

Finance and Resources Committee

ABERDEEN, 17 May 2023. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Crockett, Fairfull, Farquhar, Greig, Hutchison, Macdonald, Massey (as substitute for Councillor Houghton), Nicoll, Radley, van Sweeden (as substitute for Councillor Cooke) and Watson.

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.

DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that the Committee consider item 14.1 (Work Plan and Business Cases – Exempt Appendices), item 14.2 (Newhills Additional Primary School Provision – Exempt Appendix) and item 14.3 (Belmont Cinema and Media Centre Options – Exempt Appendices) with the press and public excluded from the meeting.

The Committee resolved:-

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 items so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act:- articles 14 and 15 (paragraph 8) and article 16 (paragraph 9).

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

2. 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 Watson declared an interest in relation to agenda item 11.1 (Regional Economic Strategy) by virtue of him being a member of the Trade Union Congress. He considered that the nature of his interest would require him to leave the meeting prior to consideration of the item; and
- (2) Councillor Macdonald advised that she had a connection in relation to agenda item 12.1 (Belmont Cinema and Media Centre Options) by virtue of her being an Advisor to the Save the Belmont Campaign. Having applied the objective test, she did not consider that she had an interest and would not be withdrawing from the meeting.

MINUTE OF PREVIOUS MEETING OF 29 MARCH 2023

3. The Committee had before it the minute of meeting of the Finance and Resources Committee of 29 March 2023.

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The Committee resolved:-

- (i) that with reference to article 4(iv) of the minute, in relation to Marywell to A956 Wellington Road – Cycle Path (RCD5394) 19/20, to instruct the Chief Officer – Strategic Place Planning to circulate details of the current costs of the project to all members of the Committee; and
- (ii) to otherwise approve the minute as a correct record, subject to amending article 7(e) by replacing the words ‘Benholms Gateway project’ with ‘Benholms Tower project’.

COMMITTEE PLANNER

4. The Committee had before it the Committee Business Planner prepared by the Interim Chief Officer – Governance (Legal).

The Committee resolved:-

- (i) to note the reasons for deferral in relation to item 5 (School Estate Plan: Hazlehead/Countesswells Secondary School Provision – Outline Business Case), item 9 (Proposals for Investment for Works at Riverbank School to Accommodate the Relocation of St. Peter’s School) and item 10 (Craighill and Kincorth Housing Delivery); and
- (ii) to otherwise note the Planner.

NOTICE OF MOTION BY COUNCILLOR BOULTON

5. With reference to the minute of meeting of the Council of 26 April 2023, the Committee had before it a Notice of Motion by Councillor Boulton in the following terms:-

That the Committee agrees to:-

- (1) (a) instruct the Chief Officer - Commercial and Procurement to delay the award of a construction contract until 2024/25, at the earliest, the following elements of the Beach Master Plan subject to the Full Business Cases being approved:-
 - The Urban Park, Events Park and Broadhill, shifting up to £13m of Capital expenditure from 2023/24 to future years;
 (b) instruct the Chief Officer - Commercial and Procurement to continue to work with partners, Sport Aberdeen, Transition Extreme, Aberdeen Football Club, and the water sport clubs to attract additional funding for these elements within the Beach Master Plan; and
 (c) instruct the Chief Officer - Commercial and Procurement to continue improvements to lighting, railings and renovate the existing play park at the Beach.
- (2) instruct the Director of Resources to focus on the delivery of projects contained within the approved city centre masterplan encouraging footfall back onto Union Street and the surrounding city centre area including Queen Street, Castlegate, Union Street East, Union Street West and to continue to work with property owners and developers to encourage the reuse of the buildings on Union Street through

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ongoing supports such as the affordable housing wavier, the Conservation Area Regeneration Scheme (CARS) and the upcoming bid for Heritage Lottery and Historic Environment Scotland funding;

(3) note the £780,000 reduction in capital financing costs in the 2023/24 General Fund revenue budget created by the implementation of the recommendations above; and therefore:-

- instruct the Director of Customer to reverse the library closures at Cornhill, Cults, Northfield, Ferryhill, Woodside and Kaimhill, (£280k);
- instruct the Director of Commissioning to reverse the cut to Cultural Grants (£163k); and
- subject to the submission of a Full Business Case to the Director of Resources from the relevant organisations, and thereafter approval of these business cases by the Finance and Resources Committee, allocate the following capital grants in principle:-
 - capital funding to Castlegate Arts of £300k for work required on the Art Centre and to contribute to attracting match funding;
 - capital funding to Aberdeen Performing Arts (APA) for the redevelopment of the Lemon Tree of £2m over two years to be match funded;
 - capital funding to The OpenSpace Trust for the redevelopment of the East Kirk of £2m over two years to be match funded; and
 - capital funding to Sport Aberdeen of £2m over two years.

