been very clear that they did not want the city square project to proceed.

Members asked questions of Mr Henderson and thanked him for his contribution.

The Council resolved:-

to note the content of the deputations.

(F) The Council had before it a report by the Chief Executive and Corporate Management Team which presented a vision for the future development of Aberdeen city centre.

The report provided a historical summary of the development of Aberdeen city centre, highlighting the role of the emerging City Centre Development Framework, which was appended to the report, in setting out the principles to guide and co-ordinate development and investment. There now existed an opportunity to develop a seminal vision and Development Framework for the city centre which could endorse Aberdeen's heritage and its place as a global commercial hub.

The report outlined the economic context, emphasising the city's reliance on the oil and gas industry, which was based on finite resources with only six years of proven reserves. Critical to the diversification of the city's economy, in anchoring international service companies in Aberdeen to make the city a world energy hub for the future, was the success of the city centre.

The report went on to summarise the City Centre Development Framework, which identified key projects and opportunities and would set out a programme to monitor the delivery of agreed priorities for the city centre. The City Centre Development Framework sought to:-

- complement and enhance Aberdeen's unique identity
- develop clearly defined character areas
- ensure future development understood the existing context
- complement the wealth of existing urban design qualities
- celebrate the quality of architecture present in the city centre
- ensure a co-ordinated and integrated approach to the future development of the city centre

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The report stated that the City Centre Development Framework was founded on five key objectives:-

- (1) The principal focus of the Framework is Union Street; as the most important and identifiable street in the city it should be promoted as the commercial, vibrant heart of the city centre
- (2) Character areas and urban quarters are developed to capitalise on the distinctive merits of their surroundings and to reinforce Aberdeen's unique identity
- (3) Legible transport hubs are introduced to the central area with car parks on the approaches to ensure an efficient and understandable relationship between character areas, Union Street and public access to facilities in the city centre
- (4) Street surfaces are of a high quality at first points of contact with the city centre (public transport hubs, rail station, car parks and around important public and historic buildings)
- (5) A range of vibrant connected squares are developed to ensure the best use of space to enhance city life

The report then summarised the key characteristics of the City Centre Development Framework in respect of each area as follows:- Union Street, Civic Quarter, the Green, Castlegate Quarter, Crown Street, the West End, Bon Accord, Riverside and the Cultural Quarter.

The report went on to discuss the Cultural Quarter in detail, focusing on Union Terrace Gardens and the future of the Denburn Valley in particular. Members were asked to consider the proposal to raise Union Terrace Gardens and take them to an international design competition and onwards to a full planning application. The initial proposals in relation to raising the gardens together with the revised position, which was developed in December 2009, were appended to the report.

In November 2008, Sir Ian Wood approached the Council with regard to a new proposal in relation to Union Terrace Gardens. An engineering feasibility study was carried out and, in June 2009, the Council agreed that the project should continue to the next stage, that being a public consultation to gauge the level of support for the project and to canvass views on what might be incorporated into any new space created if the project went ahead. Subsequently, an eight week public consultation programme ran from 11th January to 5th March 2010, the results of which were published on 13th April 2010. The report stated that the results clearly indicated a wish for change, and, in particular, identified green space and culture as the two main areas of interest in any future use of the space. The results indicated that 55% of those who voted were against

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the proposal to raise the gardens and 44% were for it, with 11,943 formal submissions having been received. In response, Sir Ian Wood requested the Council to consider whether or not to support his plans.

The report explained that Peacock Visual Arts had received planning permission for new premises in Union Terrace Gardens for a 3,200 square metres public centre for contemporary arts on 5th March 2008. Peacock Visual Arts had yet to enter into negotiations for a lease however and required to produce a finalised business plan demonstrating the ongoing viability of the organisation before commencing work on site.

The report then detailed the proposed funding in relation to Sir Ian Wood's project led by ACSEF. Sir Ian Wood had offered to contribute £50million, which left a balance of approximately £90million. Examination by Council officers had determined that an Accredited Development Zone (ADZ) utilising Tax Increment Finance (TIF) funding principles formed the most appropriate local funding mechanism in this instance. TIF worked on the principle that the supply of new, or improved, infrastructure usually led both to new development and to an increase in the value of surrounding property, both of which served to increase the level of property taxation in the area. Within a designated TIF district (in UK parlance, an ADZ), this anticipated increased taxation (the 'tax increment') was captured and used to fund the infrastructure that had been provided. In order to do this, the report advised that a local authority required the power, which it did not currently enjoy, to retain over a long term period local tax revenues such as business rates allowing funds to be raised for investment through the securing of those revenues - the Council was actively engaging with the Scottish Government on this matter.

