

FINANCE, POLICY AND RESOURCES COMMITTEE

1 December 2016

ABERDEEN, 1 December 2016. Minute of Meeting of the FINANCE, POLICY AND RESOURCES COMMITTEE. Present:- Councillor Young, Convener; and Councillors Allan, Cameron, Carle (as substitute for Councillor Grant for article 26 only), Cooney (as substitute for Councillor Reynolds for articles 8 to 11), Copland (as substitute for Councillor Cameron for article 22 only), Crockett, Dickson, Jackie Dunbar, Lesley Dunbar (as substitute for Councillor Reynolds for articles 1 to 7), Finlayson (as substitute for Councillor Allan for article 26 only), Flynn, Grant (as substitute for Councillor Reynolds from article 12 onwards), Len Ironside CBE, Laing, Malik (as substitute for Councillor Donnelly, Vice-Convene), Milne, Nicoll, Noble (as substitute for Councillor Jennifer Stewart for articles 19 to 21), Jennifer Stewart, Taylor, Townson and Yuill.

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

<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=146&MIId=3891&Ver=4>

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

AGENDA ISSUES

1. The Convener (a) acknowledged that there were a number of late reports that had been circulated very recently and therefore proposed that the Committee reconvene on 7 December 2016 at 10.00am to consider these reports; (b) that an additional late report, namely 'Proposed Feasibility Funding – 87-93 Union Street and 1-6 Market Street' be considered at the reconvened meeting; (c) requested that items 9.7 (FCHJU JIVE Business Case), 9.10 (Visit Aberdeenshire – Six Month Progress Report) and 13.2 (Procurement for the Operation and Management of the Existing and New Aberdeen Exhibition and Conference Centre) be considered earlier on the agenda today; and (d) advised that item 12.5 (Lease Extension, East End Limited, Golf Road) had been withdrawn.

The Committee resolved:-
to concur with the requests.

ANNOUNCEMENT

2. The Committee heard from the Convener who advised that the Economic Development Association Scotland conference was being held in Aberdeen for the first

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time today and that Councillor Jenny Laing, Council Leader had officially opened the conference.

The Committee resolved:-

to note the information provided.

DETERMINATION OF EXEMPT BUSINESS

3. The Convener proposed that the Committee consider items 11.1 (Current Gas Central Heating Maintenance Framework Contract), 12.1 (Council General Fund Monitoring 2016/17 – Appendix), 12.2 (Property Update Report), 12.3 (Thomas Glover House), 12.4 (Purchase of Ground, Wellington Road), 12.6 ((Proposed Sale – Site 16 Lang Stracht), 12.7 (Lochside Academy – PE Facilities), 12.8 (Proposed Feasibility Funding – 87-93 Union Street and 1-6 Market Street), 13.1 (Human Capital Management), 13.2 (Procurement for the Operation and Management of the Existing and New Aberdeen Exhibition and Conference Centre), 13.3 (Procurement – Appointment of Contractor or Contractors for the Repair and Refurbishment of TRNP Industrial Property at Minto Drive, Altens Industrial Estate, Aberdeen), 13.4 (Legal Case Management System) and 13.5 (Procurement of Workforce Management Software).

The Committee resolved:-

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting from item 11.1 of the agenda (article 9 of the reconvened minute onwards) so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act:- article 9, 16, 18 and 19 of the reconvened minute (paragraph 8), article 26 of this minute (paragraph 4), articles 10, 12, 13, 15 and 17 of the reconvened minute (paragraphs 6 and 9), article 6 of the reconvened minute (paragraphs 6 and 8), article 14 of the reconvened minute (paragraph 9) and article 27 of this minute (paragraphs 6 and 9).