Councillor Boulton moved her Notice of Motion and explained the rationale behind her request. Councillor Massey seconded the Notice of Motion.

The Convener seconded by Councillor Greig, moved as an amendment:-
that the Committee take no action.

Councillor Crockett, seconded by Councillor Macdonald, moved as a further amendment:-

that the Committee:-

- (1) instruct the Director of Customer to reverse the library closures at Cornhill, Cults, Northfield, Ferryhill, Woodside and Kaimhill, (£280k);
- (2) agree Council Group Leaders will meet with Sport Aberdeen to ensure that Bucksburn Pool stays open or re-open; and
- (3) agree that the necessary funding come from contingencies.

In terms of Standing Order 29.19, a division between the motion and the amendment by the Convener was undertaken.

On a division, there voted:- for the motion (0); for the amendment by the Convener (8) – the Convener, the Vice Convener and Councillors Fairfull, Greig, Hutchison, Nicoll, Radley and van Sweeden; declined to vote (5) – Councillors Crockett, Farquhar, Macdonald, Massey and Watson.

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The Committee resolved:-

to adopt the amendment.

NOTICE OF MOTION BY COUNCILLOR CROCKETT

6. With reference to the minute of meeting of the Council of 26 April 2023, the Committee had before it a Notice of Motion by Councillor Crockett in the following terms:-

That the Committee agrees to:-

- (1) note the position with regards to Bucksburn Pool;
- (2) commend the community for their public spirited fight to keep Bucksburn Pool open; and
- (3) agree all four group leaders should seek a joint meeting with the Chief Executive of Sport Aberdeen to ensure that the pool remains open given the community have identified funding.

Councillor Crockett moved his Notice of Motion and explained the rationale behind his request. Councillor Macdonald seconded the Notice of Motion.

The Convener seconded by Councillor Greig, moved as an amendment:-
that the Committee take no action.

On a division, there voted:- for the motion (5) – Councillors Crockett, Farquhar, Macdonald, Massey and Watson; for the amendment (8) – the Convener, the Vice Convener and Councillors Fairfull, Greig, Hutchison, Nicoll, Radley and van Sweeden.

The Committee resolved:-

to adopt the amendment.

In terms of Standing Order 34.1, Councillor Crockett intimated that he would like this matter to be referred to full Council in order for a final decision to be taken. Councillor Crockett was supported by Councillors Farquhar, Macdonald, Massey and Watson.

COUNCIL FINANCIAL PERFORMANCE - QUARTER 4, 2022/23 - RES/23/148

7. The Committee had before it a report by the Director of Resources which provided the full year actual financial position of the Council against budget for the financial year 2022/23, including:-

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

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The report recommended:-

that the Committee –

- (a) note the unaudited final outturn position for financial year 2022/23 as detailed in Appendix 1;
- (b) note that the General Fund has recorded an operational deficit of £2.083m for the year 2022/23, which has been funded from the Earmarked sum set aside for Covid Resilience. The uncommitted General Fund reserve remains in line with the approved Reserves Policy;
- (c) note that the Housing Revenue Account has recorded a surplus of £0.500m for the year, in line with budget and increasing the uncommitted working balance for use in future years;
- (d) note that the Common Good has recorded an operating surplus of £0.049m for the year. After investment valuation changes and capital receipts are included total cash balances decreased by £1.248m;
- (e) approve the various transfers for 2022/23, between Council Reserves and Earmarked sums for the General Fund, Housing Revenue Account, Common Good and Statutory Funds as of 31 March 2023, as detailed in Appendix 1;
- (f) approve the reprofiling of the 2023/24 – 2026/27 capital programmes to take account of the year end position and that the outcome of this is incorporated into the 2023/24 Quarter 1 reporting; and
- (g) note that the unaudited Annual Accounts for 2022/23 were presented to Audit, Risk and Scrutiny Committee on 11 May 2023, including the Annual Governance Statement and Remuneration Report for the year.

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) note that the Chief Officer – Finance would circulate comparative data from other local authority areas in relation to long term absences.

WORK PLAN AND BUSINESS CASES - COM/23/136

8. The Committee had before it a report by the Director of Commissioning which presented procurement work plans where expenditure was included for the Commissioning, Customer and Resources Functions for review and sought approval of the total estimated expenditure for the proposed contracts as contained in the Procurement Business Cases appended to the report.