The report advised that a feasibility study carried out by Price Waterhouse Coopers and CBRE indicated that raising the gardens would cost between £120million and £140million, with the Wood Family Trust providing £50million, other private sector partners providing £20million and the balance of £70million being provided through a TIF pathfinder project. The interim findings of the feasibility study were also appended to the report.

In regard to proposed project funding for the Peacock Visual Arts contemporary arts centre, the report advised that £9.3million had been secured out of the total project cost of £13.5million. There was, however, some doubt over the £4.3million funding from the Scottish Arts Council which had given a date in June 2010 to review their commitment to the project.

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Lastly, the report explained the position of Scottish Enterprise and the role and position of ACSEF. Scottish Enterprise had supported the city square project throughout the initial stages by providing funding and project management for the technical feasibility study, public consultation and TIF feasibility work. Scottish Enterprise believed that the project would be a catalyst for further city centre redevelopment within Aberdeen and would have a major role to play in achieving the region's ambition to be a global energy hub. Following the publication of the consultation results in April 2010, ACSEF had urged the Council to take leadership of the project by providing the necessary support and commitment to take it to an international design competition, incorporating the responses to the consultation. Whilst acknowledging the lack of agreement in public opinion over the relative merits of the two proposals for Union Terrace Gardens and the Denburn Valley, the report stated that ACSEF believed there was, nevertheless, support for major transformation in Aberdeen city centre - making it safer and greener, with a contemporary arts centre or cultural hub at its heart.

The report recommended:-
that the Council -

4.3

- (a) approve the key planning and design principles contained in section 5.3 of the City Centre Development Framework and highlighted in paragraphs 2.5 and 2.7.10 of the report as the basis for the Framework;
- (b) agree that the final draft City Centre Development Framework be reported to the Enterprise, Planning and Infrastructure Committee for approval for public consultation as Supplementary Planning Guidance to the new Local Development Plan; and
- (c) approve Sir Ian Wood's offer of £50m based on ACSEF proposals, and go to the next steps in the process, subject to the following conditions being met:
 - (i) that the costs of an international design competition be met up to 50% by Sir Ian Wood up to a maximum of £400,000, with the balance of the resource required to be met by the private sector through ACSEF;
 - (ii) that the design brief for the competition take account of the following:
 - feedback from the consultation process
 - the engineering feasibility study
 - be able to deliver a project between £120m - £140m
 - that the design brief take account of, but not be constrained by, the existing planning permission
 - include walk on/walk off access from all sides
 - demonstrate how the project complied with the principles of the City Centre Framework; and

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- (iii) that the project provide at least £15m for a new cultural arts centre for Peacock Visual Arts (including £8.2m from the Project Funding, £4.3m from the Scottish Arts Council and £3m from Aberdeen City Council), to be incorporated as part of the overall development in an iconic building.

4.4 Should members vote against ACSEF's proposals and Sir Ian Wood's offer of £50m then to instruct officers to do the following:-

To enter into discussions with Peacock Visual Arts to:-

- (a) negotiate a lease for a site for their proposed development; and
 - (b) seek the development and presentation of a business plan and a project plan by Peacock Visual Arts including
 - (i) sources of the funding required to deliver their proposals and that these are in place;
 - (ii) cash flow forecasts and profit and loss forecasts proving that a viable business can be established on an ongoing basis; and
 - (iii) professional delivery of their new build project.
- 4.5** In either case a further report should be brought back to the next Council meeting, clearly setting out the detailed next steps as soon as possible.

The Council heard from the Chief Executive who explained the various strands to the report and how they related to each other. The Chief Executive emphasised that the report was not a planning application and corrected various typographical errors contained within the report.

At this juncture the Council agreed to consider recommendations 4.3(a) and (b) in isolation, which would enable those members who had declared interests and left the meeting to rejoin the meeting in dealing with those recommendations only. Accordingly, Councillor Yuill rejoined the meeting.