MINUTE OF PREVIOUS MEETING OF 20 SEPTEMBER 2016

4. The Committee had before it the minute of its previous meeting of 20 September 2016.

The Committee resolved:-

to approve the minute subject to amending article 5(iii) to read ‘that in relation to item 22 (Site at Beach Esplanade/King Street), to instruct officers to take forward the agreed recommendations of the Council on 16 December 2015 with the funding trustees of the Aberdeen Islamic Charitable Trust and to report back to Council on progress at the meeting on 21 June 2017’.

DECLARATION OF INTEREST

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Councillor Allan declared an interest in relation to the following item of business by virtue of her position as Council appointed member of Visit Aberdeenshire. Councillor Allan considered that the nature of her interest required her to leave the meeting and she took no part in the Committee's deliberations thereon.

VISIT ABERDEENSHIRE - SIX MONTH PROGRESS REPORT - CHI/16/199

5. With reference to article 37 of the minute of meeting of the Communities, Housing and Infrastructure Committee of 20 January 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on Visit Aberdeenshire, covering the establishment of the body as the Destination Management Organisation for Aberdeen and Aberdeenshire and progress made towards year one objectives as set out in the Council's Service Level Agreement with Visit Aberdeenshire and the organisation's associated business plan.

The report recommended:-

that the Committee –

- (a) note the six-month progress and activities undertaken by Visit Aberdeenshire;
- (b) seek a further report of progress for the next 6 months in the form of an annual report; and
- (c) delegate authority to the Head of Economic Development, in consultation with the Head of Finance and the Head of Legal and Democratic Services, to negotiate the Council's 2017-18 financial contribution to Visit Aberdeenshire, in line with the existing Service Level Agreement.

The Committee resolved:-

to approve the recommendations subject to adding 'and in line with the budget process' at the end of recommendation (c) above.

COMMITTEE BUSINESS STATEMENT

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

The Committee resolved:-

- (i) to remove item 2 (Display of Plans at Committee), item 6 (AECC Ltd Service Level Agreement and AECC Operator Procurement, item 14 (Removal of 77-79 Bon Accord Street) and item 16 (Strategic Infrastructure Plan – City Centre Masterplan Projects), item 17 (Aberdeen Sports Facilities Strategy), item 18 (Thomas Blake Glover House) from the statement, subject to the decision taken later on today's agenda; and

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- (ii) to otherwise note the updates contained therein.

MOTIONS LIST

7. The Committee had before it the Motions list as prepared by the Head of Legal and Democratic Services.

The Committee resolved:-

to remove item 1 (Motion by Councillor Young – Aberdeen Community Energy – Community Bond Issue) from the motions list.

CHARTER FOR HOUSEHOLD RECYCLING IN SCOTLAND - REFERRAL FROM ZERO WASTE MANAGEMENT SUB COMMITTEE - ZWSC/16/7678

8. The Committee had before it by way of referral a minute extract and report from the Zero Waste Management Sub Committee of 22 November 2016.

The report by the Interim Director of Communities, Housing and Infrastructure provided a review of the Scottish Government's Charter for Household Recycling in Scotland (Recycling Charter) and associated code of practice and their implications for Aberdeen City Council.

The Zero Waste Management Sub Committee resolved, amongst other things to:- recommend to the Finance, Policy and Resources Committee on 1 December 2016 that the Aberdeen City Council signs the Recycling Charter.

The Committee resolved:-

to agree with the Zero Waste Management Sub Committee that Aberdeen City Council signs the Recycling Charter.

ABERDEEN COMMUNITY ENERGY - COMMUNITY BOND ISSUE - MOTION BY THE CONVENER - CHI/16/295

9. With reference to article 13 of the minute of meeting of the Communities, Housing and Infrastructure Committee of 1 November 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided information on the options available to the Council in relation to investing in the Aberdeen Community Energy Community Bond Issue for the Donside Hydro Scheme, Scotland's first urban community hydro project.