The procurement business cases related to the following:-

- Webcasting;
- Christmas Village;
- Delivery of Spectra 2024;
- Digital Alarm Receiving Centre (ARC) Platform;
- Blue Prism Platform Licences;

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- Mobile Estate;
- Early Payment Service; and
- Vacant Properties Repairs & Maintenance

The report recommended:-

that the Committee –

- (a) review the workplan as detailed in the Appendices for the Customer, Operations and Resources Functions;
- (b) approve the procurement business cases, including the total estimated expenditure for the proposed contract;
- (c) approve the estimated annual expenditure for framework agreements within financial year 2023-24 as detailed within the appendices; and
- (d) note the content of Appendix 3 - 3.10 Memos (Exemption Urgency).

The Committee resolved:-

to approve the recommendations.

NEWHILLS ADDITIONAL PRIMARY SCHOOL PROVISION - RES/23/144

9. With reference to article 14 of the minute of meeting of the Education Operational Delivery Committee of 8 September 2022, the Committee had before it a report by the Director of Resources which provided details of the preferred design option for the new school at Newhills.

The report recommended:-

that the Committee –

- (a) note and endorse the preferred design option which will be an exemplar school for net zero and green credentials;
- (b) instruct the Chief Officer – Corporate Landlord to report back to a future meeting of the Finance and Resources Committee in 2024 with the Full Business Case; and
- (c) refer this report for noting to the Education and Childrens Services Committee in July 2023.

The Convener, seconded by Councillor Greig, moved:-

that the Committee approve the recommendations contained within the report.

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

that the Committee:-

- (1) congratulate the current administration for opening two new schools in Milltimber and Countesswells built by the previous administration, noting that Torry and Tillydrone will soon be added to the list of new schools commissioned and built by the Labour-led administration;
- (2) approve recommendations (b) and (c);

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- (3) note the expected capital costs for this project [*exempt information redacted under Schedule 7A, paragraph 8 of the Local Government (Scotland) Act 1973 relating to the Proposed Expenditure on Contracts*];
- (4) note the report highlights that the estimated energy running costs are indicating a possible further 10.5% reduction under option 3, despite the claim that the preferred option (option 2) is for an exemplar school for net zero and green credentials; and
- (5) agree that the Finance and Resources Committee requires strong evidence of the net zero and green credentials outlined in this report to be detailed within the Full Business Case in 2024.

On a division, there voted:- for the motion (10) – the Convener, the Vice Convener and Councillors Fairfull, Farquhar, Greig, Hutchison, Massey, Nicoll, Radley and van Sweeden; for the amendment (3) – Councillors Crockett, Macdonald and Watson.

The Committee resolved:-

to adopt the motion.

CAPITAL PROGRAMME DELIVERY: PROJECTS UPDATE - RES/23/137

10. With reference to article 9 of the minute of meeting of 1 February 2023, the Committee had before it a report by the Director of Resources which summarised the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts; and highlighted those issues considered worthy of particular note which were specific to individual programmes/projects.

The report recommended:-

that the Committee note the status of delivery of the Section 3 highlighted programmes/projects contained within the approved Capital Programme.

The Convener, seconded by Councillor Greig, moved:-

that the Committee approve the recommendations within the report.

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

that the Committee:-

- (1) approve the recommendation contained within the report;
- (2) agree that the Chief Officer – Corporate Landlord reports to the Finance and Resources Committee on 13 September 2023, or sooner, providing:-
 - (a) an update on the leasing of the Burns Pavilion and the Union Street Pavilion in Union Terrace Gardens; and
 - (b) an update on the S75 agreement payments and what this means in relation to funding and other commitments around Countesswells Primary School;

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- (3) note that Capital contingencies will have to be used with regard to Bucksburn School; agrees that the Committee should make decisions around cost pressures; and that Chief Officer – Finance provides details of the budget that will be needed from Capital contingencies for the project, in the Council Financial Performance 2023/24 Q1 report, so the Committee can make a decision;
- (4) commend the previous Administration for the council homes built, in delivering as part of its 2,000 council house project, in direct contrast to this Administration's desertion of the council house building programme; and
- (5) agree it is essential that good quality council housing is delivered on both the Craighill and Kincorth sites and should be built to Gold, or above, standard.

On a division, there voted:- for the motion (8) – the Convener, the Vice Convener and Councillors Fairfull, Greig, Hutchison, Nicoll, Radley and van Sweeden; for the amendment (5) – Councillors Crockett, Farquhar, Macdonald, Massey and Watson.

The Committee resolved:-

- (i) to adopt the motion;
- (ii) that in relation to the new Mortuary at Aberdeen Royal Infirmary (ARI), to note that the Director of Resources would liaise with colleagues from the Integrated Joint Board to determine whether data/analysis around the public parking at the ARI site had been undertaken, and if so, whether it could be obtained and circulated to members of the Committee via email;
- (iii) that in relation to Union Terrace Gardens, to note that the Chief Officer – Corporate Landlord would circulate details of the public toilet opening hours to members of the Committee via email, including how this information would be articulated to members of the public; and
- (iv) note that the Director of Resources would arrange to circulate an update on the improvement works associated with King George VI Bridge and the Bridge of Dee by way of email.

