

Finance and Resources Committee

ABERDEEN, 2 November 2022. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Blake (as substitute for Councillor Watson), Cooke, Fairfull, Farquhar, Grant, Greig, Hutchison, Macdonald, Massey (as substitute for Councillor Houghton), Nicoll and Radley.

The agenda and reports associated with this minute can be found [here](#).

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.

ANNOUNCEMENT

1. At the commencement of the meeting, the Convener made reference to the recent £6.1M Capital funding received from the Scottish Government to assist with the Council's housing voids and to accommodate Ukrainians/refugees who were currently located within Aberdeen City, which would also have a long-term benefit for the Council's housing revenue stock.

DETERMINATION OF EXEMPT BUSINESS

2. The Convener proposed (1) that the Committee consider item 9.1 (Verbal Update on Stoneywood Mill and Belmont Cinema) with the press and public excluded from the meeting; and (2) that the verbal update would be provided immediately prior to item 6.1 on the agenda.

The Committee resolved:-

- (i) in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the above item so as to avoid disclosure of information of the classes described in paragraph 6 of Schedule 7(A) to the Act; and
- (ii) to note that item 9.1 (Verbal Update on Stoneywood Mill and Belmont Cinema) would be taken immediately prior to Item 6.1 on the agenda.

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

3. Members were requested to intimate any declarations of interest or transparency statements in respect of the items on today's agenda, thereafter the following were intimated:-

- (1) Councillor Cooke advised that he had a connection in relation to agenda item 7.1 (Council Financial Performance – Quarter 2, 2022/23) by virtue of him being an observer member on the Board of Sport Aberdeen, however having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting;

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- (2) Councillor Macdonald advised that she had a connection in relation to agenda items 6.1 (Notice of Motion by Councillor Macdonald – Stoneywood Mill) and 9.1 (Verbal Update on Stoneywood Mill and Belmont Cinema) by virtue of her being a member of Unite the Union, however having applied the objective test, she did not consider that she had an interest and would not be withdrawing from the meeting; and
- (3) Councillor Grant advised that he had a connection in relation to agenda items 6.1 (Notice of Motion by Councillor Macdonald – Stoneywood Mill) and 9.1 (Verbal Update on Stoneywood Mill and Belmont Cinema) by virtue of him being a member of Unite the Union, however having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.

MINUTE OF MEETING OF CITY GROWTH AND RESOURCES COMMITTEE OF 21 SEPTEMBER 2022

4. The Committee had before it the minute of meeting of the City Growth and Resources Committee of 21 September 2022.

The Committee resolved:-

to approve the minute.

COMMITTEE PLANNER

5. The Committee had before it the Committee Business Planner prepared by the Interim Chief Officer - Governance.

The Committee resolved:-

- (i) to remove item 47 (Impact on Aberdeen of Scottish Government Funding), item 49 (Living Well) and 57 (Alpens East Waste and Recycling Centre) from the planner for the reasons outlined therein;
- (ii) to transfer item 56 (Queen Street – Outline Business Case) to the Council Planner for the reason outlined therein;
- (iii) to retain item 54 (Tillydrone Primary School) and item 55 (Housing Capital Council Led New Build Projects) on the planner until the next meeting of the Committee, in order for members to have oversight of the combined Capital Programme Report, following which members could consider the removal of the aforementioned items;
- (iv) to note the update provided by the Chief Officer – Corporate Landlord in relation to item 52 (City Centre Multi Storey Blocks – Option Appraisal), noting that a report would be submitted in early 2023;
- (v) to request that the Interim Chief Officer – Governance liaise with Group Leaders on the arrangements for a potential briefing session for all interested members of the Council on the new Committee Terms of Reference document approved by Council recently as part of the Review of the Scheme of Governance; and

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- (vi) to otherwise note the content of the Committee Planner.

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

TRANSPARENCY STATEMENT

At this juncture, Councillor Greig advised that he had a connection in relation to the following item of business by virtue of him being a Trustee of Aberdeen Performing Arts. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.

VERBAL UPDATE ON STONEYWOOD MILL AND BELMONT CINEMA

6. The Committee heard from the Chief Officer – City Growth who provided an update on Stoneywood Mill and Belmont Cinema.

The Committee resolved:-

to note the verbal update provided by the Chief Officer – City Growth.