The Lord Provost stated that the Council had before it a momentous decision that would fundamentally shape the future of the city. The Lord Provost drew attention to correspondence which had been received from Oil & Gas UK Limited which stated that unless the Council demonstrated clear civic leadership on this matter business would go elsewhere. The Lord Provost added that it was always easier to do nothing than something, and that to do something took courage, conviction and a degree of vision

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and this was where the Council was at this day. The Lord Provost concluded by placing on record the Council's appreciation of the generosity of Sir Ian Wood in making the offer he had to the people of Aberdeen; as the representatives of the people, it was up to the Council whether or not it would be accepted.

The Council then received a presentation from Sandy Beattie, Team Leader - Masterplanning and Design, on the City Centre Development Framework.

The Council resolved:-

to approve recommendations 4.3(a) and (b).

Councillor Yuill left the meeting at this juncture in accordance with his previously declared interest.

Councillor John Stewart moved, seconded by Councillor Cormie:-

That the Council approve recommendations 4.3(c), in principle, and 4.5 as contained within the report.

Councillor Farquharson moved as an amendment, seconded by Councillor Milne:-

That the Council approve recommendations 4.3(c) and 4.5 subject to adding at (iv) within 4.3(c):

That Aberdeen City Council is not liable for any capital expenditure in respect of the project, or for any consequential revenue spending in respect of payment of loan interest incurred by other public or private funders of the project. This condition specifically includes any subsequent failure by Aberdeen City Council to meet any funding conditions set by the Scottish Government in respect of any TIF funding agreement which may be entered into. Any such deficit should be underwritten by non-Council means.

Councillor Crockett moved as a second amendment, seconded by Councillor Ironside:-

That Council underlines its support for the Peacock Visual Arts project and resolves, as previously agreed, to enter into early discussions with Peacock Visual Arts to:

- (a) negotiate Heads of Terms of Agreement with Peacock Visual Arts for the lease of the project site in Union Terrace Gardens in order to secure the continued offer of funding from the Scottish Arts Council;
- (b) enter into the appropriate documentation to enable the use of the Union Terrace Gardens site as a new cultural arts centre;

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- (c) make available the funding of £3m agreed at the Finance and Resources Committee in 2008; and
- (d) all subject to Peacock Visual Arts presenting a viable business and project plan.

Councillor Cassie moved as a third amendment, seconded by Councillor Young:-

That the Council -

- (a) thank Sir Ian Wood for his extremely generous financial offer to help raise Union Terrace Gardens BUT on this occasion regrettably decline said offer on the basis that:-
 - (i) the proposal would seriously damage the city's heritage by way of removing the green lung from the city centre;
 - (ii) it would undermine the result of the public consultation exercise, carried out by ACSEF for Sir Ian Wood and which produced a public majority against the proposal for raising the gardens;
 - (iii) progressing the proposal could have serious financial implications and considerable risk for Aberdeen City Council in the years to come;
 - (iv) the proposal in its current form would effectively kill off the Peacock development and if progressed may have a serious effect on the Peacock enterprise as a whole; and
 - (v) there has been no demonstration by ACSEF or others of any economic benefit to Aberdeen of a city square; and
- (b) instruct officers to enter into immediate discussions with Peacock Visual Arts to:
 - (i) negotiate a lease for a site for their proposed development; and
 - (ii) seek the development and presentation of a business plan and project plan acceptable to the Council.

Councillor Kirsty West moved as a fourth amendment, seconded by Councillor Jaffrey:-

That the Council -

- (a) does not approve Sir Ian Wood's offer of £50m based on ACSEF proposals;
- (b) does not enter into discussions with Peacock Visual Arts;
- (c) immediately begins work on a design approach to strengthen the entire balustrade (from Union Bridge round to Denburn Viaduct) at an estimated cost of £1.5m;

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- (d) looks into the possibility of building a wheelchair accessible ramp from street level into the base of the gardens; and
- (e) instruct that a further report should be brought back to the Council as soon as possible, clearly setting out the detailed next steps and providing costings for a wheelchair accessible ramp.

Councillor Boulton moved as a fifth amendment, seconded by Councillor Donnelly:-

That recommendation (c) within the report be replaced with “to instruct that officers proceed to the next stage with both projects, which will allow for and encourage further discussions to maximise the opportunities to improve and develop in a sympathetic manner, the gardens and the surrounding area.”

