

ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 18th August, 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
NEIL FLETCHER
GORDON GRAHAM
MARTIN GREIG
JAMES HUNTER
LEONARD IRONSIDE
JAMES KIDDIE

JENNIFER LAING
GORDON LESLIE
CALLUM McCAIG
MARK McDONALD
AILEEN MALONE
ANDREW MAY
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

1 ANNOUNCEMENTS

(A) The Director of Enterprise, Planning and Infrastructure advised that Kathleen Gordon, Team Manager - Operational Support, had won the Scottish Ladies Two Bowl Triples, representing Ellon Bowling Club, in Edinburgh at the beginning of the month.

(B) The Lord Provost reminded members that this year had been the 30th anniversary of the Aberdeen International Football Festival. The Lord Provost stated that the event had been a great success in its new format, with the finals held at Aberdeen Sports Village, congratulated those involved and looked forward to the event going from strength to strength in the future.

(C) The Lord Provost thanked the City Events team for organising Tartan Day on 31st July, which he felt had been hugely successful.

(D) Councillor Jennifer Stewart highlighted the success of the Aberdeen International Youth Festival in its 38th year. Councillor Stewart thanked the Friends of the Festival in particular and its main sponsors, BP and Shell, for their continued support, and emphasised the importance of arts and culture to the city.

The Council resolved:-

to concur with the above remarks and congratulate those involved in the various successes.

DECLARATIONS OF INTERESTS

Councillors Dean, Fletcher, Ironside, Malone, 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 (AECC). None of the members felt it necessary to leave the meeting during the Council's deliberations.

2 DETERMINATION OF EXEMPT BUSINESS

The Council was requested to determine that the item of business entitled 'Future Funding and Development of AECC - Report by Director of Enterprise, Planning and Infrastructure' which contained exempt information as described in Schedule 7(A) of the Local Government (Scotland) Act 1973, be taken in private.

Councillor Young moved as a procedural motion, seconded by Councillor Graham:-

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, Farquharson, Graham, Hunter, Ironside, Laing and Young.

Against the procedural motion (25) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Corall, Cormack, Cormie, Dean, Donnelly, Greig, Kiddie, Leslie, McCaig, McDonald, Malone, May, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, John West, Wisely and Yuill.

Declined to vote (1) - Councillor Fletcher.

Absent from the division (2) - Councillors Clark and Kirsty West.

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 'Future Funding and Development of AECC - Report by Director of Enterprise, Planning and Infrastructure' (Article 17 of this minute refers) so as to avoid disclosure of exempt information of the class described in paragraphs 4 and 6 of Schedule 7(A) of the Act.

3 REQUESTS FOR DEPUTATION

The Council had before it, in accordance with Standing Order 10(1), a request for a deputation from Aberdeen Community Council Forum in relation to the report on the Aberdeen Local Development Plan (as detailed at Article 10 of this minute).

Councillor Dean moved as a procedural motion, seconded by Councillor McCaig:-

That the request be refused as Aberdeen Community Council Forum would have the opportunity to make representation following the meeting as part of the statutory process.

On a division, there voted:-

For the procedural motion (29) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Cassie, Clark, Corall, Cormack, Cormie, Dean, Donnelly, Fletcher, Greig, Kiddie, Leslie, McCaig, McDonald, Malone, May, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, John West, Kirsty West, Wisely and Yuill.

Against the procedural motion (12) - Councillors Adam, Allan, Boulton, Collie, Cooney, Crockett, Farquharson, Graham, Hunter, Ironside, Laing and Young.

The Council resolved:-

to adopt the procedural motion and thereby refuse the request from Aberdeen Community Council Forum.

4 MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 30TH JUNE 2010

The Council had before it the minute of meeting of Aberdeen City Council of 30th June 2010.

The Council resolved:-

to approve the minute.

5 PAMPHLET OF MINUTES

The Council had before it a pamphlet of standing committee minutes from 28th April to 22nd July 2010.

The Council resolved:-
to note the minutes.

6 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.

7 MINUTE OF MEETING OF APPOINTMENT PANEL OF 28TH JUNE 2010

The Council had before it the minute of meeting of the Appointment Panel of 28th June 2010.

The Council resolved:-
to approve the minute.

8 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 the Leadership Board had met the previous week; an update report from the Controller of Audit was due in September, was expected to highlight that the Council had made satisfactory progress and would be reported to Council later in the year.

The Chief Executive added that the Council had been shortlisted as finalists in four categories in the APSE Public Service Awards 2010 to be held in Derry, Northern Ireland. The four submissions were:-

- Transition Extreme
- Effective Equalities Policies
- ICT - Virtual Server
- A Tree for Every Citizen

The Council resolved:-
to note the Chief Executive's remarks.

At this juncture all officers affected by the proposals contained within the following item of business left the meeting in accordance with Standing Order 25.

DECLARATIONS OF INTERESTS

Prior to the consideration of the following item of business, a number of members declared interests as follows:-

Depute Provost Dunbar and Councillors Dean, Fletcher, McCaig and John West declared interests as members of the Appeals Committee, left the meeting and took no part in the Council's deliberations thereon. Councillor Cormack declared an interest as Convener of the Appeals Committee, left the meeting and took no part in the Council's deliberations thereon.

A number of members declared interests and chose not to withdraw from the meeting, namely Councillor Crockett (as a member of the Appeals Committee and Unite); Councillor Farquharson (as a member of the Appeals Committee); Councillor Graham (as a member of Unite); Councillors Ironside, Kevin Stewart and Yuill (as members of Unison); and Councillor Kiddie (as a retired member of Unison).