The report recommended:-

that the Committee –

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- (a) note the success of Aberdeen Community Energy in progressing the Donside Hydro Scheme, which includes putting in place the relevant capital financing;
- (b) note the existing support the Council is providing to the Tillydrone community through the approved Participatory Budgeting pilots;
- (c) instruct officers from Public Infrastructure & Environment Services to contact Aberdeen Community Energy to discuss options for supporting the landscaping initiatives related to the Donside Hydro Scheme, and report these to a future Communities Housing and Infrastructure Committee; and
- (d) in the event of Aberdeen Community Energy's Bond issue and contingency investment plans for the Donside Hydro Scheme failing to raise the required amount of capital finance, delegate authority to the Head of Finance and Head of Legal and Democratic Services to enter discussions with Aberdeen Community Energy on how the Council could provide financing to the project.

The Committee resolved:-

to approve the recommendations.

CORPORATE GOVERNANCE PERFORMANCE SCORECARD - CG/16/136

10. With reference to article 7 of the minute of the meeting of the Finance, Policy and Resources Committee of 20 September 2016, the Committee had before it a report by the Interim Director of Corporate Governance which presented key performance information for the Corporate Governance Directorate.

The report recommended:-

that the Committee note the performance report for the Corporate Governance Directorate and the information contained therein.

The Convener, seconded by Councillor Malik moved:-

that the Committee approve the recommendation contained within the report and instruct the Depute Chief Executive (Director of Corporate Governance) to bring forward, to the February 2017 meeting of the Committee, a summary report detailing key achievements of the committee since May 2012.

Councillor Dickson, seconded by Councillor Flynn moved as an amendment:-

that the Committee approve the recommendation contained within the report and instruct the Depute Chief Executive (Director of Corporate Governance) to bring forward, to the February 2017 meeting of the Committee, a summary report detailing key achievements and failures of the committee since May 2012.

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On a division, there voted:- for the motion (9) – the Convener and Councillors Allan, Cooney, Crockett, Ironside, Laing, Malik, Milne and Taylor; for the amendment (8) – Councillors Cameron, Dickson, Jackie Dunbar, Flynn, Nicoll, Jennifer Stewart, Townson and Yuill.

The Committee resolved:-

- (i) to adopt the motion; and
- (ii) that officers provide information to Councillor Nicoll in relation to the anomaly in the number of late reports being submitted to Committees.

CHILDREN'S RESIDENTIAL SERVICE REDESIGN, CHILDREN'S SOCIAL WORK - ECS/16/077

11. The Committee had before it a Business Case report by the Director of Education and Children's Services which sought approval for the proposed changes to the Children's Residential Service structure as set out in Appendix 1 of the report, following approval of the report to Education and Children's Services Committee on 17 November 2016 outlining the rationale for the redesign of the service.

The report recommended:-

that the Committee approve the revised structure set out in appendix 2 of the report.

The Committee resolved:-

to approve the recommendation.

COUNCIL GENERAL FUND MONITORING 2016/17 - CG/16/133

12. The Committee had before it a report by the Interim Director of Corporate Governance which (1) provided an opportunity to consider the current financial position and the forecast outturn for the financial year 2016/17; and (2) highlighted assumptions made, areas of risk identified and management action to mitigate these risks.

The report recommended:-

that the Committee –

- (a) note the financial position contained within the report; and
- (b) approve the amendment to the guarantee as stated in Appendix D (confidential paper).

The Convener, seconded by Councillor Malik moved:-

that the Committee –

- (1) note the financial position contained within the report (CG/16/133) and instructs the Head of Finance to bring his influence to bear on all material

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- decisions within all directorates to ensure directorates meet their agreed budget position adopted by Council in February 2016;
- (2) approve the amendment to the guarantee as stated in Appendix D (confidential paper);
 - (3) note the decision by the Scottish Government to set up the Attainment Scotland Fund, and agrees with the Scottish Parliament, that the SNP Scottish Government's decision to collect Aberdeen City Council Tax payers' money and redistribute Aberdeen City Council tax payers' money in the Central Belt and beyond undermines the principal of local accountability and autonomy;
 - (4) note the Audit Commission report prepared by Audit Scotland Local Government in Scotland Financial Overview 2015/16 confirming Aberdeen as the lowest funded council in Scotland; and
 - (5) Instruct officers to fund permanent floodlights at Mile End School from the under spend on the Unitary Charge paid from the 3Rs schools budget this financial year and to look at all other 3R schools.

