

## **FINANCE AND RESOURCES COMMITTEE**

ABERDEEN, 28 September, 2010. minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor Kevin Stewart, Convener; Councillor Yuill, Vice Convener; and Councillors Cooney (as substitute for Councillor Cassie until article 21), Cormack, Crockett, Dean, Farquharson, Fletcher, Graham, Laing, Leslie, May (as substitute for Councillor Kiddie), McCaig, Stuart (as substitute for Councillor Dunbar), John West and Young (as substitute for Councillor Cassie from article 21).

### **DETERMINATION OF EXEMPT ITEMS OF BUSINESS, ORDER OF AGENDA AND REQUESTS FOR DEPUTATION**

1. The Convener (1) proposed that the Committee consider those reports identified on the agenda as being for determination in private, with the press and public excluded; (2) advised that three requests for deputation had been received in accordance with Standing Order 10; (3) requested that the Committee consider one late report (3Rs Hedging Arrangements and Facilities Management Issues) at item 11.8 of the agenda on this day; and (4) further requested that consideration of the report at item 12.10 of the agenda (Land at Pitmedden Road, Dyce) be deferred until the next meeting of the Committee.

#### **The Committee resolved:-**

- (i) 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 10.1 of the agenda onwards (article 33 of this minute) so as to avoid disclosure of information of the class described in the following paragraphs of Schedule 7(A) to the Act:- article 33 (paragraph 2), article 34 (paragraph 6), article 35 (paragraph 6), article 36 (paragraph 4), article 37 (paragraph 8), article 38 (paragraphs 8 and 10), article 39 (paragraph 6), article 40 (paragraph 8), article 41 (paragraph 6), article 42 (paragraph 9), article 43 (paragraph 9), article 44 (paragraph 9), article 45 (paragraphs 6 and 9), article 46 (paragraphs 6 and 9), article 47 (paragraph 9), article 48 (paragraphs 6 and 9), article 49 (paragraphs 6 and 9), article 50 (paragraphs 6 and 9), and article 51 (paragraphs 6 and 9);
- (ii) to agree to hear deputations from (1) Mike Miller; and (2) Mike Shepherd in relation to item 7.7 of the agenda (Tax Increment Financing for the City Garden Project); and (3) Steve Robb (Convener of Unite the Union) in relation to item 12.9 of the agenda (Staff Houses);
- (iii) to consider the deputation in relation to item 12.9 of the agenda (Staff Houses), and the corresponding report as the first item of exempt business on this day;
- (iv) to consider the report titled '3Rs Hedging Arrangements and Facilities Management Issues' (item 11.8 of the agenda) on this day; and
- (v) to defer consideration of the report titled 'Land at Pitmedden Road, Dyce' (item 12.10 of the agenda) until the next meeting of this Committee of 2 December, 2010.

## **DECLARATIONS OF INTEREST**

**During discussion of article 8 of the minute (Transfer of Sports Services to Sport Aberdeen), Councillors Fletcher and John West declared an interest by virtue of their positions as Council representatives on Sport Aberdeen. They did not feel it necessary to withdraw from the meeting.**

## **MINUTE OF PREVIOUS MEETING**

**2.** The Committee had before it the minute of its previous meeting of 17 June, 2010.

Councillor Crockett queried as to why comments made by Councillor John Stewart concerning Councillor Young, during discussion on the transfer of sports services to Sport Aberdeen (article 8 of the minute refers) had not been noted within the minute. The clerk to the Committee advised that such comments would only be included if this had been specifically requested by a member at the time. Further to a short recess, the clerk confirmed that such a request had not been made.

### **The Committee resolved:-**

- (i) in relation to article 8 (Transfer of Sports Services to Sport Aberdeen), resolution (v) of the minute (that Sport Aberdeen be requested to enter into consultation with the local community and local members with a view to the provision of public swimming sessions at Northfield Swimming Pool at times when the community are most likely to want to use the pool), the Director of Education, Culture and Sport was instructed to report back on progress next cycle; and further, to keep the local Councillors (the Convener, Councillor Dunbar and Councillor Graham) apprised of the situation;
- (ii) in relation to article 39 of the minute (Town Centre Regeneration Fund), it was agreed to substitute the word 'suspension' for 'invoke', in order to accurately reflect the action that had been undertaken by officers; and
- (iii) to approve the minute as a correct record subject to the above amendment.

## **MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE**

**3.** The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 29 April, 2010.

### **The Committee resolved:-**

to note the minute.

## **COMMITTEE BUSINESS STATEMENT**

**4.** The Committee had before it a statement of pending and outstanding Committee business, which had been prepared by the Head of Legal and Democratic Services.

In relation to item 11 of the list (Altens Community Centre), the Director of Education, Culture and Sport advised that officers had written to the Dyce Development and Amenities Committee on three occasions to date, with no response. Members requested that Mrs Bruton write to the Committee on one further occasion, and to provide an update next cycle in this regard.

**The Committee resolved:-**

- (i) to delete items 3 (Summerhill Education Centre), 7 (Ground at Loirston Loch), 14 (Pinewood/Hazeldene), 16 (Common Good Budget) (resolution (vii) only), 32 (Staff/Tied Houses) (resolution (ii) only), and 33 (Retail Rocks) from the business list;
- (ii) in relation to item 4 (Leaking of report on St Nicholas House), the Committee noted that the elected members concerned had agreed to be interviewed; and requested that the Monitoring Officer provide an update next cycle to confirm that these interviews had taken place;
- (iii) in relation to item 11 (Altens Community Centre) to note the update provided by the Director of Education, Culture and Sport, and to request that Mrs Bruton (1) write to the Dyce Development and Amenities Committee on one further occasion; and (2) provide an update on this at the next meeting of 2 December, 2010;
- (iv) to note that a report would be submitted next cycle on item 35 (Future Funding and Development of AECC); and
- (v) to otherwise note the updates as contained within the list.

**MOTIONS LIST**

5. The Committee had before it the outstanding motions list as prepared by the Head of Legal and Democratic Services.

**The Committee resolved:-**

to note the updates as contained within the list.

**CITY WIDE COMMUNITY FUND – MOTION BY COUNCILLOR McCAIG**

6. With reference to article 22 of the minute of meeting of Council of 30 June, 2010, the Committee had before it a motion in the following terms by Councillor McCaig:

“Council recognises the benefits that can be gained from small scale investment in local areas, and agrees to investigate the establishment of a city wide ‘community fund’ from which community groups, including community councils, can bid for money from to fund specific projects in their local area; and requests that officers report back on potential funding levels and streams with consideration given to this proposal as an alternative to ward budgets”.

**The Committee resolved:-**

to request a report back addressing the terms of Councillor McCaig’s motion.

## **WORK NOTICES – DELEGATION OF POWERS (H&E/10/093)**

7. The Committee had under consideration, upon a remit from the Housing and Environment Committee of 24 August, 2010 (article 15 refers), a report by the Director of Housing and Environment requesting that a number of delegated powers be granted to certain officers charged with the responsibility for issuing certain Work Notices, Maintenance Orders and Penalty Notices, dealt with under both housing and anti social behaviour legislation.

The Committee had before it on this day, a copy of the report referred to and the minuted article from the meeting of 24 August, 2010, which recorded the detail of the Committee resolution. The minute highlighted that in relation to some of the expenditure to be the subject of delegation, the budget had been approved by this Committee and, as a result, ratification by this Committee would be required for the change proposed.

### **The Committee resolved:-**

to ratify the decision by the Housing and Environment Committee to approve recommendation (c) in the report - utilisation of £50,000 for the implementation of Work Notices from the monies in the 2010/11 Private Sector Housing Grant budget originally allocated for Serious Disrepair Notice Enforcement Works; and recommendation (d) - that the £50,000 allocation in the 2010/11 Private Sector Housing Grant budget for the serving and enforcement of Maintenance Orders, can also be utilised for Maintenance Accounts.

## **INTRODUCTION OF FURNISHINGS SERVICE CHARGE (H&E/10/133)**

8. The Committee had before it, upon a remit from the meeting of the Housing and Environment Committee of 24 August, 2010 (article 21 refers), the decision of that Committee to agree the introduction of a furnishings service charge, as detailed within the report on that matter prepared by the Director of Housing and Environment. A copy of the relevant minuted article containing the detail of the Committee resolution was also before members.

### **The Committee resolved:-**

to ratify the decision of the Housing and Environment Committee regarding the introduction of a furnishings service charge.

## **HOUSE IN MULTIPLE OCCUPATION (HMO) LICENCE – APPLICATION FEES**

9. The Committee had before it for ratification, upon a remit from the meeting of the Housing and Environment Committee of 24 August, 2010 (article 11 refers), the decision of that Committee following their consideration of various options concerned with Houses in Multiple Occupation Licences (HMO Licences), on the banding of such properties and on the fees to be charged in respect of new licences and also renewals.

The minuted article from the said meeting outlined the detail of the decision taken and for which ratification was now sought, with a view to implementing the new regime with effect from 1 October, 2010.

**The Committee resolved:-**

that on the basis that the changes would be effective from midnight on 28 September, 2010 (ie, this day), the decisions of the Housing and Environment Committee on the bandings for HMO licences and the fees to be charged, be ratified.

**WASTE MANAGEMENT SERVICES CONTRACT – PROGRESS REPORT (H&E/10/122)**

10. The Committee had under consideration, upon a remit from the meeting of the Housing and Environment Committee of 24 August, 2010 (article 31 refers), the decision of that Committee to recommend to this Committee that they approve the allocation of zero waste fund monies to development works at Sclattie and East Tullos Waste Transfer Stations, in order to allow the continuance of efficient recycling and waste disposal services. Also circulated to members was the report by the Director of Housing and Environment which provided an update on the waste management services contract between the Council and Sita UK Limited, together with an outline specification for the development of an alternative solution to that contract in light of the refusal of planning permission in 2004 for a combined materials recycling facility and energy from waste plant at Altens. The draft of the minuted article from the meeting in question had been circulated and confirmed that following the decision in 2004, the contractor had continued to provide baseline services as envisaged under the Waste Management Services contract and had, in addition, addressed emerging needs required in response to the developing policies of the Scottish Government and the Council.