9 EMPLOYMENT COSTS - CG/10/128

With reference to Article 11 of the minute of its meeting of 30th June 2010, the Council had before it a report by the Director of Corporate Governance which outlined the progress that had been made in discussions with trade unions on the payment of increments and how these were to be funded during 2010/11.

The report advised that negotiations had been led by the Director of Corporate Governance and a number of options had been considered. Following discussions, a preferred option had been developed and the trade unions had agreed to consult their members on the proposal, with the consultation concluding on 3rd September 2010. The detail of the proposal was provided in Appendix A to the report. The report explained that the proposal sought to apply spare spinal column points on the COSLA pay spine that were not currently used in the Council's pay and grading structure. If approved, this would result in a 1.5% incremental increase for all employees who would have expected to receive an increment on 1st April 2010.

The report stated that the cost of the proposal was £1.6million, including employer on-costs. In order for the proposal to be agreed, savings to the same value would need to be achieved from employment costs, and the following areas had been identified where it was believed these were achievable:-

Area	Estimated saving during 2010
Agency Staffing	£1million
Car User Allowances	£100,000
Harmonising and reducing Non-Standard Working Week Allowance	£150,000
Ceasing/Reviewing other Allowances	£40,000
Reviewing (with a view to ceasing) Acting Allowances/Higher Graded Duty Payments	£200,000

Rigorous Vacancy Management	£100,000
Cease payment of allowances when an employee is not at work, e.g. sickness, holidays or special leave	£10,000

If it did not prove possible to reach collective agreement with all or any of the recognised trade unions, the report proposed that due to the abnormal financial pressures facing the Council, the increment that was due to be paid to relevant staff employed under the SJC for Local Government Employees from 1st April 2010, be deferred until 1st April 2011.

The report added that if collective agreement were reached and the increment proposal adopted, this would take account of arrangements for 2010/11. However, further discussions would be necessary to determine (1) the increment arrangements for future years; and (2) the future of local terms and conditions of service. The outcome of these discussions would be reported to the Finance and Resources Committee for decision at the earliest opportunity.

The report recommended:-

that the Council -

- (a) note the progress of discussions and ongoing negotiations with trade unions;
- (b) given the abnormal financial pressures facing the Council, approve the alternative increment proposal detailed in Appendix A to the report, payable with effect from 1st April 2010, subject to collective agreement being reached with the recognised trade unions;
- (c) should it not be possible to reach collective agreement on the alternative increment proposal, given the abnormal financial pressures facing the Council, agree that the increment that was due to be paid to relevant staff employed under the SJC for Local Government Employees from 1st April 2010, be deferred until 1st April 2011; and
- (d) authorise officers to enter into further discussions with trade unions with a view to reviewing employment costs, including conditions of service, for all employment groups.

Councillor Kevin Stewart moved, seconded by Councillor John Stewart:-

That the Council approve the recommendations contained within the report.

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

- (1) That the Council recognise that Aberdeen City Council has a loyal and dedicated workforce and agrees to honour its contractual agreement with employees to pay the salary increment as it has done in each preceding year, with costs arising to be met from reserves; and
- (2) That officers enter into further discussions with trade unions with a view to reviewing employment costs, including conditions of service, for all employment groups.

On a division, there voted:-

For the motion (24) - Lord Provost Peter Stephen; and Councillors Boulton, Clark, Corall, Cormie, Donnelly, Farquharson, Greig, Kiddie, Leslie, McDonald, Malone, May, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West, Wisely and Yuill.

For the amendment (11) - Councillors Adam, Allan, Cassie, Collie, Cooney, Crockett, Graham, Hunter, Ironside, Laing and Young.

Absent from the division (6) - Depute Provost Dunbar; and Councillors Cormack, Dean, Fletcher, McCaig and John West.

The Council resolved:-

to adopt the motion.

In terms of Standing Order 15(6), Councillors Adam, Allan, Cassie, Collie, Cooney, Crockett, Graham, Hunter, Ironside, Laing and Young intimated their dissent against the foregoing decision.

Prior to considering the following item of business, the Council agreed to suspend Standing Order 12(9) to enable each amendment to be the subject of a vote against the motion - if an amendment carried its terms would be subsumed within the motion.

The Council also agreed to suspend Standing Order 13(1) to enable those members moving the motion or an amendment to exercise their right of reply in no more than ten minutes rather than five minutes.

DECLARATIONS OF INTERESTS

Councillor Noble declared an interest in the following item of business by virtue of his position as a Council appointed representative for Aberdeen Lads Club. Councillor Noble considered that the nature of his interest required him to leave the meeting when matters affecting Aberdeen Lads Club were considered.

Councillor Young declared an interest in the following item of business by virtue of his position as a Council appointed representative for Aberdeen Lads Club but did not consider that the nature of his interest required him to leave the meeting. Councillors Collie and Robertson also declared interests in relation to Aberdeen Lads Club but did not consider that the nature of their interests required them to leave the meeting.

10 ABERDEEN LOCAL DEVELOPMENT PLAN - PROPOSED PLAN, SUPPLEMENTARY GUIDANCE AND ACTION PROGRAMME - EPI/10/193

The Council had before it a report by the Director of Enterprise, Planning and Infrastructure which presented the Aberdeen Local Development Plan - Proposed Plan, Supplementary Guidance and Action Programme for approval for publication on 24th September 2010 for a 12 week period for receiving representations.