Councillor Flynn, seconded by Councillor Nicoll moved as an amendment:-
that the Committee

- (1) note the financial position contained within the report (CG/16/133) and instructs the Head of Finance to bring his influence to bear on all material decisions within all directorates to ensure directorates meet their agreed budget position adopted by Council in February 2016;
- (2) approve the amendment to the guarantee as stated in Appendix D (confidential paper);
- (3) Committee notes the decision taken by the Scottish Parliament on 3 November 2016 to implement an increase in council tax for bands E-H from April 2017. Committee agrees that these changes are an improvement upon the current system and will help foster a more fair and equal Scotland. Committee believes that all children, regardless of where they are born and then brought up by their parents/carers, should have access to the best educational opportunities available. Committee therefore commends the Scottish Government's attempts to increase attainment across Scotland and recognises the positive impact which success on this front will have for both Aberdeen and Scotland as a whole;
- (4) note the Audit Commission report prepared by Audit Scotland Local Government in Scotland Financial Overview 2015/16 confirming Aberdeen as the lowest funded council in Scotland; and
- (5) Instruct officers to fund permanent floodlights at Mile End School from the under spend on the Unitary Charge paid from the 3Rs schools budget this financial year and to look at all other 3R schools.

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

The Committee resolved:-

- (i) to adopt the motion; and
- (ii) that officers provide further details to Councillor Nicoll in relation to additional consultant fees regarding the Design Team IT upgrade in Communities, Housing and Infrastructure service.

FCHJU JIVE BUSINESS CASE - CHI/16/258

13. With reference to article 29 of the minute of meeting of Finance, Policy and Resources of 19 April 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which presented the business case for Aberdeen City Council for the Joint Initiative Hydrogen Vehicles Across Europe (JIVE) project – a Fuel Cell Hydrogen Joint Undertaking (FCHJU) funded project which aimed to commercialise hydrogen fuel cell buses in Europe. The project would introduce additional hydrogen buses into Aberdeen City Council's Hydrogen fuel cell bus fleet.

The report recommended:-

that the Committee –

- (a) note the Council's updated project budget in the FCHJU Fuel Cell Commercialisation Project;
- (b) note the project risks around the budget;
- (c) agree the Council's participation and financial contribution of £2,500,000 towards the project subject to:-
 - (1) a Scottish Government financial contribution of £3,000,000;
 - (2) bus operators' agreement and financial contribution;
 - (3) the Council's capital budget review process; and
- (d) note that a decision on Scottish Government funding would not be received until early 2017;

The Committee resolved:-

- (i) to approve the recommendations contained within the report;
- (ii) to instruct the Chief Executive to write to Paul Wheelhouse MSP, Minister for Business, Innovation and Energy, copying in all local Councillors, MP's and MSP's providing them with copies of the report emphasising that without Scottish Government funding this project will be unable to proceed;
- (iii) to instruct officers to engage with the bus companies involved to determine their financial input to the project;

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- (iv) to instruct officers to circulate to members of the Committee any correspondence between Council officers and the Scot Government relating to the financial input of the Scottish Government to the project;
- (v) to instruct officers to circulate to members of the Committee evidence guaranteeing that the FCHJU (EU) money for Aberdeen was guaranteed for Aberdeen only; and
- (vi) to instruct officers to circulate to members of the Committee details relating to BSOG's position.