**The Committee resolved:-**

that as recommended by the Housing and Environment Committee, it be agreed that the Council's capital and revenue budget allocation for a zero waste fund be utilised for development works at Sclattie and East Tullos Transfer Stations.

**RESOURCING A HIGH QUALITY PLANNING SYSTEM (EPI/10/205)**

11. The Committee had under consideration, upon a remit from the meeting of the Enterprise, Planning and Infrastructure Committee of 7 September, 2010 (article 15 refers), the decision of that Committee to agree the officer responses prepared in relation to the recently published Scottish Government consultation document entitled 'Resourcing a High Quality Planning System', which it was determined, in view of the possible implications for the effective use of resources and arising out of possible changes in the fee structure for planning applications, should be the subject of ratification by this Committee.

**The Committee resolved:-**

that the consultation responses be ratified as requested.

## **CORPORATE GOVERNANCE PERFORMANCE REPORT (CG/10/173)**

**12.** With reference to articles 12 and 13 of the minute of its previous meeting of 30 June, 2010, the Committee had before it a report by the Director of Corporate Governance which presented information on the progress and performance associated with the Service's implementation of the Corporate Governance Business Plan.

In relation to page 144 of the report, the Committee congratulated officers in the Procurement Team for achieving a significantly greater level of savings from improved procurement than had been targeted.

With further reference to page 144 of the report, the Committee intimated its concern at the figures provided for the 'average days lost through sickness absence' indicator. The Director of Corporate Governance assured the Committee that this was being tackled, both within the Service and on a corporate level, but added that the figure of 12.9 days (as an average of days lost through sickness absence) was broadly in line the Scottish national average of 12.5 days.

Concern was raised in relation to page 148 of the report (percentage of invoices paid within 30 calendar days), and again the Director assured members that action was being taken to raise the figure of 64.7% towards the target of 88.5%.

### **The Committee resolved:-**

to note the content of the report.

## **2010/11 FINANCIAL MONITORING – CORPORATE GOVERNANCE SERVICE (CG/10/153)**

**13.** With reference to articles 14 and 15 of the minute of its meeting of 11 May, 2010, the Committee had before it a report by the Head of Finance which (a) provided information on the current year's revenue budget performance to date for the Corporate Governance Service, including a high level summary as at July, 2010; and (b) provided an update on the progress being made with regard to various projects within the Non Housing Capital Programme, previously approved by Council, which were aligned to the Corporate Governance Service.

With regard to the position of the revenue budget for the Service, the report advised that there were projected net additional costs of £1.2 million (4.9%) across the overall current net budget of £24.5 million. Appended to the report was the Service report and associated notes.

In relation to the Capital Programme, the report continued to explain that this remained under review by the Corporate Asset Management Group.

A detailed discussion took place regarding the strain on the Corporate Governance budget due to the extensive use of temporary accommodation of late. It was noted that it would not be known if changes would be made to housing benefit, which would cause a further strain on this budget, until the outcome of the Comprehensive Spending Review in November. In response to a question from

members, the Head of Housing and Community Safety advised that it was affordable for the Council to proceed with the Private Sector Leasing Scheme.

**The Committee resolved:-**

- (i) to note the content of the report in respect of the revenue position, and the information on management action and risks that was contained therein;
- (ii) to note the information included in relation to the Capital Programme; and
- (iii) to instruct officers to continue to review budget performance, and report on Service strategies as appropriate.

**REVENUE BUDGET 2010/11 MONITORING**

**14.** With reference to article 16 of the minute of its meeting of 11 May, 2010, the Committee had before it a report by the Head of Finance which advised on the projected outturn and financial position for the Council for the financial year 2010/11.

Appendix A to the report provided a financial statement which highlighted that the Council was managing a risk of £4.4 million (1%) in relation to the current outturn position varying from budget. This was on the assumption that the savings of £4.5 million from employments costs would be made.

The report continued to explain that the savings that had been approved at a corporate level had been allocated to the Service budgets, to ensure that there was greater clarity in relation to the availability of financial resources in each Service.

Members noted that the Social Care and Wellbeing Service current projected position seemed to be positive, but explained that this position had to be closely monitored for the remainder of the financial year.

**The Committee resolved:-**

- (i) to note the content of the report; and
- (ii) to instruct Directors to continue to take cost reduction opportunities during the remainder of the year to achieve a balanced budget.

**IRRECOVERABLE INCOME (CG/10/148)**

**15.** The Committee had before it a report by the Head of Finance which (a) requested approval, in terms of financial regulation 11.3.7, to write off business rates debts in excess of £25,000 deemed to be irrecoverable during 2009/10; and (b) advised of the numbers and values of Council Tax, business rates, community charge, housing benefit overpayments and rent arrears of up to £10,000, deemed to be irrecoverable during 2009/10 after all approved recovery procedures had been followed, in terms of financial regulations 11.3.6 and 11.3.9.

The Head of Finance advised the Committee that he had requested benchmarking information from other local authorities, and would report on this next cycle.

**The Committee resolved:-**

- (i) to note the value of Council Tax, business rates, community charge, housing benefit overpayments and rent arrears deemed by the Director of Corporate Governance as irrecoverable, as detailed at appendices (i) – (v); and
- (ii) that the business rates amounts over £25,000 (and as detailed at appendix (vi) in the exempt section of the agenda (article 34 of this minute refers)) deemed as irrecoverable by the Director of Corporate Governance, also be written off.

## **2010/11 COMMON GOOD BUDGET – MONITORING REPORT (CG/10/154)**

**16.** With reference to article 18 of the minute of its meeting of 11 May, 2010, the Committee had before it a report by the Head of Finance which provided information on the actual income and expenditure of the Common Good budget for the year to 31 July, 2010, along with an estimated outturn for the year, comparing this with the approved budget, and an indication on the forecast status of the cash balances.

Appended to the report were details of the approved budget for the Common Good for 2010/11, which indicated that the estimated outturn remained the same as the budgeted net deficit of £450,000; and further information in relation to the analysis of miscellaneous and general income and expenditure (appendix 2), donations, grants, contributions, etc. (appendix 3) and other projects (appendix 4).

The report concluded that this gave a projected cash balance as at 31 March, 2010 of £5.3 million, and explained that the Council had previously adopted an underlying principle that these balances should be no less than £4.8 million, after adjusting for the Greenferns development site as at 31 March, 2011, utilising the consumer price index as a basis for calculating indicative cash balances.

### **The Committee resolved:-**

- (i) to note the income and expenditure position as at 31 July, 2010, and the estimated outturn for the year;
- (ii) to note the estimated cash balances as at 31 March, 2011 of £5.3 million, based on projected current forecasts; and
- (iii) to request that the Head of Finance advise the Committee, by way of email, as to the total worth of the Common Good, including both assets and cash.

## **SCOTTISH OPERA - REQUEST FOR SUPPORT - 2010/11 COMMON GOOD BUDGET (CG/10/155)**

**17.** The Committee had before it a report by the Head of Finance which provided details of a request from Scottish Opera, for support from the Common Good towards the cost of a project titled 'One Day in Aberdeen: A 12 Hour Photo Marathon'.

### **The Committee resolved:-**

to not approve the request for £6,000 funding by Scottish Opera.



## DECLARATIONS OF INTEREST

Councillor Laing declared an interest in the subject matter of the following article by virtue of her position on Oakbank School Board of Governors, and withdrew from the meeting prior to consideration of the report.

The following Councillors also declared interests, but did not feel it necessary to withdraw from the meeting: the Convener by virtue of his position as advisor to the Middlefield Community Project Gardens; Councillor Cooney as a Council representative on Aberdeen International Youth Festival Trust; Councillor Cormack as a Council representative on the Board of Aberdeen Performing Arts, and as a Council representative on the Aberdeen Endowment Trust; Councillor Crockett due to his position on the Citizens' Advice Bureau Board of Directors; Councillor Dean as a Director of Grampian Society for the Blind; Councillor Farquharson as a Council representative on the Aberdeen Endowment Trust; Councillor Fletcher as a Director of Sport Aberdeen, as a Council representative on Fersands Area Forum, and Printfield Area Forum and Community Project, and as a Director of Aberdeen Sports Village; Councillor Graham by virtue of his position as advisor to the Middlefield Community Project; Councillor Leslie as a Council representative of Aberdeen International Youth Festival Trust, and as a Board member of Aberdeen Foyer and of Alcohol Support Limited; Councillor John West as a Director of Sport Aberdeen, and as a Council representative of Aberdeen International Youth Festival Trust; and Councillor Yuill as a Council representative of Aberdeen International Youth Festival Trust.

## ADMITTED BODIES WITHIN ABERDEEN CITY COUNCIL PENSION FUND WITH LINKS TO ABERDEEN CITY COUNCIL (CG/10/181)

18. With reference to article 11 of the minute of its meeting of 11 March, 2010, the Committee had before it a report by the Head of Finance which provided details of organisations that had admitted body status within the Pension Fund, and had links to the Council in terms of grants or service contracts.

The report (1) provided information on the Local Government Pension Scheme regulations; (2) defined community interest bodies and transition bodies; (3) provided information on guarantees and bonds; and (4) detailed the admitted bodies, and in particular, those identified as having links to the Council (contained within the exempt papers, article 35 of this minute refers).

The report concluded that as at 31 March, 2008, the Pension Fund Actuary estimated that the fund was 83% funded with an overall scheme deficit of £372.3 million, based on a number of actuarial assumptions; and that the total deficit figure in respect of those admitted bodies with ties to the Council, was £24 million.

### **The Committee resolved:-**

to note the content of the report, including the information contained within the exempt section of the agenda pertaining to this matter (article 35 of this minute refers).