The report advised that the Aberdeen Local Development Plan - Proposed Plan set out the development land allocations and associated policies that would guide planning decisions in the city and which were consistent with the Aberdeen City and Shire Structure Plan. A new Local Development Plan was required to replace the current Plan, which had been adopted in June 2008 in conformity with North East Scotland Together, the approved Structure Plan at that time. The Structure Plan had since been replaced with the Aberdeen City and Shire Structure Plan approved by Scottish Ministers in August 2009. The report emphasised that planning legislation required that an up-to-date Local Development Plan which was consistent with the new Structure Plan was in place.

The report highlighted the work that had been carried in terms of early engagement. The next stage in preparing the new Aberdeen Local Development Plan was for the Council to agree the content of the Proposed Plan and publish it for public scrutiny. Once the Proposed Plan was published, the Council had to consider all of the representations it received and decide if it wanted to amend the Plan in response. If no significant changes were proposed, a summary of unresolved issues had to be prepared before submitting the Proposed Plan to Scottish Ministers. The Scottish Ministers would appoint a Reporter to hold an Examination in Public of the Proposed Plan if there were unresolved representations.

The report summarised the content of the Proposed Plan, which was the subject of a number of appendices to the report as follows:-

- Aberdeen Local Development Plan - Proposed Plan
- Aberdeen Local Development Plan - Action Programme
- Aberdeen Local Development Plan - New and Updated Supplementary Guidelines
- Appendix 1 - Equalities and Human Rights Impact Assessment
- Appendix 2 - Risk Register
- Appendix 3 - Changes from the Main Issues Report
- Appendix 4 - Publicity and Consultation
- Appendix 5 - List of Supplementary Guidance and Masterplans
- Appendix 6 - Summary of Technical Appendices
- Appendix 7 - Environmental Report

Lastly, the report explained how publicity and consultation would be managed. It was emphasised that the Council was no longer at the stage of consulting people about what should be in the Local Plan, therefore the focus would be on informing people of its content and advising them of the process for making representations and the next stage in the process. Minor corrections to the report were also provided by the Director.

The report recommended:-

that the Council -

- (a) approve the Aberdeen Local Development Plan - Proposed Plan, Supplementary Guidance and Action Programme;
- (b) authorise publication, subject to any minor drafting changes, of the Aberdeen Local Development Plan - Proposed Plan for a 12 week period for representations; and
- (c) authorise publication of the Environmental Report, Habitats Regulations Assessment and Technical Appendix which support the Proposed Plan.

Councillor Dean moved, seconded by Depute Provost Dunbar:-

That the Council approve the recommendations contained within the report subject to returning OP54 Loirsbank to greenbelt within the Aberdeen Local Development Plan - Proposed Plan, and to a comprehensive risk level assessment being carried out to inform a rapid review of the Aberdeen City and Shire Structure Plan.

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

That the Council agree to approve the Aberdeen Local Development Plan - Proposed Plan, Supplementary Guidance and Action Programme subject to the following modifications:-

- (1) remove all reference in policy T1 to Third Don Crossing and all subsequent documentation thereafter removed from the proposals map;

- (2) remove reference in paragraph 2.29 to Community Stadium page 46 and delete from action programme on page 150 and revert to allocation in adopted Local Plan opportunity site at Kings Links; and
- (3) add 300 units at Woodside 2009-2016 OP19 and remove 70 units from Greenferns OP45 and 150 units from Loirston and Cove OP77 to accommodate, which would reduce capacity at these sites as opposed to changing the boundaries.

Councillor Cassie moved as a second amendment, seconded by Councillor Fletcher:-

That the Council approve the recommendations contained within the report subject to the following amendments:-

To include in Phase 1 (2007-2016) of the proposed Local Development Plan - land at Woodside for residential development for up to 300 homes (including reference in Appendix 2 opportunity sites to a requirement for 50% affordable housing as per the masterplan for Woodside Sports Park and Village) and remove from the aforementioned plan 150 homes from Phase 1 (2007-2016) land allocations at Greenferns (OP45) and 150 homes from Phase 1 (2007-2016) land allocations at Loirston (OP77).

Councillor Yuill moved as a third amendment, seconded by Councillor Malone:-

That the Council delete OP58 Countesswells from the Local Development Plan and relocate the 2007-2016 allocation to Clinterty and instruct officers to report back on alternative locations for the 2017-2023 allocation.

Councillor Boulton moved as a fourth amendment, seconded by Councillor Farquharson:-

That the Council:-

- (1) remove 50 houses from (9/01-9/21) Friarsfield Cults and replace with 55 houses (9/43) at Malcolm Road Culter - Phase 1;
- (2) add (9/42) 16 houses at Malcolm Road - Phase 1;
- (3) add (9/44) 8 houses at Mid Anguston Culter - Phase 1;
- (4) add (152/1) 19 houses at Peterculter Burn - Phase 1;
- (5) defer 100 houses from Oldfold Milltimber to Phase 2;
- (6) agree to review the Countesswells development should the Aberdeen Western Peripheral Route not be delivered; and
- (7) note that in total, the effect on Lower Deeside would be
Phase 1 (2010-2016) - no change in numbers
Phase 2 (2017-2023) - an additional 50 houses.