That the original recommendation (c) within the report become (d) and be amended by inserting “in principle” between “approve” and “Sir”.

That the following be added as (e):

- (e) seek the development and presentation of a business plan and a project plan by Peacock Visual Arts indicating:-
 - (i) sources of the funding required to deliver their proposals and that these are in place;
 - (ii) cash flow forecasts and profit and loss forecasts proving that a viable business can be established on an ongoing basis; and
 - (iii) professional delivery of their new build project.

That recommendation 4.4 be deleted and recommendation 4.5 be amended by deletion of the words “in either case”.

There being a motion and five amendments, in accordance with Standing Order 12(9), the last amendment was put against that immediately preceding and then the amendment which carried was put against the next preceding, and so on until only

one amendment remained. A vote was then taken between it and the motion and whichever carried became the resolution of the Council.

On a division between the amendment by Councillor Kirsty West and the amendment by Councillor Boulton, there voted:-

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For the amendment by Councillor Kirsty West (9) - Depute Provost Dunbar; and Councillors Clark, Greig, Jaffrey, Leslie, Reynolds, Jennifer Stewart, John Stewart and Kirsty West

For the amendment by Councillor Boulton (13) - Councillors Boulton, Corall, Cormie, Donnelly, Farquharson, Kiddie, McCaig, McDonald, Milne, Robertson, Kevin Stewart, Wendy Stuart and John West.

Declined to vote (16) - Lord Provost Peter Stephen; and Councillors Allan, Cassie, Collie, Cooney, Cormack, Crockett, Dean, Graham, Ironside, Laing, Malone, May, Penny, Wisely and Young.

Absent from the division (4) - Councillors Adam, Hunter, Noble and Yuill.

On a division between the amendment by Councillor Cassie and the amendment by Councillor Boulton, there voted:-

For the amendment by Councillor Cassie (15) - Councillors Allan, Cassie, Clark, Collie, Cooney, Crockett, Graham, Greig, Ironside, Jaffrey, Laing, Leslie, Reynolds, Jennifer Stewart and Young.

For the amendment by Councillor Boulton (13) - Councillors Boulton, Corall, Cormie, Donnelly, Farquharson, Kiddie, McCaig, McDonald, Milne, Robertson, Kevin Stewart, Wendy Stuart and John West.

Declined to vote (11) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Cormack, Dean, Malone, May, Noble, Penny, John Stewart, Kirsty West and Wisely.

Absent from the division (3) - Councillors Adam, Hunter and Yuill.

On a division between the amendment by Councillor Crockett and the amendment by Councillor Cassie, there voted:-

For the amendment by Councillor Crockett (12) - Councillors Allan, Collie, Cooney, Crockett, Donnelly, Graham, Ironside, Jaffrey, Laing, Leslie, Jennifer Stewart and Young.

For the amendment by Councillor Cassie (6) - Councillors Cassie, Clark, Corall, Greig, Reynolds and John West.

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Declined to vote (21) - Lord Provost Peter Stephen; Depute Provost Dunbar and Councillors Boulton, Cormack, Cormie, Dean, Farquharson, Kiddie, McCaig, McDonald, Malone, May, Milne, Noble, Penny, Robertson, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West and Wisely.

Absent from the division (3) - Councillors Adam, Hunter and Yuill.

On a division between the amendment by Councillor Farquharson and the amendment by Councillor Crockett, there voted:-

For the amendment by Councillor Farquharson (14) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Boulton, Clark, Donnelly, Farquharson, Kiddie, McCaig, Milne, Reynolds, Kevin Stewart, Wendy Stuart, John West and Wisely.

For the amendment by Councillor Crockett (14) - Councillors Allan, Cassie, Collie, Cooney, Crockett, Graham, Greig, Ironside, Jaffrey, Laing, Leslie, Robertson, Jennifer Stewart and Young.

Declined to vote (11) - Councillors Corall, Cormack, Cormie, Dean, McDonald, Malone, May, Noble, Penny, John Stewart and Kirsty West.

Absent from the division (3) - Councillors Adam, Hunter and Yuill.