## **REVIEW OF GENERAL SERVICE CAPITAL PROGRAMME 2010/11 (EPI/10/255)**

**19.** Reference was made to article 2 of the minute of the Budget meeting of Council of 11 February, 2010, when the Council approved the estimated capital budget for 2011/12, and the capital budget for 2010/11. The Committee had before it on this day, a joint report by the Director of Corporate Governance and the Director of Enterprise, Planning and Infrastructure which advised that officers had undertaken a review of this year's Capital Programme, and had identified that the revised total programme was now £108 million (with the Council having made £69 million of revenue provision for capital expenditure).

Appended to the report were details of the current position with regards to capital expenditure.

### **The Committee resolved:-**

- (i) to confirm the Capital Programme 2010/11 at £69 million, and instruct the relevant officers to proactively manage spending to be within this limit through the scrutiny process detailed within the report; and
- (ii) to instruct the Corporate Asset Management Group to review the Capital Programme for 2011/12 onwards; to ensure that it linked into the Priority Based Budgeting exercise; and to report back on this work at the next meeting of 2 December, 2010.

## **DECLARATION OF INTEREST**

**During discussion of the following item of business, the Convener declared an interest due to his membership of the Union Terrace Gardens Board. He did not feel it necessary to withdraw from the meeting.**

## **TAX INCREMENT FINANCING FOR THE CITY GARDEN PROJECT (EPI/10/239)**

**20.** With reference to article 16 of the minute of meeting of Council of 30 June, 2010, the Committee had before it, a report by the Director of Enterprise, Planning and Infrastructure which (a) provided further information on Tax Increment Funding (TIF); and (b) requested that a number of other projects in the city be included in the business case that was to be presented to Council on 27 April, 2011.

The projects which officers requested be included were as follows:

- the public realm works associated with the creation of a high quality pedestrian route linking Union Square, the City Garden, Aberdeen Art Gallery, the Bon Accord Centre, and St Nicholas House (in anticipation of its future redevelopment);
- the demolition, site preparation, and enabling infrastructure related to the regeneration of Upper Denburn (inclusive of the Denburn Health Centre and car park);

- enabling infrastructure and construction costs related to the Aberdeen Art Gallery extension; and
- the demolition, site preparation and enabling infrastructure relating to the redevelopment of St Nicholas House.

Having previously agreed to hear two depositions on this matter (article 1 of this minute refers), the Convener invited Mike Miller to speak, followed by Mike Shepherd.

Mr Miller was of the opinion that the 'loose coupling' approach that had been proposed was a risky option for the Council, and that this type of approach was usually utilised in areas of deprivation where the rates were low to begin with, and could be increased. He continued to explain that he felt that a 'direct coupling' approach would be less risky to the Council, and that the use of TIF schemes should be reserved for when pump priming was needed to ensure that development took place.

Mike Shepherd, who was speaking on behalf of the Friends of Union Terrace Gardens group, requested clarity on the statement made within the report that the project would have zero financial risk to the Council, which, in his opinion, would be impossible to achieve. Mr Shepherd suggested that the Council should not be borrowing funds when it was in such a stringent financial position; he further requested an explanation as to what contingencies would be put in place for the project given that the Council would not be providing any capital or revenue funds.

Members asked a number of questions of the depositions, and of officers.

During the course of debate, Councillor Laing made a remark concerning officers' knowledge of TIF. A number of members commented on the nature of these remarks, and Councillor Laing subsequently apologised to any officer who may have taken offence in this regard.

**The report recommended:-**

that the Committee -

- approve the inclusion of several other important city centre projects (as detailed above) within an expanded Tax Increment Funding (TIF) business case;
- note that these are projects which the Council would wish to progress regardless of whether or not the City Garden project is realised;
- note that a subsequent paper may require to be submitted to the next meeting of this Committee of 2 December, 2010, requesting a Council contribution towards additional consultancy costs, over and above the agreed £100,000 being provided by Scottish Enterprise, which are directly related to the inclusion of additional projects within an expanded TIF business case; and
- note that a final business case will be reported to the Council meeting of 27 April, 2011.

The Convener, seconded by Councillor Fletcher, moved:

that the Committee approves recommendation (a) as detailed above; instructs that a report be submitted to the next meeting with an update on the consultancy costs; reiterates that the Council would not be making any contribution towards additional consultancy costs that may arise from the

expanded business case; further reiterates that Pricewaterhouse Coopers' assignment is to bring forward a business case that contains zero financial risk to the Council; and to approve recommendation (c) as detailed above.

Councillor Graham, seconded by Councillor Cooney, moved as an amendment: that the Committee takes no action on this matter.

On a division, there voted: for the motion (11) – the Convener; the Vice Convener; and Councillors Cormack, Dean, Farquharson, Fletcher, Leslie, May, McCaig, Wendy Stuart and John West; for the amendment (4) – Councillors Cooney, Crockett, Graham and Laing.

**The Committee resolved:-**

to adopt the successful motion.

**Councillor Graham intimated that he wished the report dealt with in the preceding article (Tax Increment Financing for the City Gardens Project) to be referred to Council for a final decision, and was supported by Councillors Cooney, Crockett, Laing in this respect. As the proposal did not have the required number of members supporting it in terms of Standing Order 36(3), the report was not referred to Council, and the decision of this Committee as detailed above, was final.**

**PROPOSED FEE STRUCTURE – LANDLORD'S CONSENT ETC (EPI/10/229)**

**21.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which proposed that a charge be introduced for dealing with requests from tenants relating to subjects within the Council's non operational property portfolio, and for the preparation of condition reports.

By way of background the report advised that in the past such requests had been dealt with free of charge, but it was now felt reasonable that the Council seek to recover costs (which would be clearly linked to the cost of staff time in dealing with the work) associated with tenants' requests.

The report continued that subjects such as pigeon lofts, garages and sites for garages, and other such subjects that could not be deemed to be commercial and would typically have rents of less than £1,000 per annum would not be subject to this proposed charge.

**The Committee resolved:-**

- (i) to approve the introduction of charging for dealing with tenants' requests and the preparation of schedules as described within the report;
- (ii) to delegate powers to the Head of Asset Management and Operations to vary the charges periodically, as deemed appropriate, in line with operating costs etc, and for this to be incorporated into the Scheme of Delegation documents; and
- (iii) to instruct that the Head of Asset Management and Operations report back to this Committee at any point when any changes have been made to the charges.

## APPLICATIONS FOR YOUTH ACTIVITIES SMALL GRANTS FUND 2010/11 – ROUND 2 (ESC/10/075)

22. With reference to article 22 of the minute of its previous meeting of 17 June, 2010, the Committee had before it a report by the Director of Education, Culture and Sport which presented the recommendations of the Youth Activities Grant Funding Group for the second round of funding for the financial year 2010/11, which had a closing date of 22 July, 2010.

The report advised that twelve new applications had been received this round, and that one further application that had been deferred from last round had also been considered. Eleven recommendations for funding had been made by the Youth Activities Grant Funding Group. The report continued that the total sum recommended for approval was £12,058.60, and that if the recommendations outlined were approved there would be an uncommitted budget of £13,245.40 remaining.

Appended to the report were details of the applications received and the recommendations made by the Youth Activities Grant Funding Group.

### **The Committee resolved:-**

- (i) to ratify the recommendations of the Youth Activities Grant Funding Group and to therefore approve funding to the following organisations:

<b>Group Name</b>	<b>Summary of Application</b>	<b>Decision</b>
Kittybrewster Congregational Church – Youth Film Group	To purchase new equipment to set up a film club.	to award £450
Oldmachar XL Club	To purchase gardening equipment with the aim of converting an area of the school into an outdoor classroom/garden.	to award £1,500
Fersands and Fountain Community Project Youth Groups 12-18	To provide 4 different groups with a monthly activity budget of £30 for 12 months.	to award £1,440
Aberdeen City Ladies Football Club	To contribute towards the cost transportation, training facilities and coaching certificates for the club.	to award £1,500
Aberdeen and District Battalion – The Boys' Brigade	To purchase tents, stoves, rucksacks, compasses, maps and karrimats.	to award £1,316.10
VSA – Friends for Life	To contribute towards the cost of equipment for an area in the community centre to	to award £1,500

Group Name	Summary of Application	Decision
	enable the group to run a successful club.	
Parents for Parents	To purchase games equipment, vacuum cleaner, fruit and cooking ingredients.	to award £1,000
Child and Family Service	To fund one to one outings with caseworkers for young people.	to award £300
Filipino Community of Aberdeen	To hire a venue, and purchase sports equipment and costumes for Dance Troupe and Basketball Sport.	to award £500
Act Daft – Aberdeen Arts Centre	To purchase costumes, set, lights etc to stage a show.	to award £1,500
Fusion Youth Dance Company	To deliver dance workshops, candidate costs and studio hire.	to award £1,052.50

and

- (ii) to instruct the Director of Education, Culture and Sport to arrange for the funds to be distributed accordingly.

### **SOCIETY OF PERSONNEL DIRECTORS SCOTLAND – ANNUAL CONFERENCE**

23. The Committee had before it a request for elected members to attend the annual conference of the Society of Personnel Directors, Scotland, by way of a letter from the President of the organisation.

#### **The Committee resolved:-**

- (i) that no elected members would attend this conference; and  
(ii) to instruct officers to include a summary report on the conference in a future information bulletin.

### **ACCESS FROM THE NORTH PROPOSALS (THIRD RIVER DON CROSSING) – COMPULSORY PURCHASE ORDER (EPI/10/225)**

24. Reference was made to article 11 of the minute of meeting of the Council of 25 April, 2007, at which time there was under consideration a report by the former Head of Resources Development and Delivery (remitted from the former Environment and Infrastructure Committee of 22 March, 2007 to the former Resources Management Committee of 29 March, 2007, which subsequently referred it to the aforementioned meeting of Council) which advised of the likely

need to promote a Compulsory Purchase Order (CPO) to facilitate the acquisition of parcels of land required for the purposes of Access from the North Proposals (Third River Don Crossing), which the Council had agreed to pursue. The resolution of the Council was to endorse the decision of the former Resources Management Committee to support the view of the former Environment and Infrastructure Committee that appropriate officers progress the CPO, notwithstanding the continuing efforts of agents appointed by the Council to negotiate voluntary sale agreements with landowners.