Councillor Reynolds moved as a fifth amendment, seconded by Councillor Leslie:-

That the Council approve the recommendations contained within the report subject to the removal of the allocation of properties from OP12 Grandhome, namely 2,600 (2007-2016), 2,100 (2017-2023), 2,300 (2024-2030) totalling 7,000 and reallocate to Clinterty with the same phasing, and instruct officers to report back as a matter of urgency on alternative locations for the balance. That the Council also agree to insert as a development opportunity the land on Denmore Road, currently used as playing fields.

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

For the motion (26) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Clark, Corall, Cormack, Cormie, Dean, Donnelly, Fletcher, Greig, Kiddie, Leslie, McCaig, McDonald, Malone, May, Penny, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, John West, Kirsty West, Wisely and Yuill.

For the amendment by Councillor Crockett (9) - Councillors Adam, Allan, Collie, Cooney, Crockett, Hunter, Ironside, Laing and Young.

Declined to vote (4) - Councillors Boulton, Cassie, Farquharson and Reynolds.

Absent from the division (2) - Councillors Graham and Noble.

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

For the motion (12) - Depute Provost Dunbar; and Councillors Cormack, Dean, Donnelly, Greig, Leslie, McCaig, Malone, Penny, Jennifer Stewart, John Stewart and Wisely.

For the amendment by Councillor Cassie (26) - Lord Provost Peter Stephen; and Councillors Adam, Allan, Boulton, Cassie, Clark, Collie, Cooney, Corall, Cormie, Crockett, Farquharson, Fletcher, Hunter, Ironside, Kiddie, Laing, McDonald, May, Reynolds, Robertson, Kevin Stewart, Wendy Stuart, John West, Kirsty West and Young.

Declined to vote (1) - Councillor Yuill.

Absent from the division (2) - Councillors Graham and Noble.

On a division between the motion, incorporating the amendment by Councillor Cassie, and the amendment by Councillor Yuill, there voted:-

For the motion incorporating the amendment by Councillor Cassie (16) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Cassie, Corall, Cormie, Dean, Fletcher, McCaig, McDonald, May, Noble, John Stewart, Kevin Stewart, Wendy Stuart, John West and Kirsty West.

For the amendment by Councillor Yuill (15) - Councillors Boulton, Clark, Cormack, Donnelly, Farquharson, Greig, Kiddie, Leslie, Malone, Penny, Reynolds, Robertson, Jennifer Stewart, Wisely and Yuill.

Declined to vote (9) - Councillors Adam, Allan, Collie, Cooney, Crockett, Hunter, Ironside, Laing and Young.

Absent from the division (1) - Councillor Graham.

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

For the motion incorporating the amendment by Councillor Cassie (6) - Councillors Clark, Cormack, Dean, Fletcher, Robertson and John Stewart.

For the amendment by Councillor Boulton (33) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Adam, Allan, Boulton, Cassie, Collie, Cooney, Corall, Cormie, Crockett, Donnelly, Farquharson, Greig, Hunter, Ironside, Kiddie, Laing, Leslie, McCaig, McDonald, Malone, May, Noble, Penny, Reynolds, Jennifer Stewart, Kevin Stewart, Wendy Stuart, John West, Kirsty West, Young and Yuill.

Declined to vote (1) - Councillor Wisely.

Absent from the division (1) - Councillor Graham.

On a division between the motion, incorporating the amendments by Councillors Boulton and Cassie, and the amendment by Councillor Reynolds, there voted:-

For the motion incorporating the amendments by Councillors Boulton and Cassie (24) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Corall, Cormack, Cormie, Dean, Donnelly, Fletcher, Greig, Kiddie, McCaig, McDonald, Malone, May, Noble, Penny, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, John West, Kirsty West, Wisely and Yuill.

For the amendment by Councillor Reynolds (7) - Councillors Boulton, Cassie, Clark, Farquharson, Leslie, Reynolds and Robertson.

Declined to vote (9) - Councillors Adam, Allan, Collie, Cooney, Crockett, Hunter, Ironside, Laing and Young.

Absent from the division (1) - Councillor Graham.

The Council resolved:-

- (i) to adopt the motion incorporating the terms of the amendments by Councillors Boulton and Cassie; and
- (ii) to thank all officers involved in the preparation of the report and the Aberdeen Local Development Plan - Proposed Plan, Supplementary Guidance and Action Programme.

11 NATIONAL HOUSING TRUST INITIATIVE - H&E/10/099

The Council had before it a report by the Director of Housing and Environment which advised of proposals by the Scottish Futures Trust (SFT) to deliver the National Housing Trust (NHT) initiative to enable the development of short term affordable housing and sought agreement to continue the Council's interest in participating in the procurement exercise.

The report stated that the Council's Housing and Environment Committee of 13th April 2010 had agreed to continue with an interest in the NHT proposals as developed by the SFT. The report provided a summary of the NHT which aimed to meet housing need in particular areas and to help reduce waiting lists.

The report went on to discuss potential rent levels; levels of demand; allocation methodology; the potential for Special Purpose Vehicles to be established; capital spending; property maintenance arrangements; the proposed financing structure; borrowing arrangements; the length of the scheme and intended exit strategy; interest from local developers; site availability; and the timetable for delivery of the initiative.

In regard to financial implications, the report advised that the Council would be required to borrow money to meet its 65% share of the costs, which was proposed be done via the Council's Loan Fund. The repayment of the borrowing would be serviced from the rental income from the properties and the remaining 35% of the capital costs would be financed by the private sector developer, with 30% as equity and a 5% loan. The report anticipated that an average of £96,000 might need to be borrowed for each property procured - if the Council was to meet its 50 unit target this would potentially require borrowing of £4.8million.