NOTICE OF MOTION BY COUNCILLOR MACDONALD - STONEYWOOD MILL

7. The Committee had before it a Notice of Motion by Councillor Macdonald in the following terms:-

“That the Committee:-

- (1) notes the announcement on 22 September that Stoneywood Mill has been put into Administration, and that over 300 staff have been made redundant;
- (2) recalls the actions taken by the City Council working with Scottish Ministers and other partners in 2019, to prevent such an outcome at Stoneywood Mill by supporting a management buy-out;
- (3) commends the workforce and its trade union Unite for their commitment to the Mill and their continuing efforts to protect jobs and to sustain the dynamism and diversity of the local economy in Aberdeen;
- (4) recognises in particular the impact on the local communities on Donside, where Stoneywood Mill has been a major employer for over 250 years; and
- (5) commits to working with Unite, Scottish Ministers and other partners to secure the best possible outcome for the business and its workforce and calls for an urgent report from the Chief Officer - City Growth at the earliest opportunity to outline options available including taking Stoneywood Mill into public ownership.”

Councillor Macdonald moved her motion and explained the rationale behind her request.

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The Committee resolved:-

- (i) approve points (1), (2), (3) and (4) above;
- (ii) note that the initial sale of business deadline passed on October 14, 2022, without Interpath Advisory, the Administrators, identifying any deliverable transaction to secure the sale of Stoneywood Mill as an operational facility;
- (iii) note that Scottish Enterprise has supported the company in the period up to its entering administration in October 2022, including by exploring all options for its continued operation;
- (iv) acknowledge the work by trade unions, Skills Development Scotland and its partners, including Aberdeen City Council and Business Gateway, in delivering the Partnership Action for Continuing Employment (PACE) response to provide direct and immediate support to help the affected employees access new training and jobs and that this support should continue; and
- (v) note the verbal update provided at this meeting by the Chief Officer – City Growth.

NOTICE OF MOTION BY COUNCILLORS BOULTON, BOUSE, HENRICKSON, HUTCHISON AND MACDONALD - BELMONT CINEMA

8. The Committee had before it a Notice of Motion by Councillors Boulton, Bouse, Henrickson, Hutchison and Macdonald, in the following terms:-

“That the Committee:-

- (1) notes the announcement on 6 October 2022 that the Centre for the Moving Image (CMI), the charity that operated The Belmont Cinema in Aberdeen has gone into Administration with the loss of 22 jobs;
- (2) acknowledges the efforts of staff at the Belmont Cinema in contributing to the cultural offering of the city;
- (3) agrees that the Belmont Filmhouse plays a number of important roles supporting accessible and inclusive cultural cinema across the North East, while also making significant contributions to people's lives in local communities in Aberdeen;
- (4) notes that Aberdeen City Council owns the property that the Belmont Cinema operated from;
- (5) notes that the Chief Officer - City Growth is in contact with the administrators, the Save the Belmont Cinema campaign group, Creative Scotland, Scottish Government and other stakeholders to explore whether there are potential options for the sustainable operation of the Belmont Cinema; and
- (6) instructs the Chief Officer – City Growth to report back to the next appropriate committee on any developments and the implications for the Council.”

The Committee resolved:-

to adopt the motion.

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COUNCIL FINANCIAL PERFORMANCE - QUARTER 2, 2022/23 - RES/22/247

9. The Committee had before it a report by the Director of Resources which provided details of the financial position of the Council as at Quarter 2 (30 September 2022) and the full year forecast position for the financial year 2022/23, including:-

- General Fund and Housing Revenue Account (HRA) and capital accounts; and associated Balance Sheet; and
- Common Good revenue account and Balance Sheet.

The report recommended:-

that the Committee –

- (a) note the positive cash position that has been achieved for the General Fund and HRA to the end of Quarter 2 as detailed in Appendix 1;
- (b) note the Common Good financial performance to the end of Quarter 2 as detailed in Appendix 3, specifically the £3.7m reduction in cash balances due to investment volatility;
- (c) note that the General Fund full year forecast position, as detailed in Appendix 2, is expected to show a deficit of £4.4m for 2022/23, and that the Chief Officer – Finance is instructing that budget holder act to delay, stop or reduced expenditure wherever possible to mitigate this deficit; and note that any remaining deficit will be mitigated from the use of earmarked reserves;
- (d) note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget, making a contribution to HRA reserves for 2022/23;
- (e) note that the Council relies on the Integration Joint Board (IJB) achieving a balanced budget, and that the IJB retains reserves to mitigate unplanned additional costs arising during the year; and
- (f) note that the forecast for General Fund and Housing capital expenditure is that there will be lower spend than had been budgeted in 2022/23 as described in Appendix 2.