The Committee now had before it a further report on the matter prepared by the Director of Enterprise, Planning and Infrastructure which advised of events since the decision taken in 2007, which had culminated in January, 2010, with the Council lodging a fresh planning application for a Third River Don Crossing. The report also indicated that in addition to fulfilling the outstanding remit to progress the land acquisitions required for the project, certain parcels of land held by the Council under the Housing Revenue Account (HRA) and under Common Good, would need to be transferred to the General Services Account (Roads), an exercise which would require, in the case of HRA property, the approval of Scottish Ministers. In all cases it was acknowledged that land transfers would be at market value. It was also acknowledged that in the case of acquisitions from private landowners using compulsory purchase powers, the landowners involved may not be fully aware of the implications for them in that situation and in order to address that issue, a guidance document had been prepared, a copy of which was annexed to the report. The draft CPO document was circulated to members at the meeting.

**The report recommended:-**

that the Committee –

- (a) notes the content of the report;
- (b) resolves to make 'THE ABERDEEN CITY COUNCIL ACCESS FROM THE NORTH PROPOSALS ("THIRD DON CROSSING") COMPULSORY PURCHASE ORDER 2010' and authorises the Head of Legal and Democratic Services to implement the necessary statutory procedures following on from the making of that Order;
- (c) approves the delegation of power to the Head of Legal and Democratic Services and the Head of Asset Management and Operations, in consultation with the Convener of this Committee, to purchase land required for the scheme by a negotiated process in advance of exercising compulsory purchase powers under the CPO, assuming such purchases represent market value and are within the scheme budget;
- (d) authorises officers to seek the approval of Scottish Ministers for the land required from the Housing Revenue Account to be transferred to the General Services Account (Roads) at market value, subject to the approval of the Housing and Environment Committee;
- (e) authorises the transfer of land required from the Common Good Account to the General Services Account (Roads), at current market value;
- (f) notes that officers will provide regular updates to Committee in relation to progress with land acquisition against budget; and
- (g) authorises the issue of a guidance document to parties whose properties are affected by the scheme, which outlines the CPO process and its implications.

The Convener, seconded by Councillor Fletcher, moved:

that the report recommendations be approved and appropriate officers authorised accordingly.

Councillor Graham, seconded by Councillor Laing, moved as an amendment: that the Council take no action on the matter.

On a division, there voted:- for the motion (11) – the Convener; the Vice Convener; and Councillors Cormack, Dean, Farquharson, Fletcher, Leslie, May, McCaig, Wendy Stuart and John West; for the amendment (4) – Councillors Crockett, Graham, Laing and Young.

**The Committee resolved:-**

that the terms of the successful motion be adopted.

**PROPERTY ASSET MANAGEMENT PLAN – 2010 UPDATE (EPI/10/251)**

**25.** Reference was made to article 32 of the minute of meeting of the former Resources Management Committee of 16 June, 2009, at which time there was approved the corporate Property Asset Management Plan for the Council, which had been prepared in recognition of the strategic importance to the local authority of utilising its property efficiently to assist in the delivery of all of its services. It was further acknowledged in the report that the Corporate Asset Group would submit regular reports to the Committee advising of progress on the key actions identified within the Plan. The Committee now had under consideration a report by the Director of Enterprise, Planning and Infrastructure to which had as an appendix, the document entitled 'Property Asset Management Plan Update 2010' which had been presented to and approved (with minor alterations) by the Corporate Asset Group.

The report before members represented an executive summary of the content of the document under the headings of objectives and priorities; current asset management performance; key challenges and achievements; delivery arrangements; investment planning; performance management; and key priorities. The report also explained that throughout the document the commercial/investment portfolio was referred to as the 'tenanted non residential property portfolio' (TNRP), the recognised terminology for such assets.

Members made reference to a number of comments and inferences contained within the report, particularly in relation to schools, and questioned where these had originated. Officers advised that this was a rolling document, and subject to changes.

**The report recommended:-**

- (a) that the Committee appoint an elected member with responsibility for promoting Asset Management and participating in the Corporate Asset Group;
- (b) that the Property Asset Management Plan Update 2010 document be approved;
- (c) that in relation to the tenanted non residential portfolio review (TNRP), the Head of Asset Management and Operations be instructed to report to the next meeting of 2 December, 2010 on the potential disposal of Shops and Ground Lease (Shops); and



- (d) that also in respect of the TNRP review, the Head of Asset Management and Operations be instructed, in conjunction with the Head of Finance, to prepare a schedule of property reviews with a view to completing within eighteen months and to report on those reviews, to appropriate meetings of this Committee.

**The Committee resolved:-**

that on the basis that the member appointed with responsibility for promoting Asset Management and to participate in the Corporate Asset Group be the Convener, the report recommendations be approved.

**LEGAL SERVICES CONTRACT ARRANGEMENT (CG/10/176)**

26. The Committee had before it a report by the Director of Corporate Governance which requested approval to extend the Council's contract for the provision of external legal services with Brodies LLP for a six month period, in order to allow future delivery of these services to be considered and retendered for, as appropriate.

The report explained that officers were currently considering options emerging from the priority based budgeting exercise, and further that the Head of Legal and Democratic Services was in preliminary discussions with other public sector bodies with a view to preparing a joint tender notice.

**The Committee resolved:-**

- (i) to approve the extension of the external legal services contract with Brodies LLP for a six month period from 1 October, 2010 to 31 March, 2011; and
- (ii) to note that a further report would be submitted to Committee prior to inviting future tenders, in order for the estimated expenditure to be approved.

**PROPERTY SERVICES – CONTRACT EXTENSION AND RETENDER (EPI/10/242)**

27. With reference to article 43 of the minute of its meeting of 12 November, 2009, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which requested that the Council's contract with Ryden LLP be extended to tie in with the Council's asset valuation cycle, and to meet timescales for contract retendering.

The report advised that further to the decision taken at the aforementioned meeting of this Committee, to tender for three separate services (rating, asset valuation, and general property services), officers were now of the opinion that a single tendering exercise conducted in three lots would be more appropriate, where one contractor would undertake the rating revaluation appeals, one contractor would be appointed to undertake asset valuations for the next four years, and finally, a framework agreement would be put in place for up to five contractors for general property advice.

The report detailed the proposed revised timetable for the procurement of these services.

**The Committee resolved:-**

- (i) to approve the extension of the Property Valuation Services Contract with Ryden LLP from 1 December, 2010 to 30 March, 2011;
- (ii) to note that the current contract allows for an extension to November 2011, if required; and
- (iii) to note the position with regard to the retendering of services; and further that the post of Head of Resources Development and Delivery would now be replaced by the Head of Asset Management and Operations.

**SUPPLY AND DELIVERY OF VEHICLES AND ITEMS OF PLANT – PERMISSION TO PROCURE AND AWARD CONTRACT (CG/10/161)**

**28.** The Committee had before it a report by the Director of Corporate Governance which requested approval to conduct a tendering exercise for the supply and delivery of vehicles and items of plant, and to award contracts as a result of this proposed tendering exercise.

By way of background, the report advised that both this Council and Aberdeenshire Council currently purchased a large proportion of their vehicles and items of plant requirements through existing Scotland Excel national contractual arrangements and through existing contracts within the two Councils. This particular tendering exercise was required to source vehicles and items of plant which did not fall under any of the existing Scotland Excel contracts or any existing current contracts within this Council or Aberdeenshire Council. The report continued that there would be a joint collaborative tender between the two Councils, as both Councils required to purchase similar vehicles and items of plant and would also be afforded the benefits derived from undertaking a larger scale contract. Both Councils would implement the contracts that resulted from the tendering exercise,

**The Committee resolved:-**

to instruct the Central Procurement Unit to conduct a competitive tendering exercise, in line with the Council's Standing Orders, Financial Regulations and European Union procurement legislation, for the supply and delivery of vehicles and items of plant.

**ROADS AND QUARRY MATERIAL TESTING SERVICES – PERMISSION TO PROCURE AND AWARD CONTRACT (CG/10/162)**

**29.** The Committee had before it a report by the Director of Corporate Governance which requested approval for officers to conduct a tendering exercise for the provision of roads and quarry materials testing services, and to award a contract as a result of the tendering exercise.

By way of background the report advised that the British Standards Institute Quality Management System required that all materials (aggregates, asphalt, concrete, road pavement surfaces, soils and stabilised soils) be tested periodically. The

report continued to explain that there would be a joint collaborative exercise with Aberdeenshire Council, and that both Councils would implement the resultant contract.

**The Committee resolved:-**

to instruct the Central Procurement Unit to conduct a competitive tendering exercise in line with the Council's Standing Orders, Financial Regulations, and European Union procurement legislation, for the provision of roads and quarry materials testing services.

**CASH IN TRANSIT SERVICES 2010 – 2013 – AWARD OF CONTRACT (CG/10/160)**

30. The Committee had before it a report by the Director of Corporate Governance which requested approval to award a contract to the preferred bidder for the provision of cash in transit services.

By way of background, the report advised that the agreement with the Council's current cash in transit services provider would expire on 30 September, 2010, and that the Council had a mandatory requirement to ensure that all monies being stored and banked by Services were accounted for accordingly in a clear and robust manner. An onsite cash safe option slightly increased cash uplift charges, but in turn allowed for a reduced number of collections leading to a reduced overall uplift charge for these sites with the safes. The report explained that the tender specification required tenderers to demonstrate safe option capability or similar innovations which could provide for a reduced cash handling charge, combined with an improvement in cash storage and security.

The report concluded that this was a joint tender with Aberdeenshire Council, and that both Councils would implement the resultant contract.