2016/17 FINANCIAL MONITORING - CORPORATE GOVERNANCE - CG/16/137

14. The Committee had before it a report by the Interim Director of Corporate Governance which advised (1) on the 2016/2017 revenue and capital budget's financial performance for the period to 31 October 2016 for the services within Corporate Governance; and (2) on any areas of risk and management action.

The report recommended:-

that the Committee –

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

The Committee resolved:-

to approve the recommendations.

2016/17 COMMON GOOD FUND - MONITORING REPORT - CG/16/138

15. The Committee had before it a report by the Interim Director of Corporate Governance which outlined the current year's revenue budget performance for the Common Good Fund as at 31 October 2016 and provided a forecast position of the cash balances as at 31 March 2017.

The report recommended:-

that the Committee –

- (a) note the report and the information on management action and risks that was contained therein;
- (b) note the forecast surplus of £137k, a favourable variance of £66k;
- (c) note the estimated cash balances as at 31 March 2017 of £17 million based on current estimates, which was within the recommended levels indicated by the Head of Finance; and
- (d) note the position regarding earmarked reserves.

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The Committee resolved:-

- (i) to approve the recommendations contained within the report; and
- (ii) to agree a grant of £5000 to Balnagask Community Centre to allow them to provide tickets and transport for the Ice Show and Pantomime for children and young people of a variety of ages.

DECLARATIONS OF INTEREST

Councillors Cameron, Milne and Yuill declared an interest in relation to the following item of business by virtue of them being social members of Aberdeenshire Cricket Club. All three Councillors considered that the nature of their interest required them to leave the meeting and they took no part in the Committee's deliberations thereon.

SMALL FINANCIAL ASSISTANCE GRANTS AND GALA FUNDING 2016/17 - CG/16/131

16. The Committee had before it a report by the Interim Director of Corporate Governance which presented recent applications for financial assistance from the financial assistance/gala budget.

The report recommended:-

that the Committee consider the applications received and agree to award funding based on the recommendations contained within the highlighted column in part A of the table below:-

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A: Grant Requests For Consideration							
Requests received :							
From	For	Requested Amount £	Recommended Amount £	Financial Assistance £	Community Gala Grants £	Total £	More Detail
Financial Assistance							
Dancesport Scotland	Northern Trophy Day, hire of Beach Ballroom	850	850	850	-	850	Appendix A
Aberdeenshire Cricket Club	Contribution towards drainage works at Morningside Road Cricket Grounds	4,000	2,500	2,500	-	2,500	Appendix B
Aberdeen Lads Club	Play Talk event	1,700	1,700	1,700		1,700	Appendix C
Intergenerational National Network	10th Year Anniversary Celebration	1,750	1,750	1,750	-	1,750	Appendix D
Community Gala Grants							
No applications received				-		-	
				-		-	
B: For Information							
2016/17 Budget				45,000	10,000	55,000	
Grants Approved to Date				20,927	21,489	42,416	
Budget Remaining						12,584	
Potential Approvals from Above				6,800	-	6,800	
Balance remaining if recommendations approved						5,784	
Approved to date + Recommended Approvals from Table				27,727	21,489	49,216	

The Committee resolved:-

to agree to award small financial assistance grant funding to:-

- Dancesport Scotland - £850;
- Aberdeenshire Cricket Club - £2500;
- Aberdeen Lads Club - £1700;
- Intergenerational National Network - £1750.

FINANCE REGULATIONS, MANAGEMENT AND CONTROL - LOCAL CODE OF PRACTICE UPDATE - CG/16132

17. The Committee had before it a report by the Interim Director of Corporate Governance which outlined the necessary changes to Aberdeen City Council's

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Financial Regulations following approval of the Aberdeen City Procurement Regulations on 7 June 2016.

The report recommended:-

that the Committee –

- (a) approve the updated Aberdeen City Council Financial Regulations as appended to the report; and
- (b) agree to further changes as highlighted through internal and external audit reports without further Committee approval.