There being an equality of votes, in terms of Standing Order 15(5) the Lord Provost exercised his casting vote in favour of the amendment by Councillor Farquharson.

On a division between the motion by Councillor John Stewart and the amendment by Councillor Farquharson, there voted:-

For the motion by Councillor John Stewart (20) - Lord Provost Peter Stephen; and Councillors Clark, Corall, Cormack, Cormie, Dean, Donnelly, McCaig, McDonald, Malone, May, Milne, Penny, Reynolds, Robertson, John Stewart, Kevin Stewart, Wendy Stuart, John West and Wisely.

For the amendment by Councillor Farquharson (7) - Depute Provost Dunbar; and Councillors Boulton, Farquharson, Greig, Jaffrey, Kiddie and Noble.

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Declined to vote (12) - Councillors Allan, Cassie, Collie, Cooney, Crockett, Graham, Ironside, Laing, Leslie, Jennifer Stewart, Kirsty West and Young.

Absent from the division (3) - Councillors Adam, Hunter and Yuill.

The Council resolved:-

- (i) to adopt Councillor John Stewart's motion; and
- (ii) to note Councillor Wisely's assertion that paragraph 5.3.1 of the report was incorrect in that it stated that the results of the public consultation "indicated that the majority (55%) of those consulted were against the concept" and should read "indicated that the majority (55%) of those who responded were against the concept".

In terms of Standing Order 15(6), Councillors Allan, Cassie, Collie, Cooney, Crockett, Graham, Ironside, Laing and Young expressed their dissent at the above decision.

14 QUESTIONS

The Council had before it the undernoted question, of which due notice had been given in terms of Standing Order 20(2), which had been placed on the agenda as Councillor Wisely had indicated that she was unhappy with the response.

Councillor Wisely

QUESTION -

To the Chief Executive

"To ask the Chief Executive (1) what level of funding Peacock Visual Arts has received from Aberdeen City Council over the last ten years, with a breakdown per year and an explanation of the nature of the funding; and (2) what the financial implications would be for Aberdeen City Council in future years if the Peacock Visual Arts proposal for a contemporary arts centre within Union Terrace Gardens was to proceed (a) in isolation; and (b) in tandem with other proposals, i.e. in relation to annual funding and whether there would be any contribution towards the development."

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ANSWER (by the Chief Executive) -

2001 £40,000 revenue and project running costs
2002 £55,000 as above
2003 £105,000 as above
2004 £60,000 revenue and project costs
2005 £71,500 as above
2006 £75,000 revenue contribution towards running costs
2007 £90,000 as above
2008 £90,000 as above
2009 £90,000 as above
2010 £90,000 as above
£246,910 one third contribution towards the costs of the Union Terrace Gardens proposal

The incomplete business plan assumes the transfer of revenue running and staff costs at 2008 levels from the arts development, arts education and citymoves teams but no additional revenue running costs. However this business plan is incomplete and work stopped on it at the point of Sir Ian Wood's proposal. Also there have been significant budget cuts which would affect the viability of the business proposal which would need to be addressed. A revised business plan would be required.

There have been no costings set against the project should it be run in tandem with another development. Should this be considered to be the viable option a fully revised business plan would be required to take the time delays and future budget cuts into consideration.

Peacock Visual Arts receive £90,000 per year running costs from Aberdeen City Council. This is factored into their business plan and it is not expected that this would rise or that there would be any further running cost contribution to the development other than the existing budgets held by arts development, arts education and citymoves. Capital contribution has been capped at £3,000,000.

The Council resolved:-
to note the details.

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15 MOTIONS - COUNCILLOR GRAHAM

Councillor Graham, pursuant to notice, moved:-

“That this Council calls on the Scottish Government (1) to identify its option for the Haudagain Roundabout; and (2) to provide a definitive time period for the works at the roundabout to begin. That this Council also writes to NESTRANS and Aberdeenshire Council asking them to write to the Scottish Government in support of Aberdeen City Council.”

The Council resolved:-

to refer the motion to the Enterprise, Planning and Infrastructure Committee.

16 COUNCILLOR JOHN WEST

Councillor John West, pursuant to notice, moved:-

“In order to promote a café culture, the Council should organise a meeting with representatives of the restaurant and café trade, planning, licensing and road officials, with a view to identifying and removing barriers to successful pavement seating.”