**The Committee resolved:-**

to award of the contract for cash in transit services, to Loomis UK Limited, for a period of three years, commencing on 1 October, 2010.

**ESTATES MANAGEMENT CONTRACTS (CG/10/158)**

31. The Committee had before it a report by the Director of Corporate Governance which requested approval to conduct tendering exercises, participate in collaborative procurements, and undertake mini competitions under pretended frameworks for the provision of estates management contracts.

The report detailed the current contracts and annual expenditure in relation to estates management, and explained that work had been undertaken on identifying expenditure levels, current contractual arrangements and collaborative opportunities with other public sector partners in the Chief Executives' Forum (Procurement Sub Group).

The report proposed that the following estates management services be procured collaboratively:

- Refrigeration Plant Maintenance and Repair
- Lift Plant Maintenance and Repair
- Legionella Preventative Maintenance
- Fire Fighting Equipment Maintenance and Repair
- Emergency Lighting/Fire Alarms Maintenance and Repair
- Boiler Plant/Automatic Controls Maintenance and Repair
- Portable Appliance Testing
- Fixed Appliance Testing

The following contracts would thereafter require to be tendered through the national approved contractors list (Constructionline):

- Roof Repairs
- Glazing Repairs
- Cremator Maintenance
- Public Clocks Maintenance and Repair
- Patient Handling Equipment Maintenance and Repair
- Asbestos Removal

The report concluded that it was intended to utilise both direct contracts and framework contracts to allow the maximum flexibility for the Council in procuring from a number of suppliers, allowing access to a choice of suppliers (to ensure the continuity of service provision), whilst also allowing economies of scale to be generated to gain improved pricing.

**The Committee resolved:-**

to instruct the Head of Procurement, in conjunction with colleagues from the Enterprise, Planning and Infrastructure Service to conduct competitive tendering exercises in line with Council's Standing Orders, Financial Regulations and European Union procurement legislation, wherever possible taking part in procurements on a collaborative basis for the provision of estates management services using both framework contracts and direct contracts as required.

**NORTH TERRITORY HUB PROGRAMME (EPI/10/227)**

**32.** With reference to article 4 of the minute of meeting of the former Budget Monitoring Board of 10 September, 2009, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update on the procurement process that was being undertaken to select a private sector development partner to join with the north territory participants and the Scottish Futures Trust to improve efficiency and provide better value for money in delivering community infrastructure projects in the north territory.

The report advised of the background to this project, and detailed the procurement process that had been undertaken.

**The Committee resolved:-**

- (i) to note the satisfactory progression of the north territory procurement process to identify a private sector development partner; and
- (ii) to instruct that the outcome of the north territory procurement process be reported to the Enterprise, Planning and Infrastructure Committee of 9 November, 2010, in order for a decision to be taken on the level of participation the Council wishes to take in the hub.

**In accordance with the decision recorded under article 1 of this minute, the following items were considered with the press and public excluded.**

### **DECLARATIONS OF INTEREST**

**The Convener and Councillor Yuill declared interests in the report referred to in the following article by reason of their membership of Unison. Councillors Crockett, Graham and Young also declared interests by virtue of their membership of Unite the Union. None of the members felt it necessary to withdraw from the meeting.**

### **STAFF HOUSES (EPI/10/234)**

**33.** Reference was made to article 51 of the minute of the previous meeting of this Committee of 17 June, 2010, at which time there was under consideration a report prepared for the Audit and Risk Committee on the matter of tied housing and the justification, if any, for houses to remain tied, which had presented a number of options to members regarding the future management of the properties in question. As part of the decision of this Committee on that occasion, the Head of Asset Management and Operations was instructed to consult the tenants of the staff houses on various appropriate issues that may affect their future occupancy, including the proposal to remove the rental discounts currently applying and to increase the rents payable by them to the levels of the prevailing Housing Revenue Account rents, all as detailed within the report before the members at that time, and to report back to the Committee with the outcome of that consultation. The Committee now had before it a report by the Director of Environment, Planning and Infrastructure which contained the information requested.

The report referred to the decision taken by the Committee at its meeting on 17 June, 2010, and pointed out the need, in terms of Sections 25 and 39 of the Housing (Scotland) Act 2001, to consult such tenants before giving notice of a rent increase and to have regard to the views expressed by those consulted. Having confirmed that the Head of Asset Management and Operations had responsibility for fifty one staff houses, the report (1) advised of the numbers which were currently vacant, were still required to be kept as tied housing and were currently occupied by persons awaiting relocation; (2) advised also of the notification given to the tenants affected and their trades union representatives; and (3) confirmed that eighteen responses had been received, including two from trades unions, copies of which were before the Committee.

The report proceeded to outline the concerns expressed by the affected tenants and their trades union representatives and provided officers responses in this regard. Also mentioned was the commitment given by the Council to the Scottish

Government that all housing stock would be brought up to the Scottish Housing Quality Standard by 2015, and the implications for that commitment arising out of the issue of staff housing. The situation with tied housing in the cities of Dundee, Edinburgh and Glasgow was also outlined within the report, as was the role of the Housing Cases Review Sub Committee in considering applications from tied tenants for rehousing.

**The report recommended:-**

that the Committee –

- (a) have regard to the views expressed by or on behalf of those tenants consulted;
- (b) approve the removal of the rental discounts currently applying to the staff house rents of those tenants consulted, with effect from 1 December, 2010 or as soon as practicable thereafter;
- (c) approve the increase of the rents currently payable by all those staff house tenants consulted, to the levels of the prevailing Housing Revenue Account rents, with effect from 1 December, 2010 or as soon as practicable thereafter;
- (d) agree that no Service is required to pay any rental subsidies in respect of the tenancies that are the subject matter of this report, with effect from 1 December, 2010 or as soon as practicable thereafter; and
- (e) instruct the Head of Asset Management and Operations to take, or arrange for the taking of, any such actions as may be necessary in order to implement the above recommendations.

At this point in the meeting and with reference to the decision taken earlier regarding the receipt of deputations (article 1 of this minute refers), a deputation from the Unite and GMB Unions was invited to address the Committee. Subject to an apology on behalf of the representative from the GMB Union who had been called away on other union business, the Committee heard Mr Robb as Convener of Unite the Union, who began by declaring an interest in the subject matter of the report, by reason of his tied tenancy of a staff house belonging to the Council. Mr Robb was allowed to proceed on the understanding that he speak only about the general issue in hand, and in no way about his specific circumstances. Mr Robb, in addressing the Committee, made reference (1) to the agreements entered into in 1990 between individual members of staff and the former Grampian Regional Council, following discussions between the local authority and the then trades unions which represented the staff involved; (2) to the custodianship aspects of the arrangement entered into, a matter which it was acknowledged at the time would deliver benefits to the local authority in the form of reduced vandalism costs and improved security; (3) to the devastating impact on the lives of the staff involved, that would result from increasing rent charges by the order of, on average, 800%; and (4) to the need for the local authority to take a more reasonable approach to the matter and to accept that the situation was not the fault of the staff members involved. Mr Robb concluded his presentation by pointing out that although the rent payments for staff housing had failed to increase over the years as might have been expected, the other side of the equation was that little or no repair or refurbishment work to the properties had been undertaken during that period. He requested that the Committee accept that it was unfair to expect staff occupying tied houses to absorb 20 years of rent increases all at one time, and to consider a more gradual approach to the matter. Mr Robb withdrew from the meeting on concluding his presentation and prior to any debate on the matter taking place.

The Convener, seconded by Councillor Fletcher, moved:-

that the report's recommendations be approved and that, in addition, the Director of Enterprise, Planning and Infrastructure prepare a further report exploring the possibility of staff occupying former tied houses, following the realignment of their rents to prevailing HRA levels, being able to benefit from the full range of rights currently available under a normal council house tenancy (including inheritance rights and right to buy).

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

that the report recommendations be not approved; and that appropriate officers be requested to provide more detailed information showing the level of rent increase proposed in each case and explaining any, additional tenancy rights which may be created following realignment to HRA levels.

On a division, there voted:- for the motion (10) – the Convener, the Vice Convener and Councillors Cormack, Dean, Fletcher, Leslie, McCaig, May, Wendy Stuart and John West; for the amendment (5) – Councillors Cooney, Crockett, Farquharson, Graeme and Laing.

**The Committee resolved:-**

that the terms of the successful motion be adopted.

## **IRRECOVERABLE INCOME – APPENDIX**

**34.** With reference to article 15 of this minute, the Committee had before it an appendix containing details of business case write offs above £25,000.

**The Committee resolved:-**

to note that this matter had been dealt with under article 15 of this minute.

## **DECLARATIONS OF INTEREST**

**Councillors Laing and Young declared an interest in the subject matter of the following article by virtue of their positions on Oakbank School Board of Governors. It was not necessary for the Councillors to withdraw, as the matter had been dealt with at a previous point in the meeting.**

## **ADMITTED BODIES WITHIN THE ABERDEEN CITY COUNCIL PENSION FUND WITH LINKS TO ABERDEEN CITY COUNCIL – APPENDIX**

**35.** With reference to article 18 of this minute, the Committee had before it an appendix containing details of admitted bodies with ties to the Council.

**The Committee resolved:-**

to note that this matter had been dealt with under article 18 of this minute.

## **ABERDEEN BUSINESS ENTERPRISE SCHEME LOANS – MONITORING REPORT (CG/10/175)**

**36.** With reference to article 39 of the minute of meeting of the former Resources Management Committee of 16 June, 2009, the Committee had before it a report by the Head of Finance which provided monitoring information on outstanding small business loans made under the Aberdeen Business Enterprise Scheme (ABES). The report outlined the current status of outstanding loans and where appropriate, advised on actions being taken to pursue arrears.

Appended to the report were details of the individual loans that were outstanding.

### **The Committee resolved:-**

- (i) to note the current list of outstanding loans, and that efforts were being made to pursue those where there was no agreed repayment arrangement; and
- (ii) to agree that no further action be taken to pursue the loans identified to be written off in appendix 1; and approve the writing off of the outstanding balances in respect of these loans.