The report concluded that the SFT was planning to publish a Prior Information Notice (PIN) in the OJEU in September. The PIN would set out the requirements of the NHT and would not commit the Council to proceed with its interest but it would be expected to proceed if suitable opportunities came forward from developers which met the Council's requirements.

The report recommended:-

that the Council -

- (a) agree to participate in the National Housing Trust procurement as developed by the Scottish Futures Trust subject to the Directors of Corporate Governance and Housing and Environment being satisfied that the legal and financial elements of the initiative did not expose the Council to undue risk;
- (b) agree in principle to borrowing through the Council's Loan Fund for the scheme, subject to a maximum of 50 units; and
- (c) instruct officers to report to future committee meetings as further decisions are required.

The Council resolved:-

to approve the recommendations.

12 MAYORS FOR PEACE

The Council had before it correspondence on behalf of Scotland's for Peace which invited the Council to join Mayors for Peace and adopt the 20:20 vision for a world free of all nuclear weapons by the year 2020.

The Council resolved:-

to join Mayors for Peace and instruct officers to make the necessary arrangements.

13 CORRESPONDENCE FROM COUNCILLOR WISELY

The Council had before it correspondence from Councillor Wisely which advised that from 18th August 2010 there would be two Conservative groups on the Council. The new group would be called Aberdeen Conservatives, with Councillor Donnelly as Group Leader and Councillor Wisely as Group Chairperson.

The correspondence requested that the Council suspend Standing Orders to enable the position of Vice Convener of the Audit and Risk Committee to be reconsidered.

Councillor Wisely moved as a procedural motion, seconded by Councillor Donnelly:-

That the Council suspend Standing Order 2(1) to enable the position of Vice Convener of the Audit and Risk Committee to be reconsidered.

On a division, there voted:-

For the procedural motion (37) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Adam, Allan, Clark, Collie, Cooney, Corall, Cormack, Cormie, Crockett, Dean, Donnelly, Fletcher, Greig, Hunter, Ironside, Kiddie, Laing, Leslie, McCaig, McDonald, Malone, May, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, John West, Kirsty West, Wisely, Young and Yuill.

Against the procedural motion (2) - Councillors Boulton and Farquharson.

Absent from the division (2) - Councillors Cassie and Graham.

The Council resolved:-

to adopt the procedural motion.

Councillor Wisely moved, seconded by Depute Provost Dunbar:-

That Councillor Donnelly be appointed Vice Convener of the Audit and Risk Committee.

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

That Councillor Farquharson remain as Vice Convener of the Audit and Risk Committee.

On a division, there voted:-

For the motion (13) - Depute Provost Dunbar; and Councillors Cormack, Cormie, Dean, Donnelly, Fletcher, Greig, Robertson, John Stewart, Wendy Stuart, John West, Wisely and Yuill.

For the amendment (2) - Councillors Boulton and Farquharson.

Declined to vote (23) - Lord Provost Peter Stephen; and Councillors Adam, Allan, Clark, Collie, Cooney, Corall, Crockett, Hunter, Ironside, Kiddie, Laing, Leslie, McCaig, McDonald, Malone, May, Noble, Reynolds, Jennifer Stewart, Kevin Stewart, Kirsty West and Young.

Absent from the division (3) - Councillors Cassie, Graham and Penny.

The Council further resolved:-

- (i) to adopt the motion, thereby appointing Councillor Donnelly as Vice Convener of the Audit and Risk Committee in place of Councillor Farquharson; and
- (ii) to allow the two Conservative groups and Councillor Boulton one cycle of meetings to allocate their committee places between them, and that the matter be reconsidered at the next Council meeting in the event that the allocation was unable to be resolved.

At this juncture, Councillor Crockett paid tribute to Councillor Farquharson for his support in the role of Vice Convener of the Audit and Risk Committee and expressed his sadness at the situation that had just occurred.

14 QUESTIONS

The Council had before it five questions, of which due notice had been given in terms of Standing Order 20(2), which had been placed on the agenda as Councillor Young had indicated that he was unhappy with the responses.

Councillor Young

QUESTIONS -

To the Convener of the Finance and Resources Committee

- (1) "To ask the Convener for Finance and Resources if he is aware of the regulations regarding Allowances and Expenses for Councillors and if so does he recognise the words of an anonymous Administration Councillor who said in the Press and Journal on 2nd July 2010 "he had been given an envelope of cash for a trip abroad and there were no instructions about how to hand any change back" regardless of his awareness of the regulations can he confirm or otherwise if giving an envelope to a Councillor full of cash meets the requirements of any Act or Regulation laid down by statute and will he refer the matter to the Audit and Risk Committee for scrutiny for them to investigate this and other matters relating to Councillors receiving cash in envelopes?"
- (2) "To ask the Convener for Finance and Resources what instructions if any has been given by him, his predecessor or by Council officers in relation to ensuring that cash given to Councillors to spend on trips abroad or within the UK given in an envelope or otherwise but unused is returned to the Council?"
- (3) "To ask the Convener for Finance and Resources to provide Council with a detailed breakdown of all monies given to Councillors for trips abroad or within the UK and the amount returned by Councillors from these trips either within or without the envelope given to them at the start of the trip from May 2007 to present."