The Council resolved:-

to approve the motion and request that reports be submitted to all relevant committees, i.e. Enterprise, Planning and Infrastructure, Licensing Board and Licensing Committee.

17 COUNCILLOR JENNIFER STEWART

Councillor Jennifer Stewart, pursuant to notice, moved:-

“Instruct Council officers to explore all potential sources of external funding, including the McDonald Trust, which would allow Aberdeen City Council to acquire an original Jack Vettriano painting to be hung in Aberdeen Art Gallery.”

The Council resolved:-

to refer the motion to the Education, Culture and Sport Committee.

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In accordance with the decision recorded under Article 1 of this minute, the following item was considered with the press and public excluded.

DECLARATIONS OF INTERESTS

Councillor Dean declared an interest in the following item of business as a Director of Grampian Society for the Blind. Councillor Dean considered that the nature of her interest required her to leave the meeting and took no part in the Council's deliberations.

Councillor Leslie declared interests in the following item of business as a Council appointed representative to Aberdeen and North East Deaf Society and also as a service user. Councillor Leslie considered that the nature of his interests required him to leave the meeting and took no part in the Council's deliberations.

18 SINGLE SENSORY SERVICE - SCW/10/051

The Council had before it a report by the Director of Social Care and Wellbeing which requested approval to exempt a contract for a Single Sensory Service from the requirements of Standing Order 5 (PART A), to go out to competitive tender and to advertise on the Public Contracts Scotland Portal, on the grounds that the exemption was justified by special circumstances (Standing Order 1(6)(i) - PART A).

The report explained that the Council had a written contract with Grampian Society for the Blind (GSB) to provide services to the blind and partially sighted and had an implied contract with Aberdeen and North East Deaf Society (ANEDS) to provide services to the deaf and hard of hearing. The Council currently funded both services at a combined cost of £481,979 per annum and Social Care and Wellbeing was required to make a saving of £100,000 on the combined services in 2010/11.

The report advised that £72,000 of the required savings had already been negotiated and agreed upon with a Single Sensory Service in mind through a three year contract with GSB. It was anticipated that there would be no annual uplift during the three year period, which would realise further savings throughout the duration of the contract. It was further anticipated that, if the Council approved the recommendations contained

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within the report, GSB would commence the Single Sensory Service as of 1st August 2010.

The report added that the Council's existing contract with ANEDS was due to terminate on 9th June 2010, and that from this date until 31st July 2010 the Council would be making a saving of £23,804.56, realising a total saving of £95,804.56 of the required £100,000. It was proposed that in the interim period between the ANEDS contract terminating and 1st August 2010, the Council would provide a basic service to meet statutory requirements.

The report emphasised that until the Single Sensory Service was functioning, and a contract signed, no savings would be made. It was anticipated that a tender exercise would take nine months to complete and potentially a further three months before a new service provider could have adequate service provision in place. It was for this reason, therefore, that the report requested approval to exempt the contract from the requirements of Standing Order 5 (PART A), to go out to competitive tender and to advertise on the Public Contracts Scotland Portal, on the grounds that the exemption was justified by special circumstances.

The report recommended:-

that the Council -

- (a) note the information contained within the report;
- (b) approve the exemption of the proposed contract with Grampian Society for the Blind for a Single Sensory Service from the requirement to go out to tender and to be advertised on the grounds that the exemption was justified by special circumstances as detailed in the report;
- (c) approve the extension of the existing contract with Grampian Society for the Blind for a further period of three years; and
- (d) approve the extension of the scope of the contract with Grampian Society for the Blind to also cover the services currently provided to the deaf and hard of hearing by Aberdeen and North East Deaf Society, and note that during this three-year period the Council would go out to tender to appoint a provider of a Single Sensory Service.

The Council resolved:-

- (i) to approve the recommendations;
- (ii) to agree to make available accommodation for people with a hearing impairment to allow them to meet and retain friendship and contacts on a weekly basis;
- (iii) to instruct officers to ensure that there was sufficient specialist social work input for those with a hearing impairment; and

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- (iv) to request the Convener of the Social Care and Wellbeing Committee to write to Ms Kathleen Cameron, as referred to in Article 4(B) of this minute, advising her of the Council's decision.

- PETER STEPHEN, Lord Provost.