## **TRADING SERVICES MONITORING 2009/10 (CG/10/179)**

**37.** With reference to article 35 of the minute of its meeting of 11 May, 2010, the Committee had before it a report by the Head of Finance which provided details of the current positions and forecast outturns for the financial year 2009/10 for trading activities, both significant and non significant.

Appended to the report were figures that advised on the anticipated full year income and expenditure for each of the services identified by the Council as a significant trading activity under the Local Government (Scotland) Act 2003, with similar information also provided for non significant activities.

### **The Committee resolved:-**

- (i) to note that the forecast outturn to 31 March, 2011 showed a projected overall surplus for the significant trading activities in the order of £7.6 million, compared with a budgeted surplus of £7.7 million;
- (ii) to note that the provisional full year results indicated that the financial objective for each significant trading activity would be achieved, before allowing for the effects of pension adjustments required under the provisions of Financial Reporting Standard number 17 (FRS17), the value of which was unknown at this time;
- (iii) to note that following a previous decision by Committee (article 32 of the minute of meeting of this Committee of 12 November, 2009 refers), a review of the Council's trading activities had been undertaken earlier in 2010 and as a result of this review, the building cleaning and catering services were found to no longer meet the criteria for inclusion as non significant trading activities (article 20 of the minute of meeting of this Committee of 11 May, 2010 refers); and accordingly, that both of these services had been moved to the General Fund for 2010/11; and



- (iv) to note that, whilst there was no statutory requirement for fleet services, as the Council's sole non significant trading activity, to meet the best value financial objective, an overall surplus of £114,000 was currently forecast for the year for this activity.

### **CUSTOMER FIRST PROGRAMME – CAPITAL SPEND (CG/10/149)**

**38.** With reference to article 40 of the minute of its meeting of 11 March, 2010, the Committee had before it a report by the Director of Corporate Governance which requested approval to spend the remaining non housing capital funding allocated to the Customer First programme at the meeting of the former Resources Management Committee of 16 June, 2009 (article 26(26) refers). This request related to the development of a Customer Contact Centre at Frederick Street, the Customer Service Centre at Marischal College, and the development of a corporate training facility on the second floor at Frederick Street.

The report detailed how the capital funds would be spent, and concluded that the Customer First Programme would deliver efficiencies through improved customer service, delivering critical elements of the technical infrastructure to enable this to happen, and allowing centralisation of frontline service provision through the development of a customer services delivery team.

#### **The Committee resolved:-**

- (i) to approve the remaining capital spend of £1,250,000 for 657A – Customer First programme – CRM Technologies budget, to fund current and future developments to support centralised customer service provision; and
- (ii) to approve the remaining capital spend of £501,000 for 657B – Customer first programme – Frederick Street budget, to accommodate additional ICT, furniture and additional building works costs for both the first and second floor.

### **TRANSITION EXTREME – RESTRUCTURING OF BANK GUARANTEES (ECS/10/082)**

**39.** With reference to article 28 of the minute of meeting of the Education, Culture and Sport Committee of 16 September, 2010, the Committee had before it a report by the Director of Education, Culture and Sport which requested that the existing bank guarantees provided to Transition Extreme by the Council, to cover loan and overdraft facilities, be restructured.

#### **The Committee resolved:-**

- (i) to approve that each loan (loan 1 – revised guarantee of £345,000; loan 2 – revised guarantee of £140,000; and overdraft limit – revised guarantee of £250,000), be guaranteed separately for its lifetime ; and
- (ii) to instruct that a further report be submitted at its meeting of 1 February, 2011.

## DECLARATIONS OF INTEREST

**Councillors Dean and Fletcher declared interests in the subject matter of the following article, as members of the Board of Aberdeen Exhibition and Conference Centre (AECC). Neither Councillor felt it necessary to withdraw from the meeting during consideration of this matter.**

### **AECC EXPANSION PROJECT FOR OFFSHORE EUROPE (EPI/10/253)**

**40.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which requested authority to procure the construction of an improved hard standing area for the erection of a modern, high quality temporary event space which would provide enhanced income for the AECC through its contract for Offshore Europe 2011, and into the future.

The report advised that two planning applications have been submitted in this regard, and provided a detailed breakdown of the financial implications associated with this proposed project.

The report explained that the improved facility would provide a sustainable investment for the Offshore Europe Exhibition and Conference, and also further opportunities for existing events including the All Energy Conference and Exhibition, which could seek additional space in future.

#### **The Committee resolved:-**

to approve the funding of the project from within this year and next year's capital plan, on the basis that the improved facility secures an income stream for the AECC which would offset the capital repayment charges, so the level of subsidy to the AECC would be reduced over the coming years by taking this into account.

## **MATTER OF URGENCY**

**With reference to article 1 of this minute, 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 report be considered as a matter of urgency in order for the Committee to have the most up to date and relevant information before them on this day.**

## **3Rs PROJECT – HEDGING ARRANGEMENTS AND FACILITIES MANAGEMENT ISSUES**

**41.** With reference to article 44 of the minute of its meeting of 11 May, 2010, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update on progress in relation to the 3Rs project, in particular, the replacement of the facilities management contractor, and the hedging arrangements.

By way of background, the report reminded members (1) that the 3Rs project had been restructured in July, 2009, as a result of Landsbanki (the senior funder), experiencing financial problems in October, 2008; and (2) that Robertson Facilities

Management Limited had been identified as the replacement facilities management contractor in May, 2010.

The report advised that in July, 2009, Landsbanki had stated that they wished to organise hedging arrangements to manage interest rate risk in relation to NYOP (the project company). At this time, NYOP were not in a position to enter into hedging arrangements due to timing issues, but it was agreed that this would be arranged after the conclusion of refinancing.

**The Committee resolved:-**

- (i) to authorise the Director of Corporate Governance and the Director of Enterprise, Planning and Infrastructure, in liaison with the Convener of this Committee and the Leader of the Council, to negotiate and agree a position with NYOP Education (Aberdeen) Limited on the hedging arrangements, and to ensure that the Council's risk profile does not materially change;
- (ii) subject to the satisfactory conclusion of negotiations at (i) above, to grant consent under clause 7.2 of the Project Agreement to allow NYOP Education (Aberdeen) Limited to enter into the proposed hedging arrangements with the Bank of Ireland, subject to the completion of all legal and financial due diligence confirming that the Council's Termination Liabilities (and other liabilities) do not increase as a result of the proposed hedging arrangements;
- (iii) to agree to amend the drafting within the 3Rs Schools Project Agreement to include a period to benchmark the use of electricity, gas and water (called a normalisation period), subject to the completion of all necessary due diligence; and
- (iv) to authorise the Head of Legal and Democratic Services or her nominated representative, to complete the assessment of each of above (i) – (iii), and to undertake the final negotiation, completion and approval on behalf of the Council of all documents required to facilitate the proposed hedging arrangements and replacement of the facilities management contractor.

**TOWNSCAPE HERITAGE INITIATIVE – VERBAL UPDATE**

**42.** Reference was made to article 42 of the minute of its previous meeting of 17 June, 2010, at which time there was under consideration the latest verbal update provided by the Head of Planning and Sustainable Development regarding the progress of the works being carried out to The Green area of the city centre under the Townscape Heritage Initiative Project, with particular reference to the concerns expressed about access to the area and disruption to local businesses, as a result of the works. The resolution of the Committee at that time was to request that officers write to Scottish Water expressing concerns about the leak at Carmelite Lane, in particular with regard to the timing of the resultant repair works and also to instruct officers to ensure that the footways on Carmelite Street affected by the remedial works were reinstated to their present standard by Scottish Water. The Committee now heard the Head of Planning and Sustainable Development who advised as regards progress since the meeting in June.

Dr Bochel indicated that since last reported, the wider works at The Green under the initiative were now substantially complete. On the matter of Carmelite Lane, she advised that the streetscape works would commence at the end of October and

it was anticipated that they would be completed by the end of November. It was indicated that the issue of additional cost (if any) had yet to be fully examined.

**The Committee resolved:-**

- (i) that the situation be noted; and
- (ii) to instruct that, should the Council incur any additional costs as a result of the works being undertaken at Carmelite Lane, the Head of Planning and Sustainable Development seek to recover these costs in full.

**CORPORATE ASSET MANAGEMENT SYSTEM – PROGRESS REPORT**

**43.** Reference was made to article 10 of the minute of meeting of the Audit and Risk Committee of 19 January, 2010, when it was agreed in relation to the Corporate Asset Management System (CAMS) Project, that an update report would be submitted to each meeting of this Committee. Accordingly the Committee had before it the latest update report prepared by the Director of Corporate Governance (further to the previous update at the meeting of this Committee of 16 June, 2010 (article 43 refers)).

The report reminded members that the project involved the replacement of stand alone systems with a corporate solution; indicated that the current phase was focused upon replacing ‘Estateman’ for non housing property with ‘CAPS Uniform’, part of the Corporate Asset Management System; and advised of progress made in relation to non housing property module, where the link was now complete and the conform/e-Financial link which was undergoing further development with a view to completion in mid September. The report also highlighted certain issues related to staff training and the cost of that and the upgrading of the Confirm software to Version 9, which although part of standard ICT procedures would result in a financial saving. An appointment to the post of Confirm System Manager post within the Asset Management and Operations Service of Enterprise, Planning and Infrastructure was also addressed within the report, in the context of transferring future reporting responsibilities on the project to that Service.

**The Committee resolved:-**

- (i) to note the progress made to date in replacing the existing stand alone systems with the Corporate Asset Management System (CAMS);
- (ii) to approve the proposal to complete the original project and establish future contract management; and
- (iii) to request that the Director of Enterprise, Planning and Infrastructure report back on progress to the next meeting of 2 December, 2010.