The Committee resolved:-

to approve the recommendations.

FINANCING STRATEGY FOR THE CAPITAL PROGRAMMES - CG/16/150

18. The Committee had before it a report by the Interim Director of Corporate Governance which provided details of the outcome of the recent project to obtain a Credit Rating and to secure funding towards the Council's Capital Programmes by issuing bonds up to £370 million in value.

The report recommended:-

that the Committee note the work undertaken and the outcome of the project.

The Committee resolved:-

- (i) to approve the recommendation;
- (ii) to thank officers throughout the Council for their hard work and due diligence in securing the bond;
- (iii) to agree that the Aberdeen the Smarter City programme introduced by the Council in 2012 has contributed significantly to the Council achieving a credit rating AA2 from Moody's and that the issuing of a £370m bond highlights the financial strength of Aberdeen City Council;
- (iv) to agree that the bond allows the Council to part-fund the Capital Programme and assists the Council in moving forward to achieve its objectives in line with the Strategic Infrastructure Plan and Aberdeen the Smarter City;
- (v) to agree that carrying out innovative funding places Aberdeen City Council at the forefront of creative lending solutions and drives Aberdeen City forward as a council for the future;
- (vi) to note the saving to the Council Tax payer of £99.8m; and
- (vii) to note that the Council approved the financial implications of this borrowing having given due consideration to Best Value, Affordability, Investment Strategy, Counterparty List and the Prudential Indicators 2015/16 to 2020/21 at the Council meeting on 17th August 2016.

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RELOCATION POLICY - CG/16/135

19. The Committee had before it a report by the Interim Director of Corporate Governance which sought approval for the implementation of a revised Relocation Policy.

The report recommended:-

that the Committee approve the revised Relocation Policy to replace the existing policy (Relocation Scheme) to be implemented from 1 January 2017.

The Committee resolved:-

to approve the recommendation.

RE-ENROLMENT UPDATE - CG/16/134

20. The Committee had before it a report by the Interim Director of Corporate Governance which provided an update on re-enrolment following implementation at the Council's Re-enrolment date on 1 June 2017.

The report recommended:-

that the Committee note the update on re-enrolment following implementation, including information on the numbers re-enrolled and the number of opt outs from the pension schemes.

The Committee resolved:-

to approve the recommendation.

TWINNING AND INTERNATIONAL PARTNERSHIPS - OCE/16/039

21. The Committee had before it a report by the Chief Executive which presented applications received for financial assistance from the International Twinning Budget 2016-2017.

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The report recommended:-

that the Committee –

approve the following grants from the International Twinning Budget 2016-2017 -

- (a) a contribution of £500 towards a student from the University of Aberdeen undertaking a medical elective in Bulawayo, January-March 2017; and
- (b) a contribution of £4,000 towards delegates from Aberdeen participating in a literary festival in Regensburg, March 10-13 2017;

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) that in relation to (a) above, that officers make a request to the student to pay a visit (if possible) to other Council supported projects in Bulawayo and provide feedback to the Committee in this regard.

DECLARATIONS OF INTEREST

Councillor Dickson declared an interest in the following item of business by virtue of their position as Council appointed Directors to the Board of Sport Aberdeen but chose to remain in the meeting as Sport Aberdeen was a body being a company established wholly or mainly for the purpose of providing services to the local authority, and which had entered into a contractual arrangement with the local authority for the supply of goods and/or services to the local authority, as set out in paragraph 5.18(2)(d)(i) and (ii) of the Councillors' Code of Conduct.

The Convener and Councillor Cameron declared an interest in relation to the following item by virtue of them both being Council appointed Board Members of Aberdeen Sports Village, the Convener considered that the nature of his interest did not require him to leave the meeting, however Councillor Cameron chose to leave the meeting and to no part in the deliberations thereof. Councillor Copland substituted for Councillor Cameron for this item only.