ANSWERS (by Councillor Kevin Stewart) -

- (1) I am aware of the Allowances and Expenses regulations but can relate to the quote in the Press and Journal as no information about returning unspent money was given to me on the first of three overseas trips I have made on behalf of the Council in my eleven years as a Councillor. I asked for that to be rectified on my return from Ireland. I received the relevant advice the second time I went away.

It does not require me to refer the matter to Audit and Risk as the Convener of Audit and Risk can ask for reports on matters of concern and I would be quite happy for the Audit and Risk Committee to look at all matters regarding overseas trips since the inception of this Council in 1996.

Councillor Young seems to be alleging other suspect activities in his line of questioning. If Councillor Young has any knowledge of any wrongdoing then I would urge him to contact the Police and the Monitoring Officer.

- (2) I refer Councillor Young to the answer I gave to Question 1. I cannot answer for any other Councillors who have held the Finance Convenership in the past.
- (3) I refer Councillor Young to the following information:-

Councillor	Date	Destination	Meal Rate	24 Hour Rate	Money Given	Money Returned
Clark Ronald	19/09/2007	Canada	680 Canadian Dollars		680 Canadian Dollars	300 Canadian Dollars
	06/02/2008	Canada	835 Canadian Dollars		835 Canadian Dollars	None
Dean Katharine	19/06/2007	Sandefjord	2400 Norwegian Kroner		2400 Norwegian Kroner	£29.37
	13/09/2007	Brussels		360 Euros	360 Euros	None
	15/10/2007	Florence	465 Euros		465 Euros	None
	14/11/2007	Lille	155 Euros		155 Euros	None
	16/12/2007	Brussels	195 Euros		195 Euros	None
	01/02/2008	Brussels	130 Euros		130 Euros	None
	03/04/2008	Gothenburg	1680 Swedish Kroner		1680 Swedish Kroner	None
Reynolds John	19/06/2007	Sandefjord	2400 Norwegian Kroner		2400 Norwegian Kroner	None
Stewart Kevin	04/10/2007	Ireland	255 Euros		255 Euros	88.92 Euros
	11/01/2008	Stavanger	1800 Norwegian Kroner		1800 Norwegian Kroner	366 Norwegian Kroner
Dean Katharine	02/05/2008	Houston	624 US Dollars		624 US Dollars	None
	30/09/2008	Biarriz	390 Euros		390 Euros	None
	25/08/2008	Stavanger	4200 Norwegian Kroner		4200 Norwegian Kroner	4200 Norwegian Kroner
	22/10/2008	Gothenburg	2550 Swedish Kroner		2550 Swedish Kroner	None
	26/03/2009	Krishansand	1500 Norwegian Kroner		1500 Norwegian Kroner	None
Stephen Peter	02/05/2008	Houston	624 US Dollars		624 US Dollars	None
	25/08/2008	Stavanger	4200 Norwegian Kroner		4200 Norwegian Kroner	416 Norwegian Kroner
	09/09/2008	Clermont Ferrand	321 Euros		321 Euros	180 Euros
Stewart Jennifer	05/10/2008	Kazakhstan	748 US Dollars		748 US Dollars	100 US Dollars
	05/09/2008	Stavanger	950 Norwegian Kroner		950 Norwegian Kroner	None

Councillor	Date	Destination	Meal Rate	24 Hour Rate	Money Given	Money Returned
Clark Ronald	29/09/2009	Canada	725 Canadian Dollars		725 Canadian Dollars	None
Corall John	08/10/2009	Amsterdam	150 Euros		150 Euros	125 Euros
Dean Katharine	30/04/2009	Houston	702 US Dollars		702 US Dollars	None
	14/06/2009	Stavanger	1950 Norwegian Kroner		1950 Norwegian Kroner	None
	25/06/2009	Amsterdam	130 Euros		130 Euros	None
	30/09/2009	Gothenburg	3420 Swedish Kroner		3420 Swedish Kroner	None
	11/11/2009	Bremen	190 Euros		190 Euros	None
	30/11/2009	Kiel	125 Euros		125 Euros	None

Malone Aileen	01/10/2009	Stavanger	1350 Norwegian Kroner	1350 Norwegian Kroner	None
May Andrew	20/08/2009	Gothenburg	2553 Swedish Kroner	2553 Swedish Kroner	1120 Swedish Kroner
Stephen Peter	01/05/2009	Houston	624 US Dollars	624 US Dollars	91 Dollars
	05/10/2009	Calgary	1140 Canadian Dollars	1140 Canadian Dollars	None
Dean Katharine	26/04/2010	Billund	900 Swedish Kroner	900 Swedish Kroner	None
	16/06/2010	Stavanger	2950 Norwegian Kroner	2950 Norwegian Kroner	None
Stephen Peter	30/04/2010	Houston	624 US Dollars	624 US Dollars	None
Stewart John	01/05/2010	Houston	624 US Dollars	624 US Dollars	None

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In accordance with Standing Order 20(4), the Lord Provost ruled that the questions had been answered satisfactorily.

The Council resolved:-
to note the details.

QUESTIONS -
To the Chief Executive

- (1) "To ask the Chief Executive if she can confirm or otherwise if this Council fully conforms to the regulations laid down by Scottish Ministers in relation to the reimbursement of expenditure incurred on approved duties by Councillors?"
- (2) "To ask the Chief Executive to confirm or otherwise if Councillor Fletcher's claim published in the Press and Journal's letter page on Wednesday 24th June 2010 and the Evening Express letter page on the same day which states and I quote "I will finally admit that I, too, have waived a significant amount of salary, over £33,000, and not submitted one claim form for councillor expenses, since 2007" is either incredulous or incredible given the fact that the STATEMENT OF ALLOWANCES & EXPENSES FOR ABERDEEN CITY COUNCIL PAID TO AND ON BEHALF OF ELECTED MEMBERS FOR THE YEAR 1st April 2009 to 31st March 2010 confirms that Councillor Fletcher has claimed a significant amount of expenses. Will the Chief Executive confirm the amount of claim forms submitted by Councillor Fletcher since 2007 and also the amounts claimed?"