**DECLARATIONS OF INTEREST**

**Interests in the report referred to in the following article were declared by Councillor Fletcher as a Board member (when incorporated) of Retail Rocks Aberdeen Limited and also by Councillor Dean as a member of the Project Steering Group. Neither member felt it necessary to leave the meeting during the Committee’s deliberations on the matter.**

## **RETAIL ROCKS ABERDEEN – THE COMPETITION STAGES (EPI/10/238)**

**44.** Reference was made (1) to article 24 of the minute of meeting of this Committee of 28 January, 2010, and (2) to article 52 of the minute of meeting of this Committee of 17 June, 2010, which, among other matters, detailed the basis of the Retail Rocks initiative being a Scottish Government backed concept aimed at the regeneration of town centres by focusing on the creation of successful local retail businesses; confirmed that, in Aberdeen, the scheme would involve the bringing back into use of vacant retail units in the Torry area; and further confirmed that initial support for the scheme would take the form of access to a rent free retail unit for one year plus mentoring support, to be competed for by applicants with a retail business idea. In pursuance of previous decisions taken in respect of this matter, the Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure which sought to update members on progress and to address issues surrounding the competition and the possible need for an associated increase in the current budget allocation.

The report outlined the progress made since June, 2010, when the matter was last reported, which included the identification of three Councillors as Directors to sit on the Board of Retail Rocks Aberdeen Limited, leaving two places still to be filled before the company could be incorporated; the acquisition of a future shop unit for the project, with negotiations being at an advanced stage; and the awarding of a tender for works that will address structural disrepair and associated matters in some of the buildings where units are located. On the matter of Project Implementation during the period October, 2010 to March, 2011, the report indicated that the next stage would be the launch of the competition, in respect of which two key issues need to be addressed (1) a requirement for the underwriting of the final costs of the project works; and (2) the appointment of the competition panel, which the report suggested be done in consultation with the Project Steering Group and, if required, involving the three Council Directors.

The report, having highlighted the complexity of the property investigations and negotiations which were required and the resultant slippage in the original programme dates, included a revised timescale prepared by officers and which would allow contact to be made now with the Scottish Government seeking formal approval for the delayed spend linked to completion of property acquisitions, the preparation of technical specifications, the undertaking of refurbishment works and the competition process itself.

### **The report recommended:-**

- (a) that the progress to date on the development of the environmental infrastructure and building investment in Torry through this project, be noted;
- (b) that it also be noted that an additional £170,000 budget provision would be made available from within the current Enterprise, Planning and Infrastructure budget for 2010/2011, for the completion of the Retail Rocks project to cover (1) shop fit out; (2) competition costs; (3) property running costs; (4) stock acquisition; and (5) project support costs, all as narrated within the report and in the event that private sector funding for these purposes is not realised within the current financial year;
- (c) that members also note the revised project timescales and new arrangements, as narrated within the report and authorise officers to

- negotiate revisions to the programme dates as identified in the original Town Centre Regeneration Fund award with the Scottish Government;
- (d) that the Committee agree to homologate the exercise of delegated authority granted to the Director of Enterprise, Planning and Infrastructure by this Committee at its meeting of 28 January, 2010, for the acquisition of two privately owned retail units and for the renunciation of the lease of the shop unit at 22 Menzies Road, as set out within appendix 1 to the report; and
  - (e) that the Committee agree to receive a progress report at the next meeting of 2 December, 2010.

The Committee explained its concern at recommendation (b), and further noted that this was a matter for the Enterprise, Planning and Infrastructure Committee to consider.

In relation to recommendation (d), the Committee were advised by officers that there was no requirement for the homologation of this decision, and that it should be merely noted.

**The Committee resolved:-**

- (i) that recommendations (a), (c) and (e) be approved;
- (ii) that recommendation (b) be referred to the Enterprise, Planning and Infrastructure Committee for its consideration; and
- (iii) that the actions of the Director of Enterprise, Planning and Infrastructure under delegated powers, referred to under recommendation (d), be noted.

**HAYFIELD RIDING CENTRE, HAZLEHEAD (WESTWOOD COTTAGE) – EPI/10/231**

**45.** The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of a request received from the current tenants of the Hayfield Riding Centre, Hazlehead Park, Aberdeen, that the currently vacant property known as Westwood Cottage, situated within the complex of buildings which form the Riding Centre, be added to their lease.

The report before members described the location of the Cottage, its previous use and its relationship to the buildings that make up the Riding Centre; provided details of the current lease arrangements between the Council, the Mackenzie Course Limited as tenants and Equiworld Club Limited as occupiers/operators of the Centre; and outlined the implications for the Council of acceding to the request.

**The report recommended:-**

- (a) that the Committee approves in principle the inclusion of Westwood Cottage into the Hayfield Riding Centre lease, at the market rent for the cottage;
- (b) that it be remitted to the Head of Asset Management and Operations to negotiate terms for the addition of the cottage into the existing lease; and
- (c) that it be remitted to the Head of Legal and Democratic Services to formally amend the lease, on terms and conditions as are necessary to protect the Council's interests.

The Convener, seconded by the Vice Convener, moved:

that the report recommendations be approved and appropriate officers authorised accordingly.

Councillor Graham, seconded by Councillor Laing, moved as an amendment:  
that the report recommendations be not approved and that the vacant cottage be transferred to the Housing Account.

On a division, there voted:- for the motion (10) – the Convener; the Vice Convener; and Councillors Cormack, Dean, Fletcher, Leslie, McCaig, May, Wendy Stuart and John West; for the amendment (5) – Councillors Crockett, Farquharson, Graham, Laing and Young.

**The Committee resolved:-**

that the terms of the successful motion be adopted.

**WESTSIDE OF CARNIE – OFFER TO PURCHASE (EPI/10/230)**

**46.** The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which related to the Farm of Westside of Carnie, Skene, currently the subject of a lease by the Council under the Agricultural Holdings (Scotland) Act 1991 and in respect of which the tenant had submitted an offer to purchase the Council's interest.

The report contained a detailed description of the area of land involved and the terms and conditions upon which it was currently leased; provided also an indication of the situation that had arisen with the rent review negotiations between the parties; and explained in some detail the possible future outcomes and implications for the Council arising from that rent review, the tenant's rights under the agricultural lease and the sale of the land, if that was what was decided to be done. The report referred to the results of the valuation exercise carried out on the Council's behalf by their term contractor for valuation services; to the planning considerations that needed to be taken into account; and to the ability of the Council to protect its interests as regards any longer term development value which the site may realise. The two main options available to the Council were outlined and assessed in the context of what was in the best interests of the Lands of Skene Trust Fund, under which the subjects at Westside of Carnie were held.

**The report recommended:-**

that the Committee accept the offer received for the sale of the property at Westside of Carnie, Skene, subject to such a clawback provision as the Head of Legal and Democratic Services considers most suitable to protect the Council's interests.

**The Committee resolved:-**

That, subject to a requirement for the Head of Legal and Democratic Services to consult with the Convener and Vice Convener of this Committee on the detail of the clawback provision to be imposed, the report recommendation be approved.

**ROWAN ROAD/ROSEHILL DRIVE (EPI/10/-)**

**47.** The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which related to the parade of local shops at Rosehill Drive and the Council owned parking area to the rear, which took access from Rowan Road. The purpose of the report related to a suggested excambion (exchange of areas of land) between the Council and the owner of property alongside and to the front and rear of the shops, who has planning permission for an additional retail unit at that location, conditional upon the creation of additional parking on land adjacent to Rosehill Drive.

The report outlined the background to the situation that had arisen and explained how the developer of the additional unit proposed to meet his obligations in terms of his planning consent to improve access and parking at the front of the shops. The proposed excambion was illustrated within a drawing attached to the report, which also confirmed that local authority roads officers were not agreeable to the excambion as suggested, from the point of view that parking spaces for the use of the public at the rear of the shopping units would be lost and also because access to the rear of adjacent shops could be restricted.

**The Committee resolved:-**

- (i) that the Council as landlord and the developer of the additional shop unit, agree the excambion involving the two areas of land identified on the plan attached; and
- (ii) that it be remitted to the Head of Legal and Democratic Services to formally conclude the excambion on terms and conditions as are necessary to protect the Council's interests.

**ST. PETER'S NURSERY AND FORMER PUBLIC TOILETS, OLD ABERDEEN – PROPOSED SALES (EPI/10/244)**

**48.** Reference was made to article 26 of the minute of its meeting of 28 January, 2010, at which time there was under consideration a report by the Director of Enterprise, Planning and Infrastructure which contained an update on the status of a number of former Education, Culture and Sport properties now declared surplus to the requirements of that Service, and further updates regarding other surplus properties. As part of the decision taken at that time it was resolved to authorise the marketing of the former St. Peter's Nursery School property at Spital and also the former public toilets at High Street in Old Aberdeen, and to report further thereon to a future meeting. The Committee now had before it a report on these matters by the Director of Enterprise, Planning and Infrastructure.

The report before members contained a description of both properties and an indication of the estimated market value as advised by the Council's external property contractors, who also undertook the marketing exercise. The results of that exercise in respect of both properties were outlined within the report, which also explained why the highest offer received in each case was not being recommended for acceptance.

**The Committee resolved:-**

- (i) that the offer received for the former St. Peter's Nursery School site at Spital, Old Aberdeen by Messrs. Houghton, Melvin Smith and Company, on behalf



- of Mr. T. Mahmood and the offer received for the former public toilets at High Street, Old Aberdeen by CMS Cameron McKenna, on behalf of Jasmine Property Investments, in both cases being the second highest offer received, be accepted; and
- (ii) that the Head of Legal and Democratic Services be instructed to conclude missives for the sale of the properties identified, incorporating various qualifications as are necessary to protect the Council's interests.