Councillor Taylor declared an interest in relation to the following item of business by virtue of her being a Council appointed member of Aberdeen Snow Sports Centre. She considered that the nature of her interest did not require her to leave the meeting.

ABERDEEN SPORTS FACILITIES STRATEGY

22. The Committee had before it a report by the Director of Education and Children's Services which outlined the Active Aberdeen Partnership's Sports Facility Strategy

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2016-2026 for the city, incorporating feedback received following the consultation process.

The report recommended:-

that the Committee -

- (a) note the feedback received by the Active Aberdeen Partnership during the consultation process with relevant agencies and stakeholders;
- (b) note the final version and adopt this Sports Facilities Strategy for incorporation into the city planning framework;

The Committee resolved:-

- (i) to approve the recommendations contained within the report;
- (ii) that in relation to Aberdeen Snow Sports Centre, that officers provide information to Councillor Townson regarding the position of investors other than the Council; and
- (iii) that any significant changes or updates to the strategy be reported back to the Committee.

EU FUNDING IMPLICATIONS POST BREXIT - CHI/16/268

23. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided an update on the implications of Brexit to the Council's existing EU funding projects, and future access to EU funding as part of the wider External Funding Plan.

The report recommended:-

that the Committee -

- (a) note the response by officers in response to the Brexit decision; and
- (b) support continued cooperation with existing EU partnerships.

The Committee resolved:-

to approve the recommendations.

TACKLING FOOD POVERTY - UPDATE REPORT - CHI/16/283

24. With reference to article 16 of the minute of the previous meeting of 20 September 2016, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided information on how the Council can help to ensure no child is exposed to hunger during the school holidays.

The report recommended:-

that the Committee –

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- (a) agree that Aberdeen City Council pilots a child food poverty holiday meals programme in the Easter and Summer school holidays 2017;
- (b) agree that there is not an existing budget allocation for this so costs are developed for inclusion in the 2017/18 budgeting process;
- (c) agree that a detailed plan is brought back to committee in February 2017 for approval; and
- (d) agree that a response to Rt Hon Frank Field is made on the basis that Aberdeen City Council is committed to piloting child holiday meal provision during 2017.

The Committee resolved:-

to approve the recommendations.

MEMORANDUM OF UNDERSTANDING FOR ADDITIONAL £254M INVESTMENT - CHI/16/275

25. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which provided details of the Memorandum of Understanding for the £254m additional investment from the Scottish Government, which was announced in addition to the joint UK Government and Scottish Government funding of the Aberdeen City Region Deal.

The report recommended:-

that the Committee –

- (a) approve the Memorandum of Understanding (MOU) for the Aberdeen City Region Deal Additional Investment (Appendix 1 of the report), subject to:-
 - (1) approval of the MOU by Aberdeenshire Council;
 - (2) approval of the MOU by the Scottish Government; and
- (b) delegate authority to the Chief Executive following consultation with the Head of Legal & Democratic Services and the Head of Finance to agree non-material amendments as required due to any changes requested by other parties to the agreement or any amendments which would improve or further safeguard the Council's position, all prior to its signature by a proper officer.

The Convener, seconded by Councillor Malik moved:-

that the Committee -

- (1) note the content of the report;
- (2) note that Keith Brown MSP, Cabinet Secretary for the Economy, Jobs and Fair Work indicated at the announcement of the City Deal in January 2016 that the additional funding was to improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt, upgrading the rail line in the Montrose Basin;
- (3) instruct the Chief Executive to write to the First Minister seeking clarification around the proposed £200m rail link fund seeking confirmation if it is still the Scottish Government's intention to upgrade the

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rail line in the Montrose Basin and if not ask the First Minister to confirm if any of the £200m will be spent within the Aberdeen and/or Aberdeenshire; and

- (4) agree that a further report be brought to the next Finance, Policy and Resources Committee along with any amended Memorandum of Understanding following receipt of clarification from the First Minister.