ANSWERS (by the Chief Executive) -

- (1) The City Council complies with the guidelines set down by the Scottish Local Authority Remuneration Committee.
- (2) Details relating to Councillors' Allowances and Expenses are available on the City Council's website at:

http://www.aberdeency.gov.uk/CouncilTax/fin/ctx_FinInfo_Home.asp

It is not for the Chief Executive to comment on the content of Councillor Fletcher's letter to the Press and Journal.

In accordance with Standing Order 20(4), the Lord Provost ruled that the Question (1) had been answered satisfactorily.

The Council resolved:-

- (i) to note the update from the Chief Executive that no claim forms for expenses had been submitted by Councillor Fletcher for the period in question; and
- (ii) otherwise to note the details.

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15 MOTION

Councillor Kevin Stewart, pursuant to notice, moved:-

“Council agrees that in view of the ongoing serious financial situation affecting public bodies and the major budgetary pressures outlined in the recent UK Government’s Emergency Budget Statement the Council’s policy will be to actively seek the sharing of major strategic services with other authorities in the North and North East of Scotland in order to deliver significant budget savings.

Council instructs the Chief Executive to formally approach other authorities in this regard.”

The following amendment was put forward by the Labour Group:-

Council acknowledges the ongoing serious financial situation affecting Aberdeen City Council by the mismanagement of this SNP/Lib Dem Administration and calls upon the Edinburgh Government to set out more fully the principles that will inform its approach to developing its 2011/12 budget. Calls upon Edinburgh Government to demonstrate real leadership by setting out its spending choices in an open and transparent manner in order that this Council can determine how it can work with other local authorities to deliver excellent services that fulfils its obligations to the people of Aberdeen without the need to slash public services.

In accordance with Standing Order 18(1)(iii), the Lord Provost ruled that the amendment was incompetent, as he considered it to be a motion, which would have required to have been submitted in accordance with the timescales prescribed in Standing Order 21.

The Council resolved:-

to approve the terms of the motion.

16 EMERGENCY MOTION

Councillors John Stewart and Kevin Stewart, pursuant to notice, moved:-

“That this Council writes to the Transport Secretary to state that we believe that direct rail links between Aberdeen and London are vital to the economy of Aberdeen City and Shire and should continue and that we are vehemently

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opposed to proposals contained in Sir Andrew Foster's report on the Intercity Express Programme which would see these links cut."

The Council resolved:-
to approve the terms of the motion.

In accordance with the decision recorded under Article 2 of this minute, the following item of business was considered with the press and public excluded.

MATTER OF URGENCY

The Lord Provost intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item of business be considered as a matter of urgency as it was a matter of outstanding business which the Council had requested be reported on.

DECLARATIONS OF INTERESTS

Councillors Dean, Fletcher, Ironside, Malone, 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 (AECC) and left the meeting prior to the Council's deliberations.

17 FUTURE FUNDING AND DEVELOPMENT OF AECC - EPI/10/220

With reference to Article 20 of the minute of its meeting of 10th February 2010, the Council had before it a report by the Director of Enterprise, Planning and Infrastructure which sought approval to withhold support for AECC's planned hotel development, due to the unacceptably high risks associated with the proposed operational and financial structure of the current proposals from the Council's perspective.

The report reminded members of the decision of Council of 10th February 2010. Following this decision, officers had embarked upon a series of discussions with AECC and their advisers in an effort to complete the necessary documentation required to

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conclude the hotel development deal in accordance with the terms and caveats as outlined in the report to Council in February 2010, which were designed to protect the Council's interests and ensure that the Council would not be exposed to any unreasonable risks.

The report advised that the Council's legal advisers had been unable to submit a final report summarising the hotel development deal, and the various risks associated with it from the Council's perspective, until 21st June 2010 as result of delays in obtaining and evaluating the necessary documentation. The report emphasised that by the time the final report was produced, the proposed deal varied significantly from the deal submitted by AECC to Council officers at the beginning of 2010. The main differences between the proposals were contained within an appendix to the report.

Based on the content of the full report from the Council's legal advisers and taking into account the main differences between the proposals, the report recommended that the Council do not support the proposed hotel development proposal in its current form. The report envisaged, however, that a hotel development could be delivered using a structure that exposed the Council to less risk, whilst making use of the substantial investment that had been made to date on the project.

The report went on to discuss options for the re-financing of AECC if the Council decided to withhold its support for the hotel development, as the medium term plan to put AECC on a stable financial footing, approved by Council in February 2010, assumed two cash injections as a result of the hotel development proceeding. The costs associated with the hotel development incurred by AECC prior to the current financial year (£2.3million), would require to be written off and costs incurred since the beginning of the financial year would need to be paid as soon as possible (£568,000). The report proposed that the Council provide AECC with an additional grant of £568,000 in 2010/11 to cover the short-term cash flow situation.