## **DECLARATION OF INTEREST**

**Councillor Dean having declared an interest in the report referred to in the following article by reason of her position as Chair of the Cove Rangers Football Supporters' Club, left the meeting prior to the Committee's consideration of the report and took no part in the deliberations thereon.**

## **BOBBY CALDER PARK AND LOCHINCH FARM (EPI/10/247)**

**49.** Reference was made to article 49 of the minute of meeting of the former Resources Management Committee of 2 October, 2002, at which time it was agreed that Bobby Calder Park, Redmoss, Aberdeen, would be leased to Cove Rangers Football Club Limited for a period of 125 years in return for a peppercorn rent (£1 per annum) and a community benefits package, to be provided by the Football Club. Reference was also made to article 42 of the minute of meeting of this Committee of 12 November, 2009, at which time there was under consideration a report by the Director of Enterprise, Planning and Infrastructure relative to ground owned by the Council at Loirston Loch, previously identified for possible inclusion within the new Aberdeen City Local Development Plan as a potential development site. The resolution of the Committee at that time was to authorise the then Head of Resources Development and Delivery and other appropriate officials (including the then City Solicitor and the then City Chamberlain), to enter into discussions with Hermiston Securities as landowners of adjacent land at Loirston, on the creation of an appropriate Development Agreement for the long term development of the Loirston Loch area and that this matter be reported back to a future meeting of this Committee.

The Committee had before it on this day, a report by the Director of Enterprise, Planning and Infrastructure which sought to advise with regard to progress in the implementation of previous Committee instructions in relation to the areas of land at Bobby Calder Park and Lochinch Farm, Redmoss, Aberdeen. As regards the Bobby Calder Park situation, the report reminded members of the basis of the agreement between the parties, in particular the two suspensive conditions imposed relative to planning approval and finance; and confirmed that, subject to one change in the original proposals whereby the community benefits package would now be delivered by Aberdeen Football Club and not Cove Rangers FC, the Council's agents had confirmed purification of the deal with a formal date of entry of 1 September, 2010.

On the matter of development in the area of Loirston Loch, the report outlined the basis of the arrangement between the Council and Hermiston Securities as the

other main land holder in the area and explored a number of issues which had complicated the proposals and which were examined under the headings of Local Development Plan, Aberdeen Football Club/Community Stadium; Bobby Calder Park/Cove Rangers FC Limited; third party land; other land factors; and Council's financial position. The report continued to advise that discussions were now at the stage where both parties were in a position to approve a deal in principle; and outlined the basis upon which that would be done, including the setting out in tabulated format of an indication of how the risks will be managed. The framework of the community benefits package agreed was appended to the report.

**The report recommended:-**

- (a) that the Committee note the position in relation to the site at Bobby Calder Park, the development proposals and timescales for Cove Rangers FC Limited and the delivery of the community benefits package; and
- (b) that the Head of Legal and Democratic Services and the Head of Asset Management and Operations be instructed to conclude negotiations for a Development Agreement on the basis of the terms of the report, with Hermiston Securities Limited, to include other terms as determined to protect the Council's position.

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

that the report recommendations be approved and appropriate officers authorised accordingly.

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

that in the absence of an Environmental Impact Assessment and meaningful local consultation on the matter, consideration of the report be deferred.

On a division between the motion and the amendment, there voted:- for the motion (9) – the Convener; the Vice Convener; and Councillors Cormack, Fletcher, Leslie, McCaig, May, Wendy Stuart and John West; for the amendment (4) – Councillors Crockett, Graham, Laing and Young; declined to vote (1) – Councillor Farquharson; absent from the division (1) – Councillor Dean.

**The Committee resolved:-**

that the terms of the successful motion be adopted.

**SUMMERHILL – SALE AND SERVICE RELOCATION (EPI/10/245)**

**50.** Reference was made to article 53 of the minute of its previous meeting of 17 June, 2010, and the decisions taken at that time in relation to the sale of the Summerhill Education Centre site, in particular the decisions taken that the highest scoring offer for the site be accepted and that the Head of Asset Management and Operations be requested to report further on the actions taken by officers and on the costs associated, in relocating all of the existing users from the Centre. The Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure which provided members with an update on the discussions held with the preferred bidder for the site and also advised with regard to the relocation of services and the financial consequences.

The report indicated that following the meeting on 17 June, 2010, discussions with the preferred bidder were held with the primary objective of agreeing a strategy to take the disposal of the site forward and also to reach a situation where a guaranteed minimum price was identified assuming planning permission for a retail supermarket was forthcoming. The outcome of those discussions was outlined within the report which also made it clear that the agreement reached had allowed the preferred offer to be compared directly with that of the second placed bidder, whose headline figure remained below the revised price identified. The planning issues surrounding the project were also highlighted.

As regards the relocation of current users of the Summerhill Centre, the report indicated that the full provision of community services had been relocated to Northfield Community Centre, Mastrick Community Centre and Sheddocksley Sports Centre; that the one service for which a short term relocation had not been possible was the Mastrick Young People's Project, which continued to operate from self contained facilities situated to the north west of the Summerhill site; that officers had however identified the Hillylands Centre in Mastrick, recently vacated by the Social Care and Wellbeing Service and to be declared surplus to their requirements, for that purpose; and that the budgetary requirements for such a course of action were as detailed within the report. The report concluded with a reference to the fact that the future operational issues surrounding the Hillylands option would be the subject of reports as appropriate to future meetings of the Education, Culture and Sport Committee and also the Social Care and Wellbeing Committee. The relocation outcomes for Council services and community users were detailed within appendix 1 to the report.

**The report recommended:-**

that the Committee –

- (a) note the issues raised in relation to the conclusion of missives with Optimisation Limited and the prospect of having to meet additional planning monitoring fees of around £5,000;
- (b) agree that a budget of £250,000 from the capital receipt is set aside for the relocation of the Mastrick Young People's Project to the former Hillylands Centre, and that a further sum (£379,993.04) is also set aside from the capital receipt to pay off the outstanding debt on the Hillylands facility; and
- (c) agree that subject to the agreement of the Social Care and Wellbeing Committee and the Education, Culture and Sport Committee, the Hillylands Centre be transferred to the Education Account.

**The Committee resolved:-**

- (i) that recommendations (a) and (c) be approved;
- (ii) that the Director of Enterprise, Planning and Infrastructure be requested to report back to the Committee in relation to the suggestions contained at recommendation (b); and
- (iii) that the Social Care and Wellbeing Service be requested to carry out an inspection of the equipment at the Hillylands Centre with a view to utilising it elsewhere.

**DECLARATIONS OF INTEREST**

**Councillors Fletcher, Laing and Young all declared interests in the report referred to in the following article by reason of their differing associations with the development company involved, Carlton Rock Limited. Councillor Yuill declared an interest as he resided near the development. All the members who declared an interest left the meeting prior to the Committee's consideration of the matter.**

**PINEWOOD/HAZLEDENE, COUNTESSWELLS ROAD – UPDATE REPORT (EPI/10/221)**

**51.** With reference to article 40 of the minute of its meeting of 28 January, 2010, the Committee had under consideration the latest report dealing with the future use and disposal of the mostly Council owned sites at Countesswells Road, Aberdeen referred to individually as the Pinewood site and the Hazledene site. The report was in the name of the Director of Enterprise, Planning and Infrastructure and sought to review the current position by referring to the status of the ongoing discussions between all parties having an interest and the options now open to the Council, including the associated risks and benefits for each option and to offer recommendations for the way forward, with supporting rationale.

The report began with background information related to ongoing issues that remain unconcluded; with an update on each of the issues identified, including a references to the now resolved impasse between the Council and Carlton Rock Limited as the development company with an option agreement with the Council's tenants on part of the land in question; and to perceived changes in the housing market conditions, which noted the receipt by the Council of an unsolicited offer to acquire both of the development sites. The report proceeded to outline the three main options available to the Council, as discussed with their external advisers and in respect of which the identified risks were also highlighted. The conclusion arrived at within the report by officers and external advisers, was that any further progress in the matter would require clarification by the Committee as to whether it either wished to discontinue all discussions with interested parties and await the end of the current lease of part of the land involved (2020), when all options available at that time would be reconsidered, or to restate its intention to take the sites to the market at an appropriate time.

**The report recommended:-**

that the Committee –

- (a) notes the confirmed information now available regarding the tenant's option agreement with Carlton Rock, its significance and potential impact on this property transaction, the options open to the Council and the potential risks and benefits associated with each option;
- (b) decides between the two options of (1) discontinuing all discussions regarding the future use of these sites until immediately prior to the expiry of the current lease in 2020 and reconsider all options available to the Council at that time; or (2) restating its intention to take these sites to the market at an appropriate time;
- (c) confirms that it does not wish to follow up at this time the unsolicited offer received and, if recommendation (b)(2) above is approved, to instruct the Director of Enterprise, Planning and Infrastructure to (1) finalise an agreement with the Council tenant, (2) develop a marketing strategy, (3) develop a tender evaluation strategy, (4) develop a joint working agreement

with Robert Gordon's College, (5) report with regard to recommendations (c)(1), (2), (3) and (4) to Committee within the next three Committee cycles for its consideration and approval, and (6) provide market growth information in spring 2011 plus recommendations for marketing these sites for Committee consideration; and further recommends that if recommendations (c)(1) – (6) inclusive are accepted, the Committee approve the principles of the approach to calculating the split of any future capital receipts outlined in appendix 2 regarding the allocation of capital receipts and the future reversion of part of the tenant's share to the Council with the passage of time to be recalculated on the date of each capital receipt.

Councillor Farquharson moved at this point that the Committee agree the option (b)(2) and restate its intention to take the sites at Pinewood and Hazledene to the market at an appropriate time but, in going with that option, instructs the Director of Environment, Planning and Infrastructure to delay his report back to Committee in terms of recommendation (c)(5) until the option agreement between the Council's tenants and Carlton Rock Limited has expired. Councillor Farquharson did not, however, attract a seconder for his motion, which therefore fell.

**The Committee resolved:-**

to adopt the option identified under recommendation (b)(2) and restate the Council's intention to take the development sites at Pinewood and Hazledene to the market at an appropriate time and, on that basis, to approve all the other report recommendations.

- **COUNCILLOR KEVIN STEWART, Convener.**