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

that the Committee approve the recommendations contained within the report.

Councillor Grant, seconded by Councillor Macdonald, moved as an amendment:-

That the Committee:-

- (1) note the officer recommendations at 2.1 to 2.6 and thanks officers for presenting a positive cash position up to the Quarter 2 period;
- (2) note the challenges highlighted within the report which are contributing to budget pressures and the instruction by the Chief Officer – Finance to service budget holders to act to delay, stop or reduce expenditure wherever possible to mitigate the reported deficit;
- (3) agree that members require to be advised, through a Service Update from the Chief Officer - Finance, of the implications of this instruction and the methodology for determining what expenditure will be delayed, stopped or

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- reduced and where this is most likely to occur. Instructs the Chief Officer - Finance to include within the Quarter 3 Financial Performance report to the February meeting of the Committee, a summary of the impact this instruction has had on the financial position and service delivery; Agrees that in relation to recommendation 2.3, the Chief Officer – Finance consults with the Convenor and Vice-Convenor of the Finance and Resources Committee where any such proposal to delay, stop or reduce expenditure risks having a materially adverse impact upon a council service;
- (4) note the significant role that Aberdeen City continues to play in providing refuge and much needed support to many Ukrainian families and that on 3 August 2022, the City Growth and Resources Committee agreed to Aberdeen Labour’s request to add the following:
In light of the longer term proposals to accommodate these citizens, instruct the Chief Officer – Early Intervention & Community Empowerment to prepare a report on the wider supply of critical services and opportunity for Ukrainian citizens to ensure that sufficient supply is available and Ukrainian citizens have access to good quality living and access to opportunity.
- (5) note that officers have highlighted in the report that this support has contributed to an increase in demand for Council services and instructs the Chief Officer - Finance to establish the overall cost of coping with this increased demand and seek support from both the Scottish and UK Governments to help offset this cost pressure;
- (6) note that the First Minister Nicola Sturgeon MSP has recommitted to expanding free school meals for P6/7 pupils within the programme for government after failing to implement the policy by their previous timescales. Notes that in August 2022, SNP and Liberal Democrat Councillors refused to support Aberdeen Labour’s call to re-appraise the original estimate of £11 million of capital funding required to expand school catering, dining facilities and equipment in order to ensure that it can implement the expansion. Agrees, in light of current pressures on the Council’s budget, to instruct the Chief Officer – Corporate Landlord to proceed with the re-appraisal, submit this to the Scottish Government and seek an urgent update from the Scottish Government on the timescales for implementation; and
- (7) note with concern the “new risks around capital projects” (page 60 of the agenda) which have been highlighted which cast further doubt into the Administration’s commitment to delivering on their suite of new infrastructure pledges and , in line with previous information contained in the Medium Term Financial Strategy, expect the detail of their plans to be set out in their budget proposals at the Council Budget Meeting on 7 March 2023.

On a division, there voted:- for the motion (8) – the Convenor, the Vice Convenor and Councillors Cooke, Fairfull, Greig, Hutchison, Nicoll and Radley; for the amendment (5) – Councillors Blake, Farquhar, Grant, Macdonald and Massey.

The Committee resolved:-

- (i) to approve the motion;

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- (ii) to note that the Chief Officer – Finance agreed to circulate to members, details of the pre-pandemic figures compared to the current year in respect of car parking income (on and off street); and
- (iii) to note that in relation to the rising costs of supplies and materials in the building/construction sector, the Chief Officer – Finance would consider how best the impact in real terms for tenants could be captured as part of the budget setting process.

FOOTDEE BUS SERVICES - COM/22/254

10. With reference to article 6 of the minute of meeting of the City Growth and Resources Committee of 21 September 2022, the Committee had before it a report by the Director of Commissioning which provided details on the outcome of the meeting between First Aberdeen, the Convener and Vice Convener of the Finance and Resources Committee and the local members for the George Street/Harbour Ward regarding local bus services for Footdee.

The report recommended:-

that the Committee note the discussion at the meeting between the Council and First Aberdeen and the proposed local bus service provision for Footdee, as outlined in the report.

The Committee resolved:-

to approve the recommendation.

- **COUNCILLOR ALEX MCLELLAN, Convener**