Councillor Yuill, seconded by Councillor Dickson moved as an amendment:-
that the Committee -

- (1) approve the recommendations contained within the report;
- (2) note that Keith Brown MSP, Cabinet Secretary for the Economy, Jobs and Fair Work indicated at the announcement of the City Deal in January 2016 that the additional funding was to improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt, upgrading the rail line in the Montrose Basin;
- (3) instruct the Chief Executive to write to the First Minister seeking clarification around the proposed £200m rail link fund seeking confirmation if it is still the Scottish Government's intention to upgrade the rail line in the Montrose Basin and if not ask the First Minister to confirm if any of the £200m will be spent within the Aberdeen and/or Aberdeenshire; and
- (4) agree that a further report be brought back to the Finance, Policy and Resources Committee on the response received from the Scottish Government.

On a division, there voted:- for the motion (9) – the Convener and Councillors Allan, Crockett, Grant, Ironside, Laing, Malik, Milne and Taylor; for the amendment (7) – Councillors Cameron, Dickson, Jackie Dunbar, Flynn, Nicoll, Townson and Yuill.

The Committee resolved:-

to adopt the motion.

In terms of Standing Order 36(3), Councillor Dickson intimated he would like this matter to be referred to full Council in order for a final decision to be taken. Councillor Dickson was supported by Councillors Cameron, Jackie Dunbar, Flynn, Nicoll, Townson and Yuill.

At this juncture the Clerk intimated that in terms of Standing Order 17(6) Committee meetings shall only continue after five hours from commencement if a decision to that effect is taken by the Committee. The Committee agreed unanimously to continue the meeting following a 15 minute recess.

In accordance with the decision recorded under article 3 of this minute, the

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following items were considered with the press and public excluded.

COUNCIL GENERAL FUND MONITORING 2016/17 - APPENDIX D

26. The Committee had before it an appendix relating to the General Fund Monitoring 2016/17 report referred to at article 12 of this minute.

The Committee resolved:-
to note the appendix.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as a delay may reduce the Aberdeen City Council and the operators opportunities to discuss and consider improvements that would enhance the customer experience at the new venue through internal layout and design and that a decision was required to allow the transition from the existing to new venue to be undertaken at the nearest available opportunity.

PROCUREMENT FOR THE OPERATION AND MANAGEMENT OF THE EXISTING AND NEW ABERDEEN EXHIBITION AND CONFERENCE CENTRE (AECC) - CHI/16/202

27. The Committee had before it a report by the Interim Director of Corporate Governance which provided details of the preferred operator and management of the existing and new AECC and sought approval to award the contract to the successful participant, outlining the procurement and evaluation process undertaken and financial implications to minimise the operational costs to the Council.

The report recommended:-
that the Committee –

- (a) to note the results of the competitive dialogue tendering exercise for the operation and management of the existing and new AECC;
- (b) to approve the appointment of SMG Europe as the operator of the existing and new AECC;
- (c) to delegate to the unanimous approval to the Head of Legal and Democratic Services, in agreement with the Interim Depute Chief Executive (Director of Corporate Governance) and Head of Finance, the negotiation and approval of the contract documents noted below, and any other contracts, letters or documents which are required to be signed and/or sealed in connection with the

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appointment of the operator of the existing and new AECC on such terms and conditions, consistent with the key legal and commercial terms referred to above, as they think fit. The contract documents referred to above are:-

- (1) the Transitional Agreement
- (2) the Concessionary Agreement; and
- (d) to approve the financial commitment of £1.27m per year for 2017/18 and 2018/19 for the operation and management of the existing venue.

The Committee resolved:-

to approve the recommendations.

At this juncture, the Convener proposed that the meeting be adjourned and that all the remaining reports on the agenda be considered at the reconvened meeting on 7 December 2016. This was unanimously agreed by the Committee.

- COUNCILLOR YOUNG, CONVENER