The report highlighted the need for the Council to instruct its internal auditors to undertake a "follow-the-public-pound" review of AECC, which would look at AECC's articles of association, governance, delegated authority arrangements and operational procedures, as a basis for determining how the Council might best exert a more direct influence over AECC's future strategic, operational and financial direction. This review would include a review of the costs incurred in relation to the proposed hotel development and the controls exerted in determining how they were incurred and approved.

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The report also proposed that AECC undertake to secure the transfer of all intellectual property rights relating to their proposed hotel development in order that this can be fully utilised, if possible, by the Council when investigating possible alternative ways of delivering the hotel development. AECC would also be required to work in partnership with the Council and Reed Exhibitions to find a way to deliver the additional car parking/temporary exhibition space facilities required in such a way that any investment from the Council was made directly as part of the Council's future capital programme.

Lastly, the report emphasised the importance of Council officers continuing to explore how the long term financial position of AECC could be regulated through a re-engineered financial structure and the possible injection of new funds emanating from any further property deals linked to the land adjacent to AECC.

The report recommended:-

that the Council -

- (a) reaffirm its decision of 10th February 2010, to authorise the Director of Enterprise, Planning and Infrastructure, the Head of Legal and Democratic Services and the Head of Finance to complete the necessary documentation required to convert the existing £2million Loan Facility into preference shares, on appropriate terms, and extend the repayment date of the £7.5million Loan Facility to 17th May 2017, subject to AECC replacing three of their current elected member Board members with three new non-elected member Board members and that the three elected members on the Board being replaced by non-elected members be Councillors Dean, Ironside and Malone;
- (b) do not approve the proposed operational and financial structure of AECC's current planned hotel development and, in the process, accept that this would require AECC to write off costs associated with realising a hotel development, totalling £2.3million;
- (c) agree to provide AECC with a grant of £568,000 to mitigate the immediate cash-flow implications of having to write off costs incurred to date. These costs relate to professional fees associated with the production of plans, proposals and related legal, financial, investment and technical documentation connected with AECC's efforts to realise a new four star hotel development;
- (d) instruct officers to direct the Council's internal auditors to undertake a "follow-the-public-pound" review of AECC, which would look at AECC's articles of association, governance, delegated authority arrangements and operational procedures, as a basis for determining how the Council might better manage AECC's future strategic, operational and financial direction;
- (e) agree that any grant support be conditional upon AECC using all possible means at their disposal to secure the transfer of intellectual property relating to their

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- proposed hotel development, so that this can be fully utilised, if possible, by the Council when investigating possible alternative ways of delivering the hotel development; and working in partnership with the Council (and exploring the availability of Scottish Enterprise grant support) to deliver the required expansion facilities required by Reed Exhibitions, in such a way that any financial contribution the Council may decide to make towards these facilities, can be made as part of the Council's capital programme; and
- (f) instruct officers to continue their efforts to deliver a four star hotel development adjacent to AECC, to enhance AECC's future business potential; realise value from land adjacent to AECC by investigating the possibility of creating a large-scale development proposal, in partnership with private sector developers; and find an alternative mechanism to remove AECC's debt burden.

The Council resolved:-

- (i) to reaffirm its decision of 10th February 2010, to authorise the Director of Enterprise, Planning and Infrastructure, the Head of Legal and Democratic Services and the Head of Finance to complete the necessary documentation required to convert the existing £2million Loan Facility into preference shares, on appropriate terms, and extend the repayment date of the £7.5million Loan Facility to 17th May 2017, subject to AECC replacing three of their current elected member Board members with three new non-elected member Board members to be appointed following external advertisement and appointing a non-elected member chairperson, as agreed by Council in February 2010, and that the remaining five elected member Board members be replaced by five elected members on the basis of three Administration members and two Opposition members, and that the new Board be in place by 31st October 2010.
- (ii) to approve recommendation (b);
- (iii) to approve recommendation (c), ensuring that AECC received the grant timeously, and instruct that AECC provide the Council's Enterprise, Planning and Infrastructure Committee, or Council, with a full written detailed explanation and breakdown of the costs incurred with the aborted hotel development;
- (iv) to approve recommendation (d), noting that a report would be submitted to the Council's Audit and Risk Committee on conclusion of the exercise; and
- (v) to approve recommendation (e).

Councillor John Stewart moved, seconded by Councillor Kevin Stewart:-

That the Council approve recommendation (f) as contained within the report.

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

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That the Council do not approve recommendation (f) as contained within the report, and instruct officers to continue with their efforts to find an alternative mechanism to remove AECC's debt burden.

On a division, there voted:-

For the motion (24) - Lord Provost Peter Stephen; Depute Provost Dunbar; and Councillors Boulton, Clark, Corall, Cormack, Cormie, Donnelly, Farquharson, Greig, Kiddie, Leslie, McCaig, McDonald, May, Noble, Penny, Robertson, John Stewart, Kevin Stewart, Wendy Stuart, John West, Wisely and Yuill.

For the amendment (9) - Councillors Adam, Allan, Collie, Cooney, Crockett, Graham, Hunter, Laing and Young.

Absent from the division (8) - Councillors Cassie, Dean, Fletcher, Ironside, Malone, Reynolds, Jennifer Stewart and Kirsty West.

The Council further resolved:-

- (i) to adopt the motion;
- (ii) to instruct that reports be submitted to the Enterprise, Planning and Infrastructure Committee and/or the Finance and Resources Committee each cycle; and
- (iii) to authorise the Council Leader to release a press statement on the outcome of the matter.

- PETER STEPHEN, Lord Provost.