At this juncture, in accordance with Article 2 of this minute, Councillor Watson left the meeting prior to consideration of the following item of business and Councillor Tissera joined the meeting as his substitute.

REGIONAL ECONOMIC STRATEGY - COM/23/150

11. With reference to article 5 of the minute of the previous meeting of 29 March 2023, the Committee had before it a report by the Director of Commissioning which presented the draft Regional Economic Strategy (RES) for approval and provided an update on the process for the delivery of Investment Zones in the North East.

The report recommended:-

that the Committee –

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- (a) approve the draft RES as the strategic framework for economic growth in the North East of Scotland subject to approval of the Strategy by Aberdeenshire Council and Opportunity North East (ONE);
- (b) note the proposed changes to the Regional Economic Partnership (REP) in the Strategy and approves the proposed Terms of Reference in section 3.18 subject to approval by Aberdeenshire Council and ONE;
- (c) appoint a Co-Leader of the Council to be the Council's representative on the REP; and
- (d) note the update on the process to deliver Investment Zones in Scotland and instructs the Chief Officer – City Growth to provide an update to the July Committee on the application process if the relevant guidance has been published.

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

that the Committee –

- (1) approve the recommendations contained within the report;
- (2) appoint Councillor Yuill as the Council representative on the REP; and
- (3) instruct the Chief Officer - City Growth to discuss with Aberdeenshire Council and ONE the potential inclusion of a regional Trade Union representative on the proposed Regional Economic Partnership, noting that this will not delay approval of the RES and the workplan.

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

that the Committee –

- (1) approve recommendations 2.1, 2.3 and 2.4 within the report; and
- (2) note the proposed changes to the REP in the Strategy and approve the proposed Terms of Reference in section 3.18 of the report with the addition of Trade Union representation on the REP.

On a division, there voted:- for the motion (10) – the Convener, the Vice Convener and Councillors Fairfull, Farquhar, Greig, Hutchison, Massey, Nicoll, Radley and van Sweeden; for the amendment (3) – Councillors Crockett, Macdonald and Tissera.

The Committee resolved:-

to adopt the motion.

BELMONT CINEMA AND MEDIA CENTRE OPTIONS - COM/23/138

12. With reference to article 8 of the minute of meeting of 2 November 2022, the Committee had before it a report by the Director of Commissioning which provided an update on the developments in relation to the Belmont Cinema and the implications for the Council.

The report recommended:-

that the Committee –

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- (a) note the findings and recommendations of the Feasibility Report and Marketing Report;
- (b) note the outcome of the Options Appraisal;
- (c) instruct the Chief Officer - City Growth in consultation with the Head of Commercial and Procurement Services to proceed with issuing a Prior Information Notice (PIN) through Public Contracts Scotland with a Request for Information (RFI), to market test for a prospective operator according to the financial modelling and recommendations in the Feasibility Report; and
- (d) instruct the Chief Officer – City Growth to report back to committee on progress through a Service Update.

The Committee resolved:-

- (i) to approve recommendations (a) to (c) contained within the report; and
- (ii) to instruct the Chief Officer – City Growth to report back to committee on progress through a Service Update by the end of July 2023.

COMMERCIAL PROPERTY AUCTIONS – PILOT PROJECT - RES/23/161

13. The Committee had before it a report by the Director of Resources which highlighted an opportunity for the Council to consider an alternative way to dispose of council properties.

The properties outlined within the report were:-

- Former St Peters Nursery, 137 Spital; and
- The Hollies, 43 King's Gate.

The report recommended:-

that the Committee instruct the Chief Officer - Corporate Landlord to carry out a pilot project to dispose of the assets noted within the report through a commercial property auction route and report the outcome to a future committee.

The Committee resolved:-

to approve the recommendation.

In accordance with the decision taken at Article 1 of this minute, the following items were considered with the press and public excluded.

WORK PLAN AND BUSINESS CASES - EXEMPT APPENDICES

14. The Committee had before it exempt appendices relating to the Work Plan and Business Cases report. (Article 8 of this minute refers)

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The Committee resolved:-

to note the information contained within the exempt appendices.

NEWHILLS ADDITIONAL PRIMARY SCHOOL PROVISION - EXEMPT APPENDIX

15. The Committee had before it an exempt appendix relating to the Newhills Additional Primary School Provision report. (Article 9 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendix.

BELMONT CINEMA AND MEDIA CENTRE OPTIONS - EXEMPT APPENDICES

16. The Committee had before it exempt appendices relating to the Belmont Cinema and Media Centre Options report. (Article 12 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendices.

- **COUNCILLOR ALEX MCLELLAN